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Glesys
Sustainability Report 2024

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Glesys Sustainability Report 2024

Executive summary

At Glesys, we're building a better place for data through sustainability leadership and operational excellence. Our 2024 sustainability statement marks our first comprehensive CSRD reporting, establishing clear baselines and ambitious targets.

Environmental excellence

We achieved remarkable environmental performance in 2024, demonstrating sustainable operations drive competitive advantage. Our data centers operate with weighted average PUE of 1,28, significantly outperforming European and global industry benchmarks. With 100% renewable electricity across operations we reduced market-based Scope 2 emissions to 0,22 tonnes CO_2eq from district heating.

Our heat recovery systems exemplify circular innovation, contributing 4,8 GWh to Stockholm and Falkenberg district heating networks in 2024 - transforming waste heat into valuable energy resources for local communities. This achievement is reflected in our 84% Energy Reuse Factor, positioning us as a leader in circular data center design.

Climate leadership with science-based targets

Our comprehensive greenhouse gas inventory establishes 2024 as base year with total market-based emissions of 1956 tonnes CO_2eq. We've committed to 99% Scope 1 emissions reduction by 2030 through systematic fuel transitions, including complete electric vehicle adoption by 2027 and backup power conversion to fossil free fuel alternatives by 2030.

Through Climate Neutral Data Centre Pact participation since 2021, we subject ourselves to independent third-party auditing and European Commission monitoring, demonstrating transparent accountability for climate commitments.

Circular solutions and operational innovation

We extend server lifecycles to up to 10 years compared to industry-standard 3-5 year cycles through component-level maintenance and strategic parts inventory management. This approach reduces resource consumption while enhancing operational efficiency, supporting our target of 90% hardware reuse or recycling by 2026.

Our zero-landfill operations achieved 99% waste diversion rates in 2024.

Financial commitment and strategic integration

We allocated 5,1 million SEK to climate change mitigation initiatives in 2024, with planned investments of 10,25 million SEK through 2030 targeting energy efficiency, heat recovery expansion, and complete operational decarbonization.

Our comprehensive double materiality assessment planned for H2 2025 will enhance strategic integration and stakeholder engagement, ensuring our sustainability leadership continues creating value for customers, communities, and investors across the Nordic region and beyond.

We're pioneering the future of data centers, setting new standards for innovation and efficiency.

Glenn Johansson, CEO Glesys

Highlights from 2024

11% Workforce growth	**1** Acquisition made	**12%** Revenue growth	**4,8 GWh** Energy reused
1,28 Group average PUE	**0,05** Group average WUE	**1,74** gCO2e/IT load CUE	**84%** Group average ERF[1]

PUE (Power Usage Effectiveness) was calculated following ISO/IEC 30134-2:2016
WUE (Water Usage Effectiveness) calculated as total water consumption divided by IT load
CUE (Carbon Usage Effectiveness) calculated as Scope 1 and 2 market-based emissions divided by kWh IT load.
ERF (Energy Reuse Factor) calculated following ISO/IEC 30134-2:2016

[1] The 84% average ERF is the average of our sites in Falkenberg (SE) and Stockholm (SE). Other sites does not currently have waste heat reuse technology.

Climate Neutral Data Centre Pact

We are committed to the CNDCP and achieving Scope 1 and 2 climate neutrality by 2030.

Read more about the pact at www.climateneutraldatacentre.net

1. General information

1.1 Basis of preparation

This sustainability statement covers the period from 1 January to 31 December 2024, corresponding with Glesys' financial year. The sustainability statement has been prepared in partial alignment with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Greenhouse gas disclosures follow the GHG Protocol Corporate Accounting and Reporting Standard.

Reporting boundaries & scope of consolidation

The sustainability statement is global in scope and comprises the same entities as the consolidated financial statements of the parent company Glesys Holding AB (reg. no 559128-7056). All subsidiaries under the parent company's control are included:

- Glesys AB
- Stockholm Internet eXchange AB
- Ekobilen 7 Fastigheter AB
- Cloudonline Sverige AB
- Glesys Finland Oy
- Oulun DataCenter Oy

Entity exceptions: Our operations in Tampere (Finland) carried out within Glesys Finland Oy were acquired on 1 October 2024. Given limited data availability for the months prior to acquisition and the relatively small scale of Tampere operations compared to our other data centers, we have extrapolated Q4 2024 data to estimate the full year.

Upstream (energy, hardware, software, contractors) and downstream (customers, heat-reuse, e-waste) value-chain impacts are included where data are available. Unless stated otherwise, metrics are Group-level totals.

Reporting framework and standards

The Group's sustainability statement has been prepared in partial compliance with the EU Corporate Sustainability Directive (CSRD), implemented in the Swedish Annual Accounts Act, and the European Sustainability Reporting Standards (ESRS) issued by the European Financial Reporting Advisory Group (EFRAG). While 2024 reporting does not yet meet every ESRS datapoint, it represents a decisive step toward full compliance in 2025.

Greenhouse gas disclosures follow the GHG Protocol Corporate Accounting and Reporting Standard, ensuring consistency with internationally recognized best practices for GHG value chain modeling.

Time horizons

Our sustainability statement adopts the time horizons defined in ESRS 1:

- Short-term time horizon is the same as the reporting period in our financial statements (1 year).
- Medium-term time horizon covers five years from the end of the reporting period.
- Long-term is defined as more than 5 years.

No alternative definitions of time horizons have been applied for in this report.

Phase-in provisions

Taking advantage of ESRS1 Appendix C, we defer datapoints that require extensive new systems, focusing first on high-priority material topics. Full coverage is targeted for the 2025 statement.

Data & methodology

Scope 1 and 2 data is derived mainly from primary data, though data on electricity consumption and district heating for shared offices are subject to estimations. These shared office spaces represent a minimal portion of total energy consumption.

Estimation Approaches: Minor estimations are addressed in direct connection with relevant disclosures rather than in separate sections:

- Tampere data: Q4 2024 extrapolated to full year due to acquisition timing
- Shared office spaces: Electricity and waste estimated based on headcount for offices with low contribution to overall impacts
- Purchased goods and services: Spend-based emission factors applied due to limited supplier-specific data availability

Scope 3 datapoints rely on estimates to a larger extent due to data availability constraints. Where estimation or high uncertainty occurs, this is flagged alongside the disclosure.

Where datapoints mandated by the ESRS are reported for the first time, the statements prioritize compliance in the 2024 reporting period. We have assessed the practicality of including comparative data for previous years on a case-by-case basis, considering time constraints and data availability.

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Restatements and comparatives

No restatements of historical data have been made as these sustainability statements constitute Glesys' first year of reporting under CSRD. As such, the 2024 data will serve as the group's base year for future statements.

Some disclosures include 2023 comparative data where available, particularly for electricity and water consumption, as indicated in relevant data tables throughout the statement.

Materiality assessment

During 2024, Glesys conducted a preliminary review of material sustainability topics based on industry benchmarking, stakeholder feedback, and regulatory requirements. We identify likely material topics including climate change mitigation, reuse of waste heat, and recycling of electronic waste.

A comprehensive double materiality assessment aligned with ESRS requirements is planned for completion in H2 2025, which will systematically incorporate stakeholder perspectives to prioritize sustainability impacts, risks, and opportunities.

Scope 3 emissions coverage

Our Scope 3 disclosures include seven relevant categories: Purchased goods and services, Capital goods, Fuel- and energy-related activities, Waste generated in operations, Business travel, Employee commuting, and Upstream leased assets.

Upstream and downstream transportation have been excluded due to lack of data - an area we will address moving forward. The remaining Scope 3 categories are excluded as they are not relevant to our operations.

Third-Party Assurance

The 2024 report audit is limited to validation of GHG calculations by PWC.

Independent assurance is planned for 2025. The specific scope of third-party assurance for 2025 remains to be determined pending further assessment of available assurance levels and their implications.

1.2 Governance and oversight

Glesys maintains a comprehensive governance framework that ensures effective oversight of sustainability matters across all business operations. Our governance structure integrates sustainability considerations into strategic decision-making while maintaining clear accountability and expertise at every level.

Governance structure and accountability

The Board of Directors serves as our highest governing body for sustainability, providing strategic oversight and approving all major sustainability decisions. Our three-member Board comprises two shareholder-elected members and the Group CEO, with executive management responsibilities delegated to the Executive Management Team (CEO, CFO, CCO, CTO).

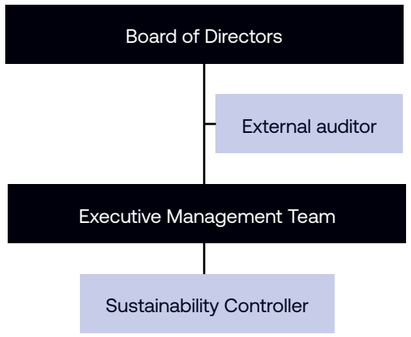
The CEO holds ultimate responsibility for sustainability strategy execution and policy implementation, with specific responsibilities delegated to relevant business functions. Starting in 2025, our newly appointed Sustainability Controller will coordinate sustainability initiatives across operations, reporting directly to the Executive Team.

Board composition and expertise

Our Board maintains gender diversity with 67% men and 33% women, and age diversity with 67% aged 30-50 years and 33% aged 51 and over. Board members bring extensive industry experience, and we are enhancing sustainability competencies through ongoing education and advisory support. The appointment of our Sustainability Controller in 2025 provides dedicated expertise to support executive and board decision-making on sustainability matters

Oversight and reporting

During 2024, the Board received bimonthly updates on sustainability matters covering ESG action plan implementation, policy formalization initiatives, whistleblowing mechanism implementation, value chain mapping and stakeholder engagement, preliminary materiality assessment results, and sustainability KPIs with deep-dives on material impacts, risks, and opportunities.



Board gender distribution

67% men

33% women

Board age distribution

67% aged 30 to 50 years old

33% aged 51 and over

Risk management and internal controls

Sustainability reporting is governed by our integrated management system (IMS), certified to ISO 9001, 14001, and 27001. We use a risk-based approach, prioritizing data accuracy, completeness, and regulatory compliance. Key risk categories include data quality, regulatory compliance, supplier data availability, and data collection and verification processes.

Integration with business strategy

Sustainability oversight is embedded in our governance processes through quarterly board reviews of sustainability performance, executive compensation evaluation for sustainability performance linkage, integration of sustainability considerations in strategic planning and investment decisions, and board approval of sustainability policies and targets.

Body/Role	Responsibility	Frequency	Diversity (%)	Independence (%)
Board of Directors	Approves targets, oversees IROs and overall progress of ESG targets and initiatives	Bimonthly	67% men 33% women	0%
Executive management team	Defines targets, approves initiatives. High level responsibility for implementation of actions	Monthly	100% men	N/A
Sustainability Controller (hired 2025)	Coordinates and lead implementation of initiatives and actions across all business fucntions. Implements action plans. Reports to Executive management.	Continuous	100% men	N/A

1.2.1 Risk management and internal controls

Glesys operates a comprehensive integrated management system (IMS) certified to ISO 9001 (quality management), ISO 14001 (environmental management), and ISO 27001 (information security management). This IMS provides our systematic framework for managing sustainability-related impacts, risks, and opportunities across all operational sites and business functions.

Our risk-based approach prioritizes data accuracy, completeness, and regulatory compliance through established procedures for identifying, assessing, and managing key risk categories including data quality, regulatory compliance requirements, supplier data availability, and data collection processes.

The IMS ensures consistent application of management principles across sustainability reporting, environmental stewardship, and operational excellence. Through multi-level review procedures, systematic monitoring of regulatory developments, and conservative estimation methodologies, we maintain robust internal controls that support transparent stakeholder reporting and informed decision-making.

Key risk mitigation measures include ongoing supplier engagement to improve data quality, systematic monitoring of regulatory developments, and multi-level review procedures for data validation and reporting accuracy. While environmental risks are currently covered by our general risk management framework built on ISO 9001, 14001, and 27001 standards, we plan to enhance sustainability-specific risk assessment capabilities through our newly appointed Sustainability Controller in 2025.

The Sustainability Controller will establish formal risk assessment procedures and ensure oversight of sustainability reporting risks across all operational sites, implement standardized data collection templates, conduct quarterly risk assessments, and establish materiality thresholds for data quality assessments.

1.3 Business model and strategic integration

Glesys delivers secure, energy-efficient digital infrastructure and connectivity solutions through owned and operated data centers in Sweden and Finland, complemented by points of presence in key European interconnection hubs. Our business model connects critical inputs with comprehensive outputs to create value for customers, investors, communities, and the environment.

Input approach and resource management

We secure three critical input categories through carefully selected partnerships that prioritize sustainability and operational excellence. IT hardware procurement focuses on servers and networking equipment that enable in-house servicing and component replacement, extending lifecycles to 10 years compared to industry-standard 3-5 year cycles. Software licenses include virtualization platforms, operating systems, and management tools essential for service delivery. Renewable electricity forms our operational foundation, verified through Guarantees of Origin certificates across all Swedish and Finnish facilities.

Our supplier relationships emphasize transparency, particularly regarding EU-based assembly processes that facilitate enhanced due diligence and support our circular economy objectives. We maintain strategic partnerships that enable component-level maintenance while requiring detailed information about power consumption, compliance with EU Eco Design standards, and Energy Star certification.

Value chain positioning and relationships

We operate as a full-service provider positioned between hardware manufacturers and end customers. Our upstream value chain includes hardware suppliers with transparent EU-based assembly processes, renewable energy suppliers, software providers, and specialized service providers including construction companies for facility expansions.

The downstream value chain connects directly to customers across diverse sectors including infrastructure providers, SaaS and IoT companies, compliance and public sector organizations, enterprise IT, and consultants and system integrators. Services reach end users through multiple channels including direct implementations, partner integrations, and white-label solutions.

Geographically, we serve primarily Nordic markets with additional presence across the rest of Europe , North America, and other regions. Our integrated platform, Glesys Cloud, serves as a unified control panel and API for seamless service management across all customer segments.

Revenue by service

Service category	Share of revenue
Cloud	47,5%
Connectivity	10,2%
Colocation	10,1%
Other services	32,2%

Revenue by customer segment

Customer segment	Share of revenue
Infrastructure providers	33,7%
SaaS & IoT	25,0%
Compliance & Public sector	19,1%
Enterprise IT	12,6%
Consultants & system integrators	9,7%

Geographic distribution of revenue

Region	Share of revenue
Nordics	93,34%
Rest of Europe	4,07%
North America	1,62%
Middle East & Africa	0,60%
Asia-Pacific	0,37%
Latin America	0,01%

Outputs and stakeholder value creation

Our comprehensive service portfolio generates measurable value across stakeholder groups through cloud services, licenses, connectivity, 10.1% colocation, desktop as a service, dedicated servers, managed services, and other services.

Customer benefits include secure, scalable infrastructure with integrated sustainability advantages, 99,3% standard uptime guarantees, and immediate carbon footprint reduction through 100% renewable electricity-powered services.

Investor value emerges through sustainable revenue growth, operational efficiency leadership with industry-leading PUE performance below Nordic and global averages, and strategic positioning in the expanding Nordic digital infrastructure market.

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Community impact delivers direct economic benefits through local employment across all operational locations and circular resource utilization. Our heat recovery systems contribute 4,8 GWh to district heating networks in Stockholm and Falkenberg in 2024, transforming operational waste heat into valuable community energy resources.

Environmental outcomes include zero-landfill operations through comprehensive recycling and energy recovery programs, extended equipment lifecycles that reduce resource consumption, and systematic transformation of waste heat into community energy resources.

Strategic sustainability integration

Sustainability considerations are systematically embedded throughout our strategic planning processes across short-term (1 year), medium-term (2-5 years), and long-term (>5 years) horizons. Our business plan formally identifies sustainability and environmental impact as core priorities, recognizing our responsibility to drive positive change across the data center industry.

Key strategic initiatives include maintaining 100% renewable electricity across all owned data centers, expanding heat recovery systems targeting an Energy Reuse Factor (ERF) of 90% by 2030, implementing circular economy integration through component-level maintenance and extended equipment lifecycles, and operating enhanced ESG governance structures starting in 2025.

Risk and opportunity management systematically integrates climate-related risks into strategic planning through our comprehensive risk management framework certified under ISO 14001. Market differentiation opportunities through sustainability leadership, operational cost savings through energy efficiency, and revenue generation through heat recovery services are quantified and integrated into financial planning.

Financial integration ensures sustainability investments are fully integrated into capital allocation processes, with 5,1 million SEK allocated to climate-related initiatives during 2024. Our comprehensive double materiality assessment planned for H2 2025 will enhance strategic integration by systematically identifying financial effects of sustainability matters and ensuring alignment with stakeholder expectations.

Stakeholder integration occurs through quarterly engagement activities that capture feedback from customers, employees, suppliers, and community representatives. This input directly influences strategic priorities, operational improvements, and target-setting processes, with quarterly Board updates incorporating stakeholder perspectives into business direction.

This strategic integration ensures sustainability considerations influence all major business decisions from supplier selection and facility design to service development and customer engagement, positioning Glesys as a leader in sustainable digital infrastructure while supporting our mission to deliver innovative, resilient solutions.

1.4 Stakeholder engagement

We engage with six key stakeholder groups to understand their interests and inform our business decisions: customers, employees, suppliers, local communities, investors, and regulatory authorities. This systematic engagement shapes our strategy, service development, and sustainability priorities.

Engagement approach and organization

Our stakeholder engagement operates through multiple channels tailored to each group's needs and influence on our operations. Engagement occurs through structured surveys, business reviews, the Glesys Community platform, sponsorships, educational outreach, and regular dialogue with suppliers and partners.

The CEO maintains oversight of engagement outcomes through quarterly board updates, while department heads implement engagement activities and integrate feedback into operational decisions. Our HR generalist coordinates employee engagement through weekly meetings, surveys, and development programs. Customer engagement occurs through annual surveys, quarterly business reviews, and our Community platform.

Stakeholder influence on strategy and business model

Stakeholder feedback directly influences our business strategy, service roadmap, and sustainability initiatives. Customer feedback drives service development and infrastructure investments. Employee input shapes HR policies, workplace conditions, and professional development programs. Supplier relationships inform our procurement frameworks and sustainability criteria. Community input guides our local investment decisions and facility planning.

Integration with materiality assessment

Our comprehensive double materiality assessment, planned for H2 2025, will systematically incorporate stakeholder perspectives to identify and prioritize sustainability impacts, risks, and opportunities. This assessment will enhance our understanding of stakeholder expectations while ensuring our reporting addresses material topics from both impact and financial perspectives.

Effectiveness and outcomes

We assess engagement effectiveness through response rates, feedback quality, and implementation of stakeholder suggestions. Regular monitoring ensures our engagement approaches remain relevant and valuable to both Glesys and our stakeholders. The planned materiality assessment will strengthen this process by providing structured frameworks for stakeholder consultation and feedback integration.

Channels per group	Purpose	Outcomes and expectations
Board of Directors		
Quarterly board meetings Sustainability Statement	Ensuring necessary resources are available. Defining targets and scope.	Compliance with environmental legislations. Ensuring that Glesys meets society's demands and expectations on sustainability. Require ESG action plan.
Customers and end-users		
Annual customer survey Quarterly business review Glesys community Slack channel Sustainability statement Whistleblowing mechanism	Understanding service quality needs, accessibility requirements, and sustainability expectations. Outcomes inform service development and SLA enhancements	Glesys sustainability efforts aligns with, or exceeds, the customers' own efforts. Ensuring that the entire value chain actively contributes to reducing carbon footprint and environmental harm. High level of cybersecurity. European hosting.
Employees		
Annual surveys Weekly meetings Officevibe feedback Cross-office visits Code of Conduct Whistleblowing mechanism	Ensuring workplace satisfaction, identifying training needs, and gathering sustainability innovation ideas. Outcomes influence HR policies and operational improvements.	Alignment between company and own values. Glesys has a long-term commitment to sustainability.
Suppliers and value chain partners		
Supplier CoC Direct B2B communication Sustainability statement	Ensuring ethical practices, sustainability compliance, and collaborative improvement. Outcomes inform procurement decisions and supplier development programs.	Possibility of increased sales by achieving reductions in value-chain carbon footprint.
Local communities, NGOs and civil society		
Sponsorship programs Community initiatives	Building positive community relationships and supporting local development. Outcomes guide community investment decisions and facility planning.	No, or low, negative impacts on local environment also including noise disturbances. Participation in Falkenbergs Klimatinitiativ.
Regulatory bodies and industry partners		
Industry associations Regulatory consultations Standards development	Staying informed about regulatory changes and contributing to industry best practices. Outcomes inform compliance strategies and technology roadmaps	Climate Neutral Data Centre Pact

1.5 Materiality assessment

We conducted a preliminary materiality review during 2024 to identify likely material sustainability topics that will inform our comprehensive double materiality assessment planned for H2 2025. This preliminary review provides the foundation for our 2024 sustainability statement while acknowledging significant gaps compared to ESRS requirements.

Preliminary assessment methodology

Our 2024 assessment employed a simplified internal framework analyzing both financial and environmental/social materiality factors. The methodology included industry benchmarking against data center sector practices, review of stakeholder feedback through existing engagement channels, assessment of regulatory requirements under CSRD/ESRS, internal analysis of business model dependencies and impacts, and basic financial materiality screening focusing on operational cost factors.

Financial materiality factors examined included energy costs and potential price volatility impacts, carbon pricing exposure in Nordic markets, technological investment requirements for efficiency improvements, and regulatory compliance costs and risks.

Environmental and social materiality factors covered energy sourcing and renewable electricity procurement, cooling systems efficiency and water usage impacts, e-waste management and circular hardware lifecycle practices, and community impact through heat recovery and local operations.

IRO identification and assessment scope

We identified impacts, risks, and opportunities across our operational boundary including owned data centers in Sweden and Finland, office operations, and key upstream supplier relationships. The assessment did not employ time horizons and therefore did not follow the time horizons as defined in ESRS 1.

Our value chain analysis included upstream relationships with hardware suppliers, software providers, and renewable energy suppliers, while downstream analysis covered customer relationships and community benefits through heat recovery systems. However, we acknowledge limited systematic assessment of deeper value chain impacts due to data constraints.

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Preliminary material topics identified

Based on our internal assessment, we identified three topics as likely material for our comprehensive 2025 assessment:

Climate change mitigation, including energy consumption reduction, renewable energy sourcing, and emissions management across our operations and value chain. This topic reflects our significant energy dependency and commitment to 100% renewable electricity.

Reuse of waste heat through our heat recovery systems that contributed 4,8 GWh to Stockholm and Falkenberg district heating grids in 2024, representing our circular economy leadership and community value creation.

Recycling of electronic waste and circular hardware lifecycle management, including our extended equipment lifecycles of up to 10 years compared to industry standard 3-5 year cycles.

Assessment limitations and ESRS compliance gaps

We acknowledge that our 2024 preliminary review does not meet ESRS requirements for several critical reasons. Our stakeholder consultation was limited to existing engagement channels rather than systematic consultation with affected stakeholders and their representatives. We lacked comprehensive double materiality methodology systematically assessing both impact and financial materiality dimensions with defined thresholds and criteria.

Our documentation lacks sufficient detail regarding assessment criteria, prioritization methodology, and validation processes required under ESRS 2 IRO-1. We had limited integration of comprehensive value chain analysis across upstream and downstream activities, and no formal validation process with affected stakeholders or external experts.

Planned comprehensive assessment (H2 2025)

Our comprehensive double materiality assessment aligned with ESRS requirements will include systematic context analysis covering business model, value chain, and stakeholder landscape across all defined time horizons. We will conduct systematic IRO identification using detailed value chain mapping, structured stakeholder engagement, industry benchmarking, and literature review.

The assessment will apply ESRS-compliant double materiality methodology assessing both impact materiality (scale, scope, irremediable character) and financial materiality (likelihood and magnitude of effects). We will engage systematically with identified stakeholder groups including affected communities, employees, customers, suppliers, investors, and regulatory authorities to validate assessment results.

Interim reporting approach for 2024

For this 2024 statement, we focus on comprehensive operational disclosure while applying preliminary materiality insights and utilizing ESRS phase-in provisions where appropriate. We prioritize high-quality reporting on likely material topics while acknowledging the limitations of our current assessment approach.

Our 2025 comprehensive assessment will provide the foundation for enhanced materiality-based reporting, strategic integration, and target development fully aligned with ESRS requirements and systematic stakeholder input.

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2. Governance information

This section delivers a comprehensive approach to governance sustainability reporting in accordance with the European Sustainability Reporting Standards (ESRS). Our governance disclosures provide stakeholders with clear understanding of our governance practices, oversight mechanisms, and commitment to ethical business conduct across all operational areas.

Our governance reporting framework spans three essential areas, each reflecting a specific parts of the ESRS G1 standard. Our commitment to transparency ensures that stakeholders receive accurate, reliable information enabling informed decision-making about our governance performance.

Business conduct and ethics:

Our ethical conduct strategy encompasses comprehensive policies, risk management, and cultural frameworks that ensure integrity across all business relationships. We present detailed analysis of our anti-corruption measures, whistleblowing mechanisms, and the governance structures that support ethical decision-making throughout our organization.

Supply chain governance:

We report our approach to responsible supply chain management, including due diligence processes, supplier codes of conduct, and systematic risk assessment protocols. This section addresses our commitment to ethical practices throughout our value chain while ensuring transparency in supplier relationships and procurement practices.

Cybersecurity, data integrity, and digital trust:

Our information security approach covers comprehensive risk management, advanced threat protection, and systematic compliance frameworks. We describe our ISO 27001-certified security measures, incident response capabilities, and continuous improvement initiatives that protect stakeholder data while maintaining operational excellence.

Plans for 2025

Glesys will conduct an ESRS-aligned Double Materiality Assessment (DMA) in 2025, establishing a cross-functional project group with dedicated representation from key business areas. This assessment will inform our comprehensive ESG strategy that will outline the management of governance IROs, define targets and outline the action plan to achieve these targets. Additionally, we plan to enhance our governance data collection and reporting capabilities to ensure full compliance with ESRS requirements.

2.1 Business conduct and ethics

Ethical conduct and corporate culture form the foundation of our operations at Glesys. Our approach to business conduct governance integrates with our core values of Quality, Honesty, and Respect, ensuring integrity across all business relationships and activities.

Governance structure

Our Board of Directors maintains oversight through quarterly sustainability reviews, with the CEO holding ultimate responsibility for policies and implementation across the Group (see section 1.2).

Corporate culture establishment

We establish and evaluate our corporate culture through systematic processes centered on our Code of Conduct, which applies to all employees, consultants, and anyone representing Glesys. Our approach includes regular employee engagement through weekly meetings, annual surveys, continuous feedback mechanisms and mandatory training programs for all employees. These processes ensure our values are embedded in daily operations and decision-making across all organizational levels.

Anti-corruption framework

Our Code of Conduct establishes zero tolerance for corruption and bribery, with comprehensive policies consistent with the United Nations Convention against Corruption. Operating in low corruption-risk jurisdictions (Sweden: CPI 80, Finland: CPI 88), we maintain vigilant internal controls while benefiting from robust regulatory frameworks.

Risk assessment and management

We identify at-risk functions through our integrated management system (section 1.2.1). Our approach considers operational contexts, stakeholder relationships, and regulatory environments to ensure appropriate preventive measures are implemented across all business functions.

Political influencing and lobbying

Glesys does not engage in any political influencing activities, lobbying activities, or provide financial or in-kind political contributions as defined under ESRS G1-5.

Whistleblowing mechanism

We maintain mechanisms for identifying, reporting, and investigating concerns about unlawful behavior or conduct contradicting our internal standards. Our secure whistleblowing system (https://glesys.whistlelink.com) enables anonymous, multilingual reporting accessible to employees, customers, suppliers, and partners. The CFO oversees all reports independently, ensuring objective investigation without retaliation risk.

Performance monitoring

During 2024, we achieved zero incidents across all conduct metrics, including zero convictions, fines, confirmed corruption incidents, or outstanding legal proceedings.

Performance metrics

During 2024, we achieved zero incidents across all business conduct metrics:

Anti-corruption and anti-bribery metrics	2024	Target
Total number of convictions related to violations of anti-corruption and anti-bribery laws	0	0
Imposed fines for violations of anti-corruption and anti-bribery laws	0 SEK	0 SEK
Confirmed incidents of corruption or bribery	0	0
Number of outstanding legal proceedings regarding corruption or bribery violations	0	0
% of employees having received training in anti-corruption & bribery	-	100 % by 2026
Employee disciplinary actions or dismissals for corruption/bribery incidents	0	0

2.2 Supply chain governance

Responsible supply chain management is essential for maintaining ethical practices throughout our value chain. We implement due diligence processes, clear supplier expectations, and ongoing engagement to manage risks and foster partnerships that create shared value.

Supplier code of conduct

Our Supplier Code of Conduct establishes mandatory standards for all suppliers, contractors, and vendors across quality, security, sustainability, and ethics dimensions. Key requirements include adherence to international human rights principles, compliance with labor laws, implementation of health and safety protocols, data protection, zero tolerance for corruption, and cooperation with audit processes.

Due diligence and risk management

We conduct annual desk-based supplier assessments following our Risk Management Guideline, scoring financial, information security, and business criticality risks based on impact and likelihood. Based on final scores, actions are assigned (accept/monitor/reduce/avoid)

Our integrated management system, certified to ISO 9001, 14001, and 27001 (see section 1.2.1), provides the systematic framework for managing supply chain risks. The CEO leads regular reviews to ensure framework effectiveness and alignment with our operational excellence standards.

We recognize our current desk-based approach has limitations and does not adequately cover ESG factors. Enhanced supplier assessment processes incorporating comprehensive ESG criteria are planned for implementation following our procurement framework development.

Procurement framework development

Work on a comprehensive procurement framework will commence in Q4 2025, with completion targeted for Q1 2026. This framework will include defined sustainability standards, ESG screening criteria, and enhanced due diligence procedures to strengthen sustainable practices across our supply chain.

Currently, we prioritize responsible sourcing through proactive sustainability assessments, particularly for data center equipment, and favor suppliers with transparent EU-based assembly processes that enable enhanced due diligence and support extended equipment lifespans.

Performance monitoring

We track supply chain performance through comprehensive metrics covering payment practices, compliance, and sustainability outcomes. Our systematic approach to small and medium enterprise (SME) support demonstrates our commitment to fair payment practices: 92,6% of supplier invoices were paid within agreed contractual terms in 2024, with 99,5% paid within 30 days.

Regular performance reviews with key suppliers ensure continuous improvement and alignment with our sustainability and operational standards.

Supply chain metrics	2024
% of suppliers annually assessed through desk review	27,5%
Supplier audits conducted	0
Minor non-compliance issues or minor risks identified	22
Major non-compliance issues or major risks identified	0

Payment practices metrics	2024	Target
% of supplier invoices paid within agreed terms	92,6%	>95%
% of supplier invoices paid within 30 days	99,5%	>99%
Average payment time in days	14,4	<30 days
Number of late payment incidents	279	No target defined
Number of outstanding legal proceedings for late payments	0	0

Small and Medium Enterprises support	2024	Target
Number of SME suppliers in active supplier base	232 (55%)	No target defined
Average payment time to SMEs in days	29,2	<30 days

Note: SME metrics are exclusively based on invoice records for our Swedish operations. Future reports will include data for our operations in Finland.

2.3 Cybersecurity, data integrity, and digital trust

Robust cybersecurity is essential to our operations and stakeholder trust. Our approach addresses evolving threats through advanced technologies, rigorous training, and transparent incident management.

Governance and strategy

Our cybersecurity governance operates under the framework described in section 1.2, with implementation overseen by our integrated management system (section 1.2.1). Our strategy centers on three core pillars: physical security (advanced access controls and environmental protections), information security (robust encryption, secure protocols, and GDPR compliance), and security culture (mandatory training for all personnel).

Risk management and performance

We conduct systematic risk assessments addressing ransomware attacks, phishing campaigns, advanced persistent threats, and supply chain vulnerabilities. Risk mitigation operates through multi-layered defense systems, real-time monitoring, threat intelligence, security training, and supplier assessments.

During 2024, we achieved zero security incidents across all impact levels, demonstrating preventative approach effectiveness.

Compliance and innovation

Our ISO 27001 certification encompasses information security management, risk assessment processes, continuous monitoring, and regular audits. We maintain full GDPR compliance through data protection measures and privacy-by-design approaches.

We invest continuously in advancing capabilities through penetration testing, scenario-based exercises, emerging technology integration, and industry participation. All findings undergo systematic integration with CEO review, ensuring framework evolution while maintaining highest protection standards.

Impact level	Number of incidents	% resolved within target resolution time
High	0	N/A - no incidents
Medium	0	N/A - no incidents
Low	0	N/A - no incidents

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3. Environmental information

This section delivers a comprehensive approach to environmental sustainability reporting in accordance with the European Sustainability Reporting Standards (ESRS). Our environmental disclosures provide stakeholders with clear understanding of our environmental impacts, dependencies, risks, and opportunities, and demonstrate our commitment to addressing critical environmental challenges.

Our environmental reporting framework spans five essential areas, each reflecting a specific ESRS topical standard. Our commitment to transparency ensures that stakeholders receive accurate, reliable information enabling informed decision-making about our environmental performance.

Climate leadership and resilience (ESRS E1):

Our climate action strategy encompasses comprehensive measurement and management of greenhouse gas emissions, energy consumption, and climate adaptation measures. We present detailed analysis of operational impacts and mitigation strategies, including our transition plans and the financial implications of climate-related risks and opportunities. Our approach integrates both physical and transition climate risks while identifying opportunities for sustainable growth.

Pollution prevention and clean operations (ESRS E2):

We report our impact on air, water, and soil quality, alongside proactive measures to prevent and mitigate negative environmental effects. This includes management of substances of concern, pollution prevention protocols, and assessment of financial effects associated with pollution-related risks and opportunities.

Safeguarding water and marine ecosystems (ESRS E3):

Our water stewardship approach covers water use, conservation strategies, and marine resource protection. We disclose water consumption, recirculation practices, and measures taken to minimize adverse effects on aquatic ecosystems while ensuring sustainable water management practices.

Ecosystem stewardship and biodiversity commitment (ESRS E4):

We present our assessment and management of biodiversity and ecosystem impacts, including site selection practices, risk assessments, and conservation initiatives. This section addresses our dependencies on ecosystem services and stakeholder engagement efforts to preserve and enhance local biodiversity.

Resource efficiency and circular solutions (ESRS E5):

Our circular economy initiatives focus on resource use optimization, waste management, and sustainable sourcing strategies. We describe approaches for minimizing waste, maximizing recycling and energy recovery, and maintaining the value of products and materials throughout their lifecycle.

Compliance with GHG protocol and CSRD/ESRS

Our environmental disclosures adhere to GHG Protocol and CSRD/ESRS principles of relevance, completeness, consistency, transparency, and accuracy. We provide quantitative data on energy consumption, detailed methodology descriptions, and transparent disclosure of data limitations where applicable.

Plans for 2025

Glesys plans to carry-out an ESRS aligned Double Materiality Assessment (DMA) in 2025. This will be supplemented by a new ESG strategy that will outline the management of environmental IROs, define targets and outline the action plan to achieve these targets. Additionally, we plan to disclose our data in the CDP environmental disclosure system.

3.1 Climate leadership and resilience

Climate leadership drives our mission to deliver the world's most sustainable digital infrastructure. This section details our comprehensive approach to climate action, including greenhouse gas emissions measurement, energy management, and climate adaptation strategies across all operations.

We present our science-based emission reduction targets, transition plans, and risk assessment covering both physical and transition climate risks. Our approach integrates climate considerations into strategic planning while identifying opportunities for sustainable growth.

Key disclosures include our comprehensive GHG inventory establishing 2024 as our base year, detailed energy consumption across Swedish and Finnish facilities, and financial resource allocation supporting our decarbonization objectives. We demonstrate how our 100% renewable electricity sourcing, heat recovery systems, and operational efficiency create measurable climate benefits while supporting business resilience.

3.1.1 Climate governance and strategy integration

Climate governance at Glesys operates through our comprehensive sustainability framework described in section 1.2. The Board of Directors maintains direct oversight of climate-related matters as part of quarterly review processes, focusing on climate strategy approval, risk assessment, and progress monitoring against our science-based targets and transition plan commitments.

We demonstrate commitment to collaborative climate governance through our participation in the Climate Neutral Data Centre Pact (CNDCP), signed in 2021, which subjects us to independent third-party auditing against five key performance areas and European Commission monitoring through bi-annual assessments.

Glesys does not currently apply any internal carbon pricing schemes as defined under ESRS E1-8.

3.1.2 Climate risk assessment and management

Our climate risk assessment covers operations across Sweden and Finland, using scientific data from authoritative sources including the Swedish Environmental Protection Agency, Swedish Meteorological and Hydrological Institute, Swedish Energy Agency, European Environment Agency, ymparisto.fi, and klimatguiden.fi. This evidence-based approach enables systematic identification and assessment of climate-related physical and transition risks.

Assessment methodology

We follow a structured methodology to identify scientifically established climate-related hazards for Sweden and Finland, then evaluate their relevance and potential impact on our data center operations. Each identified risk undergoes likelihood and impact assessment, considering our operational context, infrastructure resilience, and existing mitigation measures.

Our risk assessment operates within our ISO 9001, 14001, and 27001 certified integrated management system (section 1.2.1), ensuring systematic identification and management of climate-related impacts, risks, and opportunities. We plan to expand this assessment to include upstream and downstream value chain impacts by end of 2025.

Physical risks

Our Nordic locations provide natural protection from many acute threats common in other regions. The Swedish Environmental Protection Agency highlights increased precipitation and high-intensity precipitation events leading to elevated flooding risk. Southern Sweden faces additional risks from water shortage and drought conditions, with similar risks applying to Finland.

Our site assessments confirms that none of our facilities are located in flood-prone areas or zones vulnerable to wildfires. Direct physical impacts from identified climate hazards are assessed as low risk.

However, indirect effects present potentially material concerns:

Extreme weather events represent our primary physical risk. High winds, lightning, and severe storms can disrupt grid infrastructure, potentially impacting data center uptime. While our facilities include backup generators and electric backup cooling systems, prolonged or widespread power outages could breach customer SLA commitments. We assess this risk as medium likelihood with high impact.

Heatwaves pose both direct and indirect challenges. Prolonged high temperatures strain cooling systems and energy grids. Our closed-loop cooling systems using cold water from district heating grids provide resilience, but extended heat periods could reduce system efficiency and increase energy demand. During extreme heat, backup dry-cooling systems require significantly more electricity than our standard heat pumps, creating compound risk if heatwaves simultaneously destabilize the electricity grid. Risk assessment: medium likelihood, high impact.

Long-term temperature rise could gradually reduce cooling efficiency and increase energy demand over time. However, our closed-loop approach and heat recovery systems provide adaptation capacity. Risk assessment: low likelihood, medium impact.

Water scarcity presents minimal direct risk due to our closed-loop cooling systems that recirculate water to district heating grids, eliminating dependency on external water sources. Risk assessment: medium likelihood, very low impact.

Transition risks

The transition to a low-carbon economy introduces significant challenges requiring proactive management across regulatory, market, and reputational dimensions.

Decreased power availability represents a key transition risk. Both Sweden and Finland experience rapid electricity demand growth driven by industrial electrification, data center expansion, and transport electrification. The Swedish Energy Agency forecasts 30-50% increased electricity demand by 2045, with parallel shifts toward intermittent renewables. Finland's energy mix benefits from Olkiluoto 3, but hydropower faces increased drought risk from climate change. Grid instability or supply constraints could impact our ability to meet stringent SLA commitments. Risk assessment: low-medium likelihood, high impact.

Regulatory risks are intensifying rapidly. The EU's "Fit for 55" package, Sweden's proposed energy tax reforms, and CSRD implementation signal tightening regulatory requirements. Carbon pricing is projected to reach €130/ton by 2030 according to the European Environment Agency. Stricter renewable energy sourcing and emissions reporting requirements are likely. Non-compliance could result in increased costs, fines, or exclusion from public tenders. Risk assessment: high likelihood, medium-high impact.

Reputational risks grow as customers, investors, and partners demand credible climate action. Nordic institutional investors expect robust emissions targets, while hyperscale cloud providers require partners to demonstrate 24/7 carbon-free energy sourcing. Failure to meet evolving expectations could result in lost business, negative publicity, and exclusion from sustainability indices. Risk assessment: low-medium likelihood, high impact.

Dependencies and opportunities

Our primary climate-related dependency is stable electricity grid infrastructure. Unlike many data centers, we do not depend on water for cooling, utilizing closed-loop systems that enhance resilience while contributing heat to local communities.

The assessment identifies significant opportunities through our Nordic advantage: access to abundant renewable energy, robust district heating networks, and stable regulatory environments supporting clean energy transition. These advantages position us to lead in sustainable digital infrastructure while creating value through heat recovery.

Continuous improvement and integration

Our risk management framework undergoes regular review and updates through our governance structure (section 1.2) to ensure operational continuity and stakeholder value protection. Beginning in 2025, we will integrate ESG risk management with our general risk management process as part of our integrated management system. This will ensure tat environmental risks are monitored and updated at least annually.

Future enhancements

We will systematically enhance our climate risk assessment capabilities including:

- Climate scenario analysis using IPCC and NGFS scenarios across short (1 year), medium (5 years), and long-term (>5 years) horizons
- Value chain risk assessment expansion to include upstream and downstream climate impacts
- Financial integration with planning and strategic decision-making processes
- Time horizon analysis development of differentiated risk assessments
- Enhanced monitoring through systematic risk monitoring and updating procedures within our IMS framework

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Climate related risks

Risk area	Description	Likelihood	Impact	Mitigation status
Physical risks				
Extreme weather (storms)	High winds or lightning causing disruptions in grid infrastructure resulting in power outages	Medium	High	Ongoing (UPS, backup power generators)
Heatwaves	Prolonged high temperatures straining cooling systems and energy grids	Medium	High	Advanced (closed-loop cooling systems, electric backup cooling systems)
Long-term temperature rise	Gradual warming reducing cooling efficiency, increasing energy demand	Low	Medium	Medium (monitoring)
Water scarcity	Reduced water availability for cooling	Medium	Very low	Closed-loop cooling systems significantly reduces water needs.
Transition risks				
Decreased power availability	Grid instability due to rising demand and integration of more renewable energy	Low-Medium	High	Ongoing (UPS, backup power generators)
Regulatory risks	Stricter carbon laws, higher energy taxes, enhanced reporting requirements	High	Medium-High	High (transition plan, CSRD alignment)
Reputational risks	Failure to meet climate targets and/or stakeholder expectations resulting in negative publicity	Low-Medium	High	Medium-High (ESG transparency, low scope 1 & 2 emissions.

3.1.3 Financial effects from IROs

Our systematic approach to assessing climate-related financial effects builds on the risk assessment detailed in section 3.1.2 and informs the resource allocation described in section 3.1.4. This analysis provides stakeholders with clear understanding of how climate-related impacts, risks, and opportunities influence our financial position.

Assessment methodology

We assess anticipated financial effects using scenario-based analysis aligned with our climate risk framework described in section 3.1.2. Our methodology integrates physical and transition risk assessments with business impact.

Financial effects are evaluated for both assets at material risk and revenue streams with significant climate exposure, incorporating conservative estimation approaches. Our integrated management system (section 1.2.1) provides the framework for regular updates to these assessments.

Our assessment shows that we have no assets, nor specific business activities, at material physical or transition risk.

Physical risk financial effects

Our preliminary assessment confirms minimal direct financial exposure to material physical risks. None of our data centers operate in flood-prone areas, wildfire zones, or regions with significant acute physical climate risks.

Our assessment shows that we have no assets, nor specific business activities, at material physical risk before adaptation measures.

However, indirect effects present measurable financial considerations. Extreme weather events affecting grid infrastructure could result in SLA penalties, with contractual limits providing quantified maximum exposure of approximately 2-3% of annual revenue per major incident. Our backup systems

and redundant infrastructure significantly reduce this exposure while maintaining service reliability commitments.

Transition risk financial effects

Transition risks present more significant financial implications requiring systematic management across our operational footprint.

Key transition risk exposures include ongoing financial exposure to energy cost volatility given our electricity-intensive operations. Our 100% renewable electricity sourcing with Guarantees of Origin provides partial protection against fossil fuel price volatility while potentially exposing us to renewable energy premium fluctuations.

Climate-related opportunities

We have identified two opportunities to benefit financially from climate-related market developments and our sustainability positioning.

Operational efficiency improvements targeting power usage effectiveness (PUE) below 1,2 could reduce energy costs across our sites. Our current performance, significantly outperforming industry benchmarks, positions us well to capture these efficiency gains.

Market differentiation through sustainability leadership creates competitive advantages in customer acquisition and retention. While difficult to quantify precisely, customer feedback indicates clear preference for our renewable electricity and heat recovery positioning.

Financial integration and planning

Climate-related financial effects are systematically integrated into our strategic planning and capital allocation processes. The 2,25 MSEK allocated through our medium-term investment plan (section 3.1.4) directly addresses identified risks while capturing quantified opportunities.

Data limitations and future enhancements

Current assessments does not incorporate quantification of financial effects. We acknowledge that this limits the completeness of financial disclosures.

Our 2025 double materiallity asseessment will include an expanded IRO assessment including quantification of risks and opportunities.

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The Nordic advantage

Operating in the Nordics gives Glesys a unique advantage in addressing climate risks and sustaining business continuity. Our Swedish and Finnish locations shield us from the most acute physical threats common elsewhere, such as wildfires and severe flooding. Careful site selection ensures none of our facilities are in flood-prone or high-risk zones. Backed by resilient energy infrastructure and robust district heating networks, our cooling system captures cold water, recirculates it to support both data center needs and community heating, and limits dependency on vulnerable water sources. This closed-loop approach minimizes exposure to water scarcity and supports energy efficiency, even as weather extremes grow more common.

Our operations also benefit from the region's stable energy supply, bolstered by progressive investments in renewables and advanced grid systems. This Nordic strength keeps the probability of prolonged grid outages low, and our own backup systems add another buffer to assure service reliability. While transitioning to a lower-carbon economy brings challenges—like growing power demands and tightening regulations—the Nordic policy environment and stakeholder ecosystem push rapid progress on renewable energy sourcing, emissions transparency, and ESG reporting. Glesys is strategically positioned to adapt, with a roadmap that prioritizes energy sourcing diversity, grid-independent solutions, and transparent sustainability practices.

In a world where physical and transitional climate risks are accelerating, our Nordic base means lower direct impact, stronger resilience, and more opportunities to lead on climate action. This foundation reinforces trust among customers, partners, and investors—securing long-term value for all stakeholders and enabling us to confidently meet future sustainability standards.

3.1.4 Allocation of financial resources

Financial resource allocation for climate change mitigation directly supports our strategic ambition to become the world's most sustainable data center operator. All climate-related investments are financed through internal funds and represent targeted actions to achieve our science-based targets while maintaining operational excellence.

Current financial resources allocated to climate action

During 2024, Glesys allocated 5,1 million SEK to climate change mitigation initiatives, comprising 4,0 million SEK in capital expenditure and 1,1 million SEK in operational expenditure. These investments demonstrate our commitment to systematic decarbonization across all operational areas.

Planned financial resources (2025-2030)

Our medium-term financial planning allocates 10,25 million SEK in capital expenditure through 2030 to accelerate our transition plan implementation. These investments target key decarbonization levers while enhancing operational efficiency and community benefits.

Additional operational expenditure for HVO100 biofuel transition or other fossil-free backup power alternative (2030) is currently under evaluation. Costs are dependent on solution and market availability.

Integration with business strategy

Climate-related financial allocations are fully integrated into our strategic planning and annual budgeting processes. These investments directly support our mission to deliver sustainable digital infrastructure while creating measurable environmental and community benefits:

- Energy efficiency measures: Deliver operational cost savings through reduced energy consumption
- No-carbon backup power: Eliminate regulatory risks while maintaining grid resilience
- Transport electrification: Complete our operational decarbonization commitment

EU Taxonomy alignment assessment

We are currently conducting an assessment of our EU Taxonomy alignment, targeting completion by Q1 2026.

Current financial resources allocated to climate change action

Year	Description	CapEx (mSEK)	OpEx (mSEK)	Impact/Link to action plan
2024	Ecopar A+ fuel for backup generators	-	0,2	Low-carbon backup power
2022-2024	Transition to electric vehicles *- Total cost over 3 years contract, 3,7 mSEK*	-	0,9	Decarbonizing transports

Future financial resources allocated to climate change action

Year	Description	CapEx (mSEK)	OpEx (mSEK)	Impact/Link to action plan
2025	Installation of additional EV chargers (Falkenberg)	0,25	-	Decarbonizing transports
2030	Fossil-free backup power	TBD	TBD	Low-carbon backup power
2025	Installation of free cooling system	2	-	Energy efficiency

3.1.5 Climate change mitigation and transition plan

Our emission reduction targets align with limiting global warming to 1,5°C under the Paris Agreement. While not formally validated, our targets follow the Science Based Targets initiative (SBTi) ICT guidance pathways for data center operators.

Target framework alignment

Our targets utilize methodologies consistent with SBTi ICT guidance, which provides sector-specific emission reduction pathways for digital infrastructure providers. This alignment ensures our decarbonization approach follows recognized climate science while addressing the operational characteristics of data center operations.

Scope 1 target

We target 99% reduction by 2030 through systematic elimination of fossil fuel sources. Current baseline emissions of 12,13 tonnes CO2eq will be addressed through complete electric vehicle transition by 2027 and backup power transition to fossil free alternatives by 2030.

Scope 2 target

We maintain zero emissions through continued sourcing of certified renewable electricity across all owned operations.

Scope 3 target

For Scope 3 emissions we apply a intenisty target as this approach optimizes emission reductions while supporting business growth. Our Scope 3 emissions intensity was 7,45 tCO2eq/MSEK revenue in 2024. Our target is a 30% intensity reduction by 2030

Transition plan implementation

- Complete electric vehicle transition by 2027 eliminates 0,44 tonnes CO2eq annually.
- Backup power transition to fossil free alternative by 2030 delivers >99% Scope 1 reduction while maintaining grid resilience.
- Circular economy integration targets 90% reuse or recycling of decommissioned hardware by 2026 (see section 3.5).

Financial resource allocation

The climate transition requires significant capital expenditure investment through 2030, which will be comprehensively assessed and quantified during 2025. These investments will be fully integrated into our financial planning processes (see section 3.1.4) and are expected to deliver measurable benefits and operational cost savings.

Governance and monitoring

Our transition plan operates under the governance framework described in section 1.2, with quarterly Board oversight ensuring milestone achievement and progress accountability. Annual recalibration maintains target alignment with pathway requirements.

Base year recalculation policy

Base year emissions will be recalculated when changes exceed 5% of total base year emissions due to structural changes, methodology improvements, or data quality enhancements. The policy requires pro-forma inclusion of acquired entities' emissions for the full base year period, ensuring consistent baseline integrity for target tracking.

Metric	2024 baseline	2027 milestone	2030 target	2045 target
Complete EV transition	81,8%	100%	Maintain	Maintain
Renewable electricity	100% achieved	Maintain	Maintain	Maintain
Fossil free backup power	0%	Assessment phase	100%	Maintain
PUE (weighted group average)	1,28		≤1,2	Not defined

3.1.6 Energy consumption

Our energy reporting covers all operations under our organizational control, from Swedish data centers in Falkenberg and Stockholm to Finnish facilities in Oulu and Tampere, plus offices and upstream leased assets across Europe. This comprehensive approach ensures transparent disclosure while establishing our 2024 baseline for future performance tracking.

Reporting scope and methodology

We follow operational control boundaries across all Glesys entities, aligning with GHG Protocol and CSRD/ESRS requirements. Our reporting includes owned data centers, office operations, and upstream leased assets, providing complete visibility into our energy footprint.

Primary data sources provide the foundation for 98% of our energy consumption reporting. Shared office electricity and district heating represent approximately 0,2% of total consumption, estimated using floor area allocation methods. We continuously enhance data granularity through expanded direct metering coverage.

Energy consumption breakdown

Total energy consumption: 9832,49 MWh across all operations in 2024, establishing our baseline for performance tracking.

Total share of renewable energy in 2024 was 99,4%. All renewable electricity purchases are verified through Guarantees of Origin certificates from accredited suppliers including Falkenberg Energi and local Finnish utilities. Our renewable electricity mix demonstrates regional diversity: hydro power represents 33% of consumption, wind power 62%, and solar power 4%.

Non-renewable sources: 59,26 MWh from backup generator testing represents less than 1% of total consumption. EcoPar A ultra-clean diesel (94,6% of fuel use) significantly reduces air pollutant emissions (see section 3.2.3). Energy from fossil fuels uses a conversion factor of 9,8 kWh/liter for backup generator calculations.

Energy consumption data for Tampere and shared offices have been estimated based on headcount.

Operational efficiency performance

Our energy efficiency metrics significantly outperform industry standards, demonstrating operational excellence while supporting customer service reliability.

This efficiency advantage reduces energy consumption while maintaining superior service reliability. Our planned transition to fossi-free backup power by 2030 will eliminate 95% of current fossil fuel emissions while maintaining grid resilience through backup power systems.

Energy efficiency metrics

				Industry averages for comparison	
Metric	**Site**	**2024**	**2030 target**	**EU**	**Global**
PUE (ISO/IEC 30134-2:2016)	**Group average**[1]	**1,28**	**≤1,2**	**1,36**[2]	**1,56**[3]
	Falkenberg (SE)	1,11			
	Stockholm (SE)	1,3			
	Oulu (FI)	1,4			
	Tampere (FI)	1,4			
CUE (gCO2e/IT load)	**Group**	1,74	Not defined	-	-

[1] Group average is the weighted average across sites considering share of total IT load

[2] Assessment of the energy performance and sustainability of data centres in EU (Borderstep Institute, EY, and the Austrian Institute of Technology (AIT))

[3] Uptime Institute Global Data Center Survey 2024

Energy consumption data (MWh)

	Site	2024
Total energy consumption	**Group total**	**9832,49**
Total consumption of non-renewable energy	**All sites**	**59,26**
Diesel (Ecopar A)	Falkenberg (SE)	39,23
	Stockholm (SE)	16,81
Diesel (conventional)	Oulu (FI)	3,22
Total consumption of renewable energy	**Group total**	**9773,23**
Hydro power	Falkenberg (SE)	592,86
	Stockholm (SE)	1174,91
	Oulu (FI)	1457,71
Solar power	Falkenberg (SE)	137,24
	Stockholm (SE)	271,97
Wind power	Falkenberg (SE)	2014,62
	Stockholm (SE)	3992,52
	Tampere (FI)	7,3
Bundled renewable energy	Upstream colocation (Europe)	106
	Shared offices (SE)	4,1
Biomass energy (district heating)	Falkenberg (SE)	9
	Tampere (FI)	5
Total consumption from nuclear sources	**All sites**	**0**

3.1.7 GHG emissions inventory

Our comprehensive GHG inventory establishes 2024 as our base year for CSRD/ESRS reporting, following GHG Protocol operational control principles. This inventory provides the foundation for our science-based emissions reduction targets and transparent stakeholder reporting.

Organizational boundaries and consolidation

The inventory encompasses the same entities as our consolidated financial statements under parent company Glesys Holding AB, including all Swedish and Finnish subsidiaries. We apply operational control consolidation, ensuring consistent methodology across Glesys AB, Stockholm Internet eXchange AB, Ekobilen 7 Fastigheter AB, Cloudonline Sverige AB, Glesys Finland Oy, and Oulun DataCenter Oy.

Base year establishment

Base year 2024 represents our first comprehensive CSRD/ESRS-aligned reporting period, providing reliable, verifiable data following standardized methodologies. See section 3.1.5 for base year recalculation policy,

Inventory scope and methodology

Scope 1: Direct emissions from owned or controlled sources including backup generators (11,68 tonnes CO_2eq), company vehicles (0,44 tonnes CO_2eq), and refrigerant systems (zero leakage recorded in 2024).

Scope 2: Indirect emissions from purchased energy, reported using both market-based (0,22 tonnes CO_2eq) and location-based (671,94 tonnes CO_2eq) methodologies. Our market-based approach reflects 100% renewable electricity procurement through Guarantees of Origin.

Scope 3: Value chain emissions across eight relevant categories totaling 1943,65 tonnes CO_2eq, representing our most significant emission source. Category 4 transportation is limited to upstream transportation of servers due to data limitations, with enhanced supplier engagement planned for 2025-2026. Category 13 downstream leased assets will be reported once dedicated customer metering is installed.

Data quality and limitations

Scope 1 and 2 data derives primarily from direct measurements and supplier-provided consumption data with high certainty. Scope 3 calculations incorporate supplier-specific Environmental Product Declarations where available, supplemented by authoritative emission factors from IVL, DEFRA, and Swedish National Agency for Public Procurement databases.

Current data limitations include shared office electricity consumption (estimated using employee headcount ratios), Finnish waste data (estimated using Swedish per-employee factors), and transportation emissions for category 4 (enhanced data collection planned).

Regulatory alignment

We exclude carbon credits, offsets, and GHG allowances from our inventory, focusing on actual operational emissions. Our methodology ensures compliance with both GHG Protocol Corporate Value Chain Standard and ESRS E1-6 requirements, supporting transparent stakeholder reporting and science-based target validation.

For detailed category assessments, calculation methodologies, and emission factors, refer to Sustainability Notes Appendices A, B, and C.

3.1.8 Gross scope 1, 2, and 3 GHG emissions

2024 GHG protocol scope and category	Market-based	Location-based	% Primary data
Total scope 1	**12,13**	**12,13**	
Company owned/leased vehicles	0,44	**0,44**	**100%**
Fuel for backup generators (Ecopar A+ & Diesel)	11,68	11,68	100%
Refrigerant leakage	0	0	100%
Total scope 2	**0,22**	**671,94**	
Electricity	0	671,72	99,8%
District heating & cooling (biomass)	0,22	0,22	64,5%
Total scope 3	**1943,65**	**1956,65**	
3.1 Purchased goods and services	1293,00	1293,00	0%
3.2 Capital goods	372,71	372,71	63,8%
3.3 Fuel- and energy-related activities	109,08	109,08	100%
3.4 Upstream transport and distribution	52,70	52,70	0%
3.5 Waste generated in operations	2,38	2,38	62,5%
3.6 Business travel	55,68	55,68	35,7%
3.7 Employee commuting	58,10	58,10	0%
3.8 Upstream leased assets (electric consumption colocation)	0	13	100%
Total emissions from operations	**1956**	**2627,72**	

Note: Only the Scope 3 categories that have been assessed as relevant and applicable to the Glesys group are reported. Categories not listed are excluded from our GHG inventory (see Appendix A)

Emissions intensity metrics

		2024
Market-based emissions intensity		
Emissions per employee (headcount)	72 employees	27,17 tCO2/employee
Emissions per million SEK (revenue)	262 MSEK	7,47 tCO2e/MSEK
Location-based emissions intensity		
Emissions per employee (headcount)	72 employees	36,50 tCO2/employee
Emissions per million SEK (revenue)	262 MSEK	10,03 tCO2e/MSEK

3.1.9 Biogenic emissions

Scope and category	Ton biogenic CO2
Total scope 1	**1,41**
Company owned/leased vehicles	0,44
Fuel for backup generators (Ecopar A+ & Diesel)	0,97
Total scope 2	**5,97**
District heating & cooling (biomass)	5,97
Total scope 3	**0,41**
3.6 Business travel	0,41
Total emissions from operations	**7,79**

Biogenic emissions result from the combustion of biomass and biofuels in our operations, representing carbon that was captured from the atmosphere through photosynthesis. In line with GHG Protocol standards, we report biogenic emissions separately from fossil CO_2 to provide transparency while recognizing their distinct climate impact profile.

2024 biogenic emissions totaled 7,79 tonnes CO_2eq across all scopes, representing a minimal portion of our overall operational footprint. Emissions primarily originate from biofuel content in fuels, biomass-based district heating, and the biogenic component of Nordic electricity consumed by our electric vehicle fleet.

Scope 1 biogenic emissions (1,41 tonnes CO_2eq) include company vehicles using fuel with biogenic content and our backup generators running on EcoPar A+, which contains 8% biofuel. Vehicle emissions are calculated using distance-driven data converted to fuel consumption through Trafikverket's average consumption factors, then applied DEFRA 2024 biogenic emission factors.

Scope 2 biogenic emissions (5,97 tonnes CO_2eq) stem entirely from district heating and cooling at our sites in Falkenberg (SE) and Tampere (FI). Both district grids supply fossil-free energy. For Falkenberg, 83.9% of the energy comes from biomass sources. These emissions reflect the combustion of biomass at the district heating and cooling facility, calculated using supplier-verified fuel mix data and Energiföretagen (VMK 2023) emission factors.

Scope 3 biogenic emissions (0.41 tonnes CO_2eq) stem from business travel using employees' car in duty with biofuel content, calculated using the same methodology as Scope 1 vehicle emissions.

We maintain primary data collection through metered fuel consumption for backup generators and supplier verification for district heating biomass content. While biogenic emissions are disclosed for transparency, they are not included in our total operational emissions calculations, consistent with our science-based approach to carbon accounting and our commitment to achieving net-zero fossil emissions.

3.2 Pollution prevention and clean operations

Materiality context

Our preliminary assessment suggests pollution-related impacts will likely be assessed as non-material in our double materiality assessment, planned for 2025, given the nature of our data center operations and strategic site selection

Our reporting for 2024 is therefore limited to , we provide transparent disclosure of our risk assessment, quantitative metrics, and practices. Our management approach focuses on systematic risk assessment of air emissions from backup generators, refrigerant systems, and fuel storage security.

Data center operations present specific considerations during power outages, when backup generators may run for extended periods, temporarily increasing air emissions.

Our closed-loop cooling systems eliminate process wastewater. Through comprehensive monitoring, robust containment systems, and cleaner fuel alternatives like EcoPar A+, we maintain zero pollution incidents across all sites while preparing for our transition to lower-impact backup power solutions.

3.2.1 Governance and strategic integration

Glesys manages pollution-related impacts through our governance framework outlined in section 1.2 and our integrated management system (IMS) (see section 1.2.1). Our approach addresses pollution governance within our environmental stewardship framework rather than through standalone pollution-specific policies, reflecting our operational context as a data center operator with limited pollution.

3.2.2 Risk assessment and IRO management

Our approach to managing impacts, risks, and opportunities (IROs) related to pollution operates through our integrated management system (see section 1.2.1). While our 2024 preliminary materiality review indicates pollution as a topic is likely not material, we maintain systematic procedures for identifying and managing potential pollution-related risks across our operations.

IRO identification process

We identify pollution-related IROs through our systematic risk assessment framework, which evaluates three primary risk categories across our Swedish and Finnish operations. Our assessment considers both direct operational impacts and potential regulatory compliance requirements, focusing on air emissions from backup generators, refrigerant management systems, and fuel storage security.

The assessment covers owned operations at Falkenberg, Stockholm, Oulu, and Tampere data centers, with annual reviews conducted as part of our ISO 14001 certified environmental management system. Our CEO maintains oversight responsibility, with site teams providing operational risk identification and quarterly management reviews ensuring systematic evaluation.

Risk evaluation and materiality context

Our current risk assessment identifies three areas requiring systematic management. Air emissions from backup generator operations present limited risk given our use of EcoPar A+ at Swedish sites, which delivers 60% lower NOx emissions and over 90% lower particulate matter compared to conventional diesel. Our planned transition to HVO100 biofuel, or other fossil-free alternative, by 2030 will further eliminate these emissions.

Refrigerant leakage from cooling systems represents our most significant pollution risk, with R410A carrying a global warming potential of 2088 kg CO_2eq/kg. We maintain mandatory quarterly inspections per EU F-Gas regulation requirements, with zero leakage recorded in 2024. Investigation of lower-GWP alternatives is underway as part of our refrigerant phase-out planning.

Fuel contamination risks from diesel storage are mitigated through comprehensive spill containment measures including polyurethane sealer applications and tank level monitoring systems across all facilities.

Value chain considerations

Our pollution risk assessment currently focuses on owned operations, with limited evaluation of upstream value chain impacts. Enhanced supplier assessment processes planned for 2025 will incorporate pollution-related risk criteria as part of our procurement framework development.

Risk assessment

Risk area	Description	Likelihood	Impact	Mitigation status
Air emissions	Backup generator NOx/PM emissions	Medium	Low	Active - Ecopar A+ usage, diesel phase-out planned
Refrigerant leakage	R410A leakage/fugitive emissions	Low	High	Pending - Alternative refrigerants are being investigated
Fuel contamination	Soil/groundwater contamination from diesel leakage	Low	Medium	Active - Spill containment measures, polyurethane sealer, tank level alarms

Stakeholder engagement

Stakeholder engagement on pollution matters occurs primarily through our established channels with local communities and regulatory authorities. Our whistleblowing mechanism provides accessible reporting for pollution concerns, though no pollution-related grievances were recorded in 2024.

Planned enhancements

The double materiality assessment planned for H2 2025 will systematically evaluate pollution materiality and inform on the materiality of the topic and potential framework enhancements needed.

3.2.3 Pollution metrics and data

Air pollutants emissions

Site	Fuel consumption and fuel type	Nitrogen oxides (NOx)	Particulate matter (PM2.5)	Sulfur dioxide (SO2)	Non-methane volatile organic compounds (NMVOC)
Falkenberg (SE)	4003 liter EcoPar A	73,1 kg	0,7 kg	0,5 kg	6,5 kg
Stockholm (SE)	1715 liter EcoPar A	31,3 kg	0,3 kg	0,2 kg	2,8 kg
Oulu (FI)	328,55 liter diesel	8,8 kg	0,6 kg	0,1 kg	0,9 kg
		113,2 kg	**1,6 kg**	**0,8 kg**	**10,2 kg**

Methodology: Fuel consumption-based calculation using EMEP/EEA Guidebook 2023, Table 3-1 (Page 22) Tier 1 emission factors for NFR sector 1.A.2.g.vii/1.A.4.a.ii. Supplier datasheets for each fuel type. EcoPar A ultra-clean fuel shows significant emission reductions compared to conventional diesel based on technical specifications.

Substances of Concern

Site	Substance	System charge	Leakage	GWP factor	CO2eq
Falkenberg (SE)	R410A	57 kg	0 kg	2088 CO2eq/kg	0
Stockholm (SE)	R410A	159,8 kg	0 kg	2088 CO2eq/kg	0
Oulu (FI)	R410A	84,9 kg	0 kg	2088 CO2eq/kg	0

Fuel storage and handling

Site	Fuel type	Stored volume	Storage method
Falkenberg (SE)	Ecopar A	23 010 liter	Spill containment trays, polyurethane sealer, double wall tanks.
Stockholm (SE)	Ecopar A	4 800 liter	Double wall fuel tank
Oulu (FI)	Diesel	68 003 liter	Double wall fuel tank

3.2.4 Action plan

Diesel phase-out by 2030

- Action: Transition to HVO100 or other fossil-free alternative
- Scope: all backup generators
- Current status: Evaluating alternatives and resources needed

R410A phase-out by 2028

- Replace R410A with lower-GWP alternative
- Scope: All cooling systems at all sites
- Current status: Investigating commercially available alternatives and evaluating resources needed

3.3 Safeguarding water and marine ecosystems

Water stewardship at Glesys operates through minimal dependency systems that eliminate process water discharge. Our data centers utilize closed-loop cooling systems that recirculate water through district heating networks.

All facilities operate in “low water stress” regions according to the WRI Aqueduct Water Risk Atlas, with water consumption limited to general office facilities. Our operations demonstrate no impact on marine or freshwater ecosystems through strategic site selection and closed-loop operational design.

Materiality context and approach

Our preliminary materiality assessment indicates water-related impacts will likely be assessed as non-material in our double materiality assessment planned for H2 2025. This reflects our operational context with closed-loop systems and site locations in low water stress regions.

We maintain relevant procedures within our IMS framework (see section 1.2.1). Formal policy development will be considered based on 2025 assessment outcomes and evolving regulatory requirements.

3.3.1 Governance and strategic integration

We manage water-related impacts through our existing governance framework outlined in section 1.2. Our closed-loop cooling systems eliminate process water discharge while supporting circular resource use through district heating integration described in section 3.5.

Future facility developments include water impact assessments as part of our standard project approval process, ensuring continued minimal water dependency across all operational locations.

3.3.2 Water consumption metrics

Water consumption

Metric	Site	2024
Total water consumption	**Group total**	**432 m³**
	Falkenberg (SE)	186 m³
	Stockholm (SE)	72 m³
	Oulu (FI)	90 m³
	Tampere (FI)	30 m³
	Other offices sites (SE)	54 m³
Process water discharge	Group total	0 m³
Water source stress	Group total	None

Water consumption data consist of actual metered consumption for Falkenberg while other sites and offices have been estimated based on headcount.

Water intensity metrics

Metric	Site	2024
Water use effectiveness (WUE) - (m³/MWh IT load)	**Group total**	**0,05**
	Falkenberg (SE)	**0,07**
	Stockholm (SE)	0,01
	Oulu (FI)	0,06
	Tampere (FI)	0,06
Water intensity - m³/msek net revenue	Group total	1,65

3.3.3 Risk assessment and action plan

The 2024 preliminary materiality assessment indicates that ESRS E3 is likely non-material and no potential impacts, risks or opportunities (IROs) have been identified. As a result, no action plan has been defined.

The outcome of the planned 2025 assessment (see section 1.5) will inform the decision to include or exclude E3 from future reporting.

3.4 Ecosystem stewardship and biodiversity

Biodiversity impacts are minimal for Glesys operations. Our data centers occupy industrial sites with limited ecological value, using closed-loop systems that avoid water ecosystem impacts. We operate in previously developed areas with no identified impacts on protected species or ecosystems.

All facilities are strategically located in industrial zones, with no operations in protected or ecologically sensitive areas. Our closed-loop cooling systems eliminate process wastewater discharge, preventing freshwater ecosystem impacts.

Materiality context

Our preliminary assessment indicates biodiversity impacts will likely be assessed as non-material in our comprehensive double materiality assessment planned for H2 2025. This assessment reflects our operational context with industrial site locations, closed-loop systems, and strategic avoidance of sensitive ecological zones.

Target development depend on outcomes from our materiality assessment and evolving regulatory requirements, maintaining proportional response to identified IROs.

3.4.1 Governance and strategic integration

We manage biodiversity risks through our existing governance framework outlined in section 1.2. Site selection prioritizes brownfield and industrial locations, ensuring no facilities are located in protected or ecologically sensitive zones. Future expansion plans include targeted environmental assessments as part of our standard project approval process.

We maintain relevant procedures within our ISO 14001 framework (see section 1.2.1). Formal policy development will be considered based on 2025 materiality assessment outcomes and evolving regulatory requirements.

3.4.2 Risk assessment and IRO management

Our risk assessment confirms minimal exposure to biodiversity impacts due to industrial site locations and operational characteristics.

Current impact assessment

Direct operational impacts: All sites operate in previously developed areas with no habitat conversion beyond Falkenberg's 2020 unused farmland conversion. Municipal environmental assessments confirmed no significant biodiversity concerns.

Ecosystem dependencies: Closed-loop cooling systems eliminate process water discharge, avoiding freshwater ecosystem impacts. Operations require minimal land area and avoid sensitive ecological zones.

Value chain considerations: Electronic equipment sourcing presents potential indirect risks through resource extraction. Enhanced supplier assessment planned for 2025 will require key suppliers to disclose geographic locations, enabling better risk understanding while recognizing our limited influence over larger suppliers.

Financial assessment

Current financial exposure from biodiversity impacts is minimal given industrial site locations, closed-loop operations, and lack of ecosystem dependencies. No biodiversity-related costs, fines, or penalties occurred during 2024.

Biodiversity risk and impact assessment

Risk area	Description	Likelihood	Impact	Mitigation status
Direct habitat impact	Land conversion for new facilities	Low	Low	No immediate expansion planned. Brownfield prioritization.
Species disruption	Impact on local fauna or flora	Very low	Low	No threatened species identified. No mitigation actions taken.
Water resource impact	Freshwater ecosystem effects	Very low	Low	Closed-loop cooling systems and zero process wastewater discharge.
Supply chain impact	Biodiversity risks in hardware supply chain	Medium	Medium	Assessment planned. Supplier biodiversity criteria to be investigated.

3.4.3 Actions and resources

Our approach reflects the operational nature of our data center business, focusing on responsible site selection and impact avoidance. Current activities include prioritization of brownfield sites and industrial locations, minimizing potential habitat disruption through strategic facility placement.

Current initiatives

Site selection follows avoidance principles by prioritizing previously developed areas. At our Falkenberg facility, sedum roof installation provides modest habitat enhancement, while planned conversion of unused land areas to pollinator-friendly meadows will support local biodiversity where feasible.

Resource allocation

We have not allocated specific financial resources to biodiversity management. Investigation of enhancement measures such as pollinator meadow creation will require future resource allocation in consultation with landscape architects, though amounts remain undetermined pending detailed planning.

Supply chain considerations

Enhanced supplier assessment planned for 2025 will require key suppliers to disclose geographic locations within their value chains, enabling better risk understanding while recognizing our limited influence over larger suppliers.

3.4.4 Metrics and targets

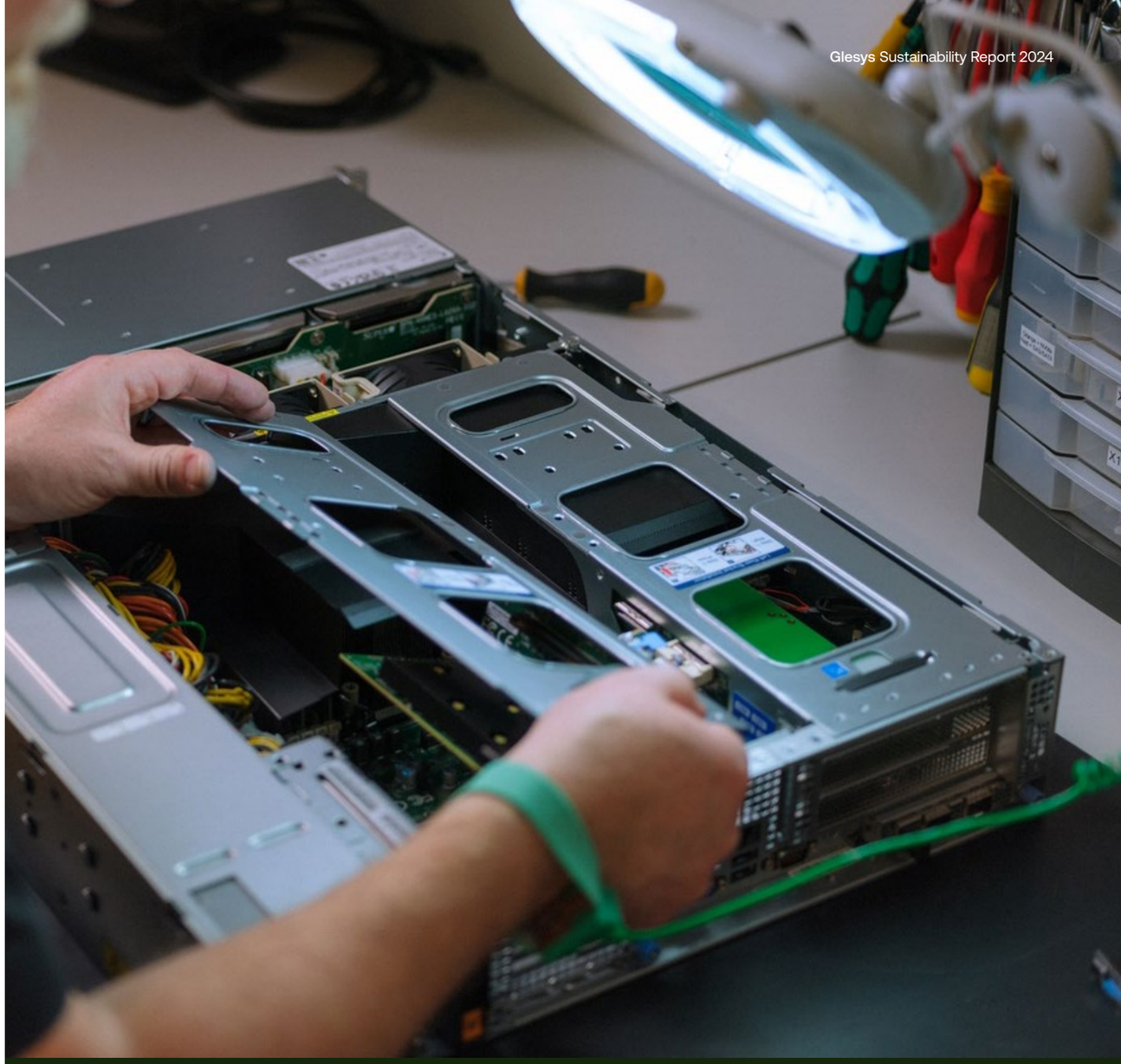
We have not established formal biodiversity targets given the limited direct operational impacts identified. Current focus remains on understanding potential impacts and dependencies through our comprehensive double materiality assessment planned for H2 2025.

Land use metrics for owned buildings

Site	Area (ha)	Development type	Habitat conversion	Verification method
Falkenberg (SE)	0,9	Greenfield (2020)	Agricultural to commercial	Environmental assessment

Site location

Site	Protected area distance	Water body distance	Verification method
Falkenberg (SE)	>5 km (confirmed)	>1 km (confirmed)	Geospatial data tools (Natura 2000 viewer, BISE)
Stockholm (SE)	>5 km (confirmed)	>1 km (confirmed)	
Oulu (FI)	>5 km (confirmed)	>1 km (confirmed)	
Tampere (FI)	>5 km (confirmed)	>1 km (confirmed)	



3.5 Resource efficiency and circular solutions

Resource efficiency and circular economy principles are central to our data center operations, where extending equipment lifecycles and maximizing resource value directly impact both environmental performance and business efficiency. Our approach focuses on minimizing waste, optimizing resource use, and transforming operational byproducts into valuable community resources.

Key achievements include extending server lifecycles to 10 years compared to industry-standard 3-5 year cycles, maintaining 99% waste diversion from landfill, and contributing 4,8 GWh of recovered heat to Stockholm and Falkenberg district heating networks in 2024. Our heat recovery systems exemplify circular principles by transforming waste heat into valuable community energy resources.

This section provides comprehensive disclosure of our resource flows, waste management practices, and circular economy initiatives aligned with ESRS E5 requirements, demonstrating how circular principles create value while supporting broader sustainability objectives.

3.5.1 Governance and strategic integration

Our circular economy governance operates through our comprehensive sustainability framework described in section 1.2, rather than standalone policies. This integrated approach ensures circular economy principles are embedded throughout our operational framework and decision-making processes.

Policy framework

Circular economy principles are integrated across three key policy areas within our IMS (see section 1.2.1):

- Sustainability Policy: Establishes environmental stewardship as a core focus area, specifically highlighting waste reduction and circular economy integration across all operations
- Waste Management Guideline: Defines comprehensive procedures for proper waste categorization, disposal, and recycling across data centers and offices
- Equipment Disposal Guideline: Ensures responsible end-of-life management for all IT hardware, networking devices, and end-user equipment, balancing information security requirements with environmental responsibility

Strategic integration

Our circular economy approach centers on three strategic priorities that create measurable value:

- Extended equipment lifecycles: Server lifecycles extended to 10 years compared to industry-standard 3-5 year cycles through component-level maintenance and in-house parts inventory
- Heat recovery systems: Transforming operational waste heat into valuable community resources, contributing 4,8 GWh to Stockholm and Falkenberg district heating networks in 2024
- Zero-landfill operations: Maintaining 99% waste diversion from landfill through comprehensive recycling and energy recovery programs

These initiatives directly support our business objectives while demonstrating how circular principles create value for stakeholders and communities.

3.5.2 Risk assessment and IRO management

Our circular economy risk assessment operates within our integrated management system (see section 1.2.1), ensuring systematic identification and management of impacts, risks, and opportunities across operations.

Assessment process and methodology

We conduct annual risk assessments using structured likelihood and impact evaluation. Standard ESRS time horizon will be applied in 2025. Our Sustainability Controller, hired in 2025, maintains primary responsibility for ESG-related risk management.

The assessment covers own operations across all sites. Upstream value chain coverage is currently limited but includes hardware suppliers and waste management providers. We plan to expand value chain assessment by end of 2025.

Priority risks and mitigation measures

Heat recovery systems represent our largest circular economy opportunity, generating 4,8 GWh for community heating in 2024. Equipment malfunctions or district heating grid disruptions pose medium likelihood, medium impact risks to revenue streams. Risks are mitigated through regular maintenance protocols.. Planned expansion targets doubled capacity by 2030.

Emerging regulations on mandatory recycled content disclosure for IT hardware pose medium-term risks with high potential impact. Current supplier data limitations present compliance challenges.

We are addressing these through enhanced supplier engagement requirements and data collection processes planned for our strengthened procurement framework development in Q4 2025.

Financial impacts remain low probability given our comprehensive waste management procedures, but improper handling could result in compliance issues. We maintain zero-landfill operations through established guidelines and training programs aligned with our Waste Management Guidelines.

Our strategic component inventory and in-house repair capabilities significantly reduce circular economy risks. Extended equipment lifecycles (up to 10 years versus industry-standard 3-5 years) minimize exposure to supplier shortages while supporting resource consumption reduction.

Technology obsolescence poses low likelihood, medium impact risks to our lifecycle extension strategies. We mitigate this through component-level maintenance capabilities and modular equipment selection.

Emerging opportunities

Our sustainability profile, particularly heat recovery systems, creates high likelihood, medium impact reputational value and customer engagement opportunities. While precise financial quantification remains challenging, customer feedback demonstrates clear market differentiation benefits.

Heat recovery expansion presents high likelihood, high impact opportunities. Our 6 MSEK planned investment supports long-term revenue growth while delivering measurable community benefits.

Systematic supplier engagement creates medium likelihood, low-to-medium impact opportunities for cost savings through sustainable sourcing relationships and improved circular procurement practices.

Risk and impact assessment

Risk area	Description	Likelihood	Impact	Mitigation status
Waste management compliance	Improper handling or disposal of e-waste and general waste streams	Low	Medium	Active - Training programs, establish waste management guidelines
Regulatory compliance	Potential regulations on mandatory recycled content in hardware and infrastructure materials	Medium	Medium-High	Pending - Enhance supplier engagement for data collection, procurement framework development
Heat recovery system failure	Equipment malfunction of district heating grid disruption affecting revenue streams	Low	Medium	Advanced - Redundant cooling systems, regular maintenance protocols
Supply chain disruption	Hardware component shortage or distribution interruptions	Very low	Low	Advanced - Strategic parts inventory, in-house repair capabilities
Technology obsolescence	Rapid changes rendering extended lifecycle strategies ineffective	Low	Medium	Ongoing - Component-level maintenance, modular equipment selection
Data availability	Insufficient supplier transparency on recycled content and circularity metrics	High	Low	Planning - Systematic supplier engagement, enhanced procurement criteria

Opportunity assessment

Opportunity area	Description	Likelihood	Impact	Mitigation status
Heat recovery expansion	Scaling district heating partnerships and geographic expansion	High	High	Active - 6 MSEK planned investment
Sustainability differentiation	Market positioning through circular economy leadership	High	Medium	Ongoing - Customer recognition, reputational value
Extended lifecycle optimization	Further enhancing equipment longevity and repair capabilities	Medium	Medium	Planning - Systematic lifecycle management
Circular procurement benefits	Cost saving through sustainable sourcing and supplier partnerships	Medium	Low-Medium	Planning - Comprehensive procurement framework development

3.5.3 Financial effects and resource allocation

Our circular economy initiatives generate measurable financial benefits while requiring strategic investments to enhance capabilities and maintain competitive positioning.

Current financial performance

Heat recovery operations generate confirmed annual revenue of 1,8 MSEK. Extended equipment lifecycle management delivers cost savings through reduced replacement frequency, supporting our strategy of 10-year server lifecycles compared to industry-standard 3-5 year cycles.

Our zero-landfill waste policy avoids disposal costs while generating revenue through material recovery. Enhanced tracking systems are being implemented to provide more precise financial quantification of waste diversion benefits.

Investment requirements and resource allocation

Heat recovery expansion required 6 MSEK investment in 2025, delivering infrastructure to support long-term revenue growth and community partnerships. This investment enables increased heat recovery capacity, supporting our target Energy Reuse Factor of 90% byt 2030 for all sites where connections to district heating grid is possible. Data management enhancement targets maximum 0,2 MSEK annually for integrated software solutions. These systems will improve supplier transparency, support regulatory compliance, and enhance circular economy data collection capabilities.

Potential future investments include Oulu heat recovery installation estimated at 2 MSEK.

Financial risks and dependencies

Regulatory compliance costs present a financial risk. Potential emergence of requirements for mandatory recycled content disclosure may necessitate enhanced supplier engagement and data collection systems. Current supplier data limitations could result in compliance costs if not addressed through our planned procurement framework development.

Technology risks related to heat recovery system performance are mitigated through comprehensive maintenance protocols. Equipment failures could impact revenue streams.

Resource dependencies include reliable access to servers, networking equipment, and replacement components such as GPUs and CPUs. Strategic parts inventory management supports extended lifecycle while mitigating supply chain cost volatility.

Financial opportunities

Heat recovery expansion presents high-certainty revenue growth opportunities through established district heating partnerships in Stockholm and Falkenberg. Geographic expansion to Oulu represents additional medium-term revenue potential.

Sustainability differentiation creates market positioning advantages, though precise financial quantification remains challenging. Customer feedback demonstrates clear value recognition for our circular economy leadership, supporting premium service positioning.

Enhanced supplier partnerships through systematic engagement may generate cost savings through collaborative procurement and shared circular economy initiatives. Our planned procurement framework development targets these opportunities.

Critical assumptions and limitations

Financial estimates incorporate actual compensation for heat recovery, equipment lifecycle extension rates, and regulatory compliance timelines. Revenue projections assume continued district heating demand and stable partnership agreements.

Investment planning reflects current technology costs and implementation timelines, with ranges accommodating potential variations in equipment specifications and installation complexity.

Our financial planning approach ensures circular economy investments align with business objectives while creating measurable environmental and community benefits, supporting our position as a leader in sustainable digital infrastructure.

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Current allocation of financial resources

Year	Description	CapEx (mSEK)	OpEx (mSEK)	Link to action plan
2024	Expansion of heat recovery system (Falkenberg)	3,7	-	Circular economy
2022	Installation of heat recovery system (Stockholm)	0,3	-	Circular economy

Future allocation of financial resources

Year	Description	CapEx (mSEK)	OpEx (mSEK)	Impact/Link to action plan
2025	Heat recovery expansion (Falkenberg)	6	-	Circular economy
2028-2030	Installation of heat recovery system (Oulu)	2	-	Circular economy

3.5.4 Actions and resource allocation

We implement three focused actions that deliver measurable circular economy benefits while supporting our operational efficiency and community value creation.

Heat recovery expansion

Our 3,7 MSEK investment in 2024 increased our capacity to transfer waste heat to Falkenberg district heating networks.

Planned 2 MSEK investment for Oulu district heating integration by 2028-2030 will extend these benefits to Finnish operations using proven technology approaches.

Extended equipment lifecycles

Strategic component inventory management enables in-house repair capabilities for critical components including GPUs, CPUs, and chipsets. This approach extends server lifecycles to 10 years compared to industry-standard 3-5 year cycles, reducing resource consumption while improving operational efficiency.

We maintain strategic parts inventory based on historical failure rates and supplier availability, minimizing supply chain risks while maximizing equipment utilization.

Enhanced supplier engagement

Implementation of systematic data collection processes improves transparency regarding recycled content and environmental impacts across our supply chain. Investment in integrated supplier assessment software, targeted at maximum 0,2 MSEK annually, enhances data capabilities while supporting regulatory compliance.

We prioritize suppliers representing 80% of procurement spend for initial engagement, expanding coverage based on data quality improvements and supplier responsiveness.

Resource allocation approach

Our systematic approach prioritizes actions based on risk mitigation potential, financial returns, and environmental impact. Investment decisions undergo quarterly review by executive management through our governance framework (section 1.2), ensuring alignment with sustainability strategy and operational objectives.

Current limitations include incomplete recycled content tracking and reliance on manufacturer data where supplier-specific information is unavailable. We are systematically addressing these gaps through expanded supplier engagement and enhanced data collection capabilities.

3.5.5 Metrics and targets

Resource inflows

Our resource inflows assessment is currently limited to capital goods due to resources and data constraints.

Resource category	Weight (ton)	Renewable content (%)	Recycled content (%)
IT hardware (servers, networking)	1,54	-	-
Building/infrastructure materials	10,68	-	-
UPS batteries and components	17,03	-	-
Total resource inflows	**29,25**	Data not available	Data not available

Resource outflows

Waste category	Total (ton)	Recycled	Energy recovery	Landfilled	Diversion rate (%)
E-waste (WEEE)	12,57	11,18	1,26	0,13	99%
Residual waste	11,88		11,88		100%
Paper packaging	4,54	4,54			100%
Plastic packaging	0,14	0,14			100%
Scrap metal	0,79	0,79			100%
Construction material	1,1		1,1		100%
Wood-waste (non-impregnated)	0,01		0,01		100%
Total resource outflows	**31,02**	**16,65**	**14,25**	**0,13**	**99,6%**

Waste volumes cosist of measured data for Falkenberg and Stockholm. Due to data constraints for other rented sites and shared offices, waste data for these sites was estimated based on headcount.

Heat reuse

Metric	Site	2024	2030 Target
Heat reuse - Heat recovered and distributed to local district heating grid	**Group total**	**4,8 GWh**	-
	Falkenberg (SE)	2,1 GWh	-
	Stockholm (SE)	2,7 GWh	-
Energy Reuse Factor (ERF) - GWh heat reused/Datacenter total energy consumption	**Group average**	**83,82%**	**90,00%**
	Falkenberg (SE)	90,69%	90,00%
	Stockholm (SE)	76,95%	90,00%

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4. Social information

This chapter provides a comprehensive overview of Glesys's approach to social sustainability, structured in accordance with the European Sustainability Reporting Standards (ESRS). Our disclosures demonstrate how we manage our social impacts, dependencies, risks, and opportunities, and how we contribute to addressing today's most pressing social challenges.

The social information chapter is organized into four key sub-sections, each aligned with a specific ESRS topical standard:

Own workforce (ESRS S1):

This section details our efforts to create a thriving workplace, including measurement and management of workforce conditions, professional development, and employee wellbeing strategies. We outline both the positive and negative impacts of our operations on our people, our mitigation strategies, and the financial implications of workforce-related risks and opportunities.

Workers in the value chain (ESRS S2):

Here, we report on our impact on workers throughout our supply chain and business relationships, as well as our actions to prevent or mitigate negative effects. This includes management of working conditions, labor rights, and the financial effects associated with value chain worker-related risks and opportunities.

Affected communities (ESRS S3):

This section covers our approach to community engagement, local impact management, and stewardship, including our impact on local communities and stakeholders. We disclose community investment, engagement activities, and measures taken to minimize adverse effects on affected communities.

Consumers and end-users (ESRS S4):

We present our assessment and management of impacts on our customers and end-users, including service quality practices, data protection, and customer satisfaction initiatives. This section also addresses dependencies on customer relationships and our engagement with stakeholders to enhance service delivery.

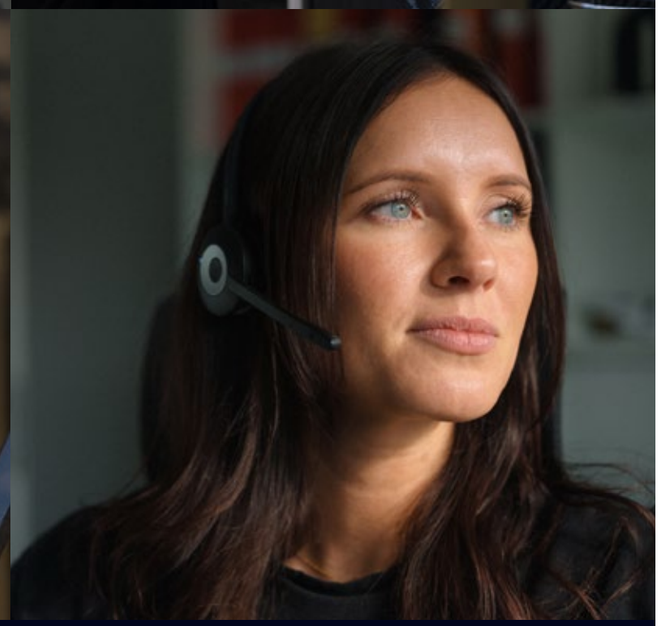
Compliance with ESRS

Our disclosures adhere to the principles of relevance, completeness, consistency, transparency, and accuracy as set out in the CSRD/ESRS. We provide:

- Quantitative data on workforce metrics, disaggregated by facility and activity
- Narrative context on data gaps, estimation methods, and the immateriality of excluded sources
- Disclosure of social performance and impact intensity metrics, benchmarked against industry peers

Plans for 2025

Glesys plans to carry out an ESRS aligned double materiality assessment (DMA) in 2025. This will be supplemented by a new ESG strategy that will outline the management of social IROs, define targets and outline the action plan to achieve these targets. Additionally, we plan to enhance our social data collection and reporting capabilities to ensure full compliance with ESRS requirements.



4.1 Own workforce

Our workforce drives our success as a technology company. This section outlines how we identify, assess, and manage our material impacts on our people, alongside the risks and opportunities they create. Our approach covers all individuals working directly with our operations, including employees and non-employee workers such as consultants.

The disclosures demonstrate our alignment with internationally recognized standards, including the UN Guiding Principles on Business and Human Rights and core ILO conventions. We focus on key areas: secure employment, fair compensation, professional development, health and safety, work-life balance, and equal opportunities.

Through transparent reporting on our policies, actions, and metrics, we show how we create value for our workforce while managing associated risks and opportunities. Our workforce-related initiatives directly support our business objectives while contributing to broader societal goals. By investing in our people's development and wellbeing, we strengthen our ability to deliver innovative solutions and maintain our competitive position.

4.1.1 Governance and strategic integration

Our workforce governance operates through the comprehensive sustainability framework described in section 1.2. The Board of Directors maintains oversight of workforce matters through quarterly reviews, while the CEO holds ultimate responsibility for workforce strategy implementation.

Our HR generalist prepares monthly performance reports covering employee satisfaction, diversity, and turnover, which are reviewed by the Executive Management Team to ensure workforce insights inform strategic and financial planning.

Workforce considerations are systematically integrated into our business strategy. We recognize that maintaining high employee satisfaction directly correlates with our ability to deliver quality services and maintain competitive position in the technology sector.

Starting in 2025, our Sustainability Controller will work closely with HR and other business functions to strengthen systematic integration of workforce perspectives into sustainability decision-making.

Gender	Number of employees (headcount)
Male	67
Female	5
Other	-
Not reported	-
Total employees	**72**

Country	Number of employees (headcount)
Sweden	52
Finland	20

Country	Number of employees
Employees hired	10[1]
Employees who left	3
Turnover rate %	4,41%

[1] Number of employees hired includes employees that joined the Group as part of an acquisition.

4.1.2 Risk assessment and IRO management

Our workforce impact, risk, and opportunity (IRO) management operates through our integrated management system (see section 1.2.1). While our double materiality assessment is planned for completion in H2 2025, we have conducted preliminary evaluations based on industry benchmarking, stakeholder feedback, and regulatory requirements.

Risk identification and assessment

Our preliminary 2024 assessment identified health and working conditions within our workforce risk evaluation, though these were not deemed material given our operational context and strong existing management frameworks. We recognize that our current risk assessment capabilities require enhancement to meet ESRS requirements.

Our commitment to safe, healthy, and inclusive working conditions is specifically highlighted in our sustainability policy. We recognize that maintaining high employee satisfaction directly correlates with our ability to deliver quality services and maintain our competitive position in the technology sector.

Risk evaluation approach

The CEO maintains operational responsibility for survey implementation and data compilation, providing regular reports to management and the Board of Directors. Team leaders, department heads, and the executive management team ensure engagement activities occur systematically and that workforce perspectives inform our strategic approach.

Key risk areas identified

Based on our operational context and industry benchmarking, we have identified potential workforce risks including retention challenges in the competitive technology sector, skills gaps in rapidly evolving technologies, and maintaining work-life balance in a demanding industry environment. Our strong existing management frameworks through our ISO-certified systems effectively mitigate these risks.

Enhanced management planned for 2025

Starting in 2025, workforce IRO management will be coordinated by our Sustainability Controller in collaboration with the HR department This governance enhancement will strengthen systematic integration of workforce perspectives into sustainability decision-making and improve coordination between workforce engagement and broader ESG initiatives.

Our planned comprehensive double materiality assessment will provide enhanced understanding of workforce-related impacts, risks, and opportunities, informing development of more sophisticated engagement strategies and risk management approaches aligned with ESRS requirements.

4.1.3 Policies and due diligence

Our workforce policies establish comprehensive frameworks for managing people-related impacts while ensuring fair, safe, and inclusive working conditions. Built around our core values of Quality, Honesty, and Respect, these policies apply to all employees and non-employees working directly for the company, including consultants and contractors across Swedish and Finnish operations.

Policy framework and governance

The CEO maintains ultimate responsibility for policy implementation and annual reviews, ensuring alignment with business objectives and regulatory requirements (see section 1.2 for governance details). Finnish subsidiaries operate under separate pension and insurance policies adapted to local requirements while maintaining alignment with core principles.

We maintain flexible working arrangements including flexible hours and remote work options when tasks allow, alongside equitable bonus systems applying to all employees regardless of position.

Human rights commitments

Our policies align with internationally recognized human rights instruments, respecting fundamental rights to freedom of association and collective bargaining as essential elements of fair employment relations (see section 4.1.7 for collective bargaining details).

Policy implementation and improvement

We recognize the critical importance of effective policy implementation and awareness. We are currently undertaking a comprehensive review to strengthen our policy framework and improve awareness levels across the organization through gap analysis against ESRS requirements and best practices, stakeholder engagement assessment, awareness improvement initiatives including training modules, and policy accessibility enhancement through updated policies available via HR/Employee portal.

Workforce polices implemented

- Code of Conduct
- Gender equality
- Anti-discrimination
- Sexual harassment
- Threats and violence
- Alcohol & drugs
- Traffic safety
- Work environment
- Pension & insurance

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4.1.4 Actions and resource allocation

Our systematic approach to workforce actions and resource allocation directly supports our commitment to creating a thriving workplace while addressing material impacts, risks, and opportunities identified in our workforce assessment.

Actions in 2024

During 2024, we implemented several key initiatives to enhance employee wellbeing and working conditions:

- Introduced a bike-benefit program to support sustainable commuting.
- Procured server lifts at our Stockholm and Falkenberg data centers to improve workplace safety.
- Implemented a new HR system to streamline people management processes.
- Implemented mandatory cybersecurity training through Junglemap to enhance security awareness across all personnel.
- Upgraded hearing protection requirements in server rooms and provided enhanced protective equipment for employees and co-location customers.
- Additional work environment improvements included enhanced office ergonomics and systematic upgrades to workplace facilities.

Planned future actions

Looking forward to 2025-2026, we have planned three major actions:

- Policy review program during Q4 2025-Q1 2026 to strengthen our policy framework and improve organizational awareness.
- Enhance our existing company-provided occupational healthcare.
- Conduct a comprehensive review of contractual conditions and benefits to ensure competitive positioning.

Financial resource allocation

We allocate substantial financial resources to workforce management, demonstrating our commitment to our people. Our annual training budget of 1.8 million SEK provides each employee with 25,000 SEK for professional development, enabling continuous learning and career advancement across our 72-person workforce.

Additional workforce investments in 2024 totaled 0.9 million SEK, including:

- New HR management system.
- Training modules and survey systems.
- Wellbeing programs (friskvårdsbidrag).
- Company-provided occupational healthcare and health insurance.
- Annual group-wide conference.
- General work environment improvements.

For 2025, we plan to maintain these investments plus continuation of ongoing programs, reflecting our sustained commitment to workforce development and engagement.

Tracking effectiveness

We systematically track the effectiveness of our workforce actions through multiple mechanisms. Benefits are measured by usage rates, while training effectiveness is assessed through participation levels and performance scores. Physical safety improvements such as server lifts and hearing protection are monitored during annual safety inspections and integrated into our comprehensive work environment assessments.

Our employee engagement is evaluated through engagement scores and feedback collected via surveys, providing continuous insights into the effectiveness of our initiatives and informing future improvements.

4.1.5 Targets and performance

We establish measurable workforce targets to drive continuous improvement in employee satisfaction and engagement while supporting our mission to deliver sustainable digital infrastructure through our people.

Target framework and methodology

Our workforce target-setting approach operates through our governance framework described in section 1.2, with targets established annually by executive management.

Current workforce targets

We maintain two primary workforce performance targets for 2024:

- Employee satisfaction target of 7 on a 10-point scale, measured through regular employee surveys and weekly pulse surveys via Officevibe.
- Employee Net Promoter Score (eNPS) target of 80.

Performance tracking and results

During 2024, we achieved mixed performance against our workforce targets:

- Employee satisfaction score: 7 out of 10, meeting our established target. This performance demonstrates our success in maintaining workplace conditions supporting employee wellbeing and development.
- Employee Net Promoter Score: 45 (62% ambassadors and 15% critics). While below our target of 80, this performance provides baseline data for improvement initiatives.

Target review and updating procedures

Workforce targets are reviewed and updated annually through executive management assessment. Our current approach lacks systematic employee input in target-setting processes, representing an area for enhancement aligned with ESRS requirements.

We aim to strengthen our target-setting methodology by incorporating employee consultation and ensuring that workforce perspectives inform target development.

Performance monitoring approach

We track workforce performance through multiple integrated systems including software platform for continuous pulse measurement and annual comprehensive employee surveys.

Our performance measurement approach provides quarterly reporting to executive management and Board oversight, ensuring workforce performance remains integral to strategic decision-making and operational excellence. This includes turnover rates, absence rates, workplace incidents, and gender diversity indicators.

4.1.6 Workforce composition and characteristics

Our workforce data provides transparency about organizational composition and supports our commitment to building a diverse, engaged team. We track workforce characteristics to monitor progress toward diversity goals, ensure equitable treatment across all groups, and identify opportunities to strengthen talent management practices.

The following data presents comprehensive workforce characteristics as of December 31, 2024, establishing our baseline for future performance tracking. This encompasses employees and non-employees working directly with our operations, including consultants, and other professionals who contribute to our success across all locations and employment types.

Our employees in numbers

Headcount per type of employment	Female	Male	Other	Not disclosed	Total
Total number of employees	5	67	-	-	72
Permanent employees	5	67	-	-	72
Temporary employees	-	-	-	-	0
Non-guaranteed working hours employees	-	-	-	-	0
Full-time employees	3	66	-	-	69
Part-time employees	2	1	-	-	3

Country	Non-employees that are self employed	Non-employees provided by labor service companies
Sweden	3	1
Finland	0	0

Age distribution	Sweden	Finland	Total
<30 years	2	2	4 (5,55%)
30-50 years	46	12	58 (80,56%)
>50 years	4	6	10 (13,89%)

Gender distribution	Top management	All employees
Female %	0%	7%
Male %	100%	93%
Female (headcount)	0	5
Male (headcount)	4	67

Country	% of workforce with disabilities
Sweden	0%
Finland	0%

4.1.7 Working conditions

Fair and secure employment conditions form the cornerstone of our commitment to our workforce. We recognize that providing adequate compensation, comprehensive social protection, and respect for collective bargaining rights are essential for creating a sustainable and engaged workplace. Our approach to employment conditions aligns with our sustainability strategy (section 1.3.1), ensuring that all employees receive fair treatment and appropriate support throughout their employment journey.

Our employment practices are designed to meet or exceed local standards in all jurisdictions where we operate, while maintaining consistency with our global commitment to workforce wellbeing. We monitor employment conditions regularly to ensure they align with our business objectives and support our people in achieving both professional success and personal fulfillment.

Adequate wages

Country	% Employees earning ≥ living wage	Methodology
Sweden	100 %	Verified through annual benchmarking against national salary statistics and regional cost-of-living indices.
Finland	100 %	

Gender pay gap

Country	Gender pay gap	Methodology
Sweden	78%	Annual salary mapping
Finland	76%	Annual salary mapping

Note: The 2024 salary mapping showed a gender pay gap of 78% for our Sweden-based operations and 76% for Finland. The ratio for Sweden is affected by the lack of comparable roles. The salary of female employees was compared to national statistics and warranted no actions. For Finland, the ratio is affected by one of two female employees holding a hourly based contract. When comparison is made between permanent staff, the ratio is 100%.

Total remuneration ratio

Ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees: 1:2,26

Collective bargaining & social dialogue

While we have no collective agreement covering our Swedish operations, we maintain competitive employment conditions aligned with market standards while respecting our employees' freedom of association rights. We remain committed to supporting any future choices our Swedish employees make regarding collective representation.

All of our employees in Finland are covered by collective bargaining agreements through the ICT-ALAN collective agreement, covering salary adjustments, working time arrangements, parental leave provisions, and other employment benefits.

Across our operations, we maintain open channels for employee engagement and feedback, ensuring workforce perspectives inform our employment policies and practices.

Country	% of workforce under collective agreement	Headcount
Sweden	0%	52
Finland	100%	20

Social protection

All Glesys employees are covered by Sweden's and Finland's respective national social security systems. Swedish staff receive pension, parental leave, childcare, sickness and accident insurance, disability support, and elderly care under the national framework.

Finnish employees benefit from equivalent health care coverage, unemployment benefits, parental allowances, and pension provisions. Across both countries, our coverage meets or exceeds statutory requirements, ensuring income security and support for life events.

Country	% Employees covered by statutory social protection	% Non-employees covered
Sweden	100 %	100%
Finland	100 %	100%

Health and safety

Creating a safe and healthy work environment is fundamental to our operations. We maintain comprehensive health and safety management systems that comply with the Swedish Work Environment Act, ensuring all employees are protected across our operations.

Our work environment manual defines management routines with participation from all employees. This includes work environment assessment, risk assessment, action plans, and incident reporting.

Each site has a safety representative, and our SAM group (CEO, department heads, and safety representatives) meets biannually in March and October. Employees receive two weeks' notice to raise issues before these meetings.

Annual employee interviews include work environment discussions, while teams address safety issues in weekly meetings. Quarterly workplace meetings engage the entire organization in discussing workplace safety matters.

Indicator	2024
% of employees covered by health and safety management system	100%
Fatalities due to work-related injuries and work-related ill-health – own workforce	0
Fatalities due to work-related injuries and work-related ill-health – other workers on site	0
Number of recordable work-related accidents	0
Recordable work-related accidents – %	0%
Recordable work-related ill-health cases	0
Days lost due to work-related injuries, ill-health and related fatalities	0

Work-life balance

We prioritize creating a workplace where employees can achieve balance between professional responsibilities and personal wellbeing. Our approach combines flexible working arrangements, comprehensive wellness programs, and supportive policies that extend beyond statutory requirements.

Flexible working arrangements

We operate on trust-based working hours with standard schedules that accommodate flexibility when needed. Our hybrid work policy enables employees to work remotely when tasks allow, supporting personal circumstances while maintaining operational effectiveness. We provide additional paid leave for essential personal matters including medical appointments, dental visits, funerals, prescribed treatments, and acute family illness situations.

Wellness and health support

Each employee receives an annual wellness allowance of 5,000 SEK to support their health and fitness activities. Additional wellness benefits include bike leasing programs, comprehensive health care insurance, computer glasses for eye protection, an onsite gym (Falkenberg), and regular occupational health screenings. We provide enhanced sick leave compensation with an additional 10% pay beyond statutory requirements for days 15-90 of absence.

Time management and leave policies

All employees are entitled to 25-30 vacation days annually. Overtime occurs only on special occasions when needed and remains voluntary, with appropriate compensation provided. Our parental leave support includes an additional 10% top-up pay for six months, demonstrating our commitment to supporting families during important life transitions.

Monitoring and continuous improvement

We track work-life balance effectiveness through our wellbeing index measured in Officevibe, regular absence monitoring, and targeted follow-ups when needed. Employee feedback is gathered through annual one-on-one meetings, surveys, and continuous pulse checks, ensuring our policies meet evolving workforce needs while supporting both professional growth and personal fulfillment.

Parental leave

Gender	Headcount	% Employees entitled	% Who Took Leave
Female	5	100 %	40%
Male	67	100 %	13%
Total	72	100%	15%

Note: All employees are entitled to family-related leave through national social policy.

4.1.8 Training and development

Each employee receives an annual professional development budget of 25000 SEK, totaling 1,8 million SEK across our 72-person workforce. This investment supports training programs, certifications, conferences, and other development activities aligned with career goals and business needs.

All employees complete mandatory cybersecurity education through Junglemap's interactive modules to maintain awareness of evolving security threats and best practices.

Data collection limitations

We currently lack comprehensive systems for tracking training hours across all development activities, preventing us from reporting average training hours by gender as required under ESRS S1. We are investigating enhanced data collection systems and standardized tracking methodologies for future reporting periods.

4.1.9 Grievances and remediation

We provide accessible channels for employees to raise concerns and obtain remediation through our governance framework (see section 1.2). The CEO oversees the system, with HR managing daily operations.

Available channels

Employees can report concerns through multiple channels: our anonymous, multilingual Whistlelink system (https://glesys.whistlelink.com) for unethical behavior and policy violations; direct approach to supervisors, HR, or department heads during meetings; and confidential HR support for employment matters and conflict resolution.

Process and protection

We acknowledge all reports within 48 hours and conduct confidential investigations with regular status updates. Our anti-retaliation policy protects good-faith reporting. Onboarding materials and regular training ensure channel awareness across the organization.

Performance

Zero formal grievances were reported in 2024, reflecting our proactive issue resolution approach. We monitor informal feedback channels and conduct periodic reviews to ensure timely, fair outcomes. Annual employee surveys include feedback on channel accessibility and effectiveness.

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4.2 Workers in the value chain

Workers throughout our supply chain and business relationships are essential to delivering our services. While we don't directly control these relationships, we recognize our responsibility to understand and address potential impacts on workers across our value chain.

Our upstream value chain includes hardware manufacturers, software providers, construction companies, and service suppliers. These relationships primarily involve tier 1 suppliers with direct contractual obligations, though our influence extends to tier 2 suppliers through strategic partnerships.

We're developing enhanced frameworks to systematically assess and manage worker-related impacts through strengthened supplier engagement, risk assessment protocols, and grievance mechanisms accessible throughout our value chain. Our approach emphasizes building collaborative relationships that create shared value while protecting worker rights and promoting safe working conditions across all business relationships.

4.2.1 Governance and strategic integration

We protect value chain workers through our governance framework (see section 1.2) and our Supplier Code of Conduct, implemented in October 2024. The Code establishes mandatory standards detailed below for all suppliers, contractors, and vendors.

Policy framework

Our Supplier Code serves as the primary instrument for managing value chain worker impacts, risks, and opportunities. The Code explicitly prohibits forced labor, child labor, and human trafficking while mandating compliance with labor laws, fair wages, and safe working conditions across our supplier network.

The Supplier Code establishes comprehensive human rights commitments, requiring respect for human rights through compliance with applicable labor laws and ensuring fair treatment and dignity for all workers in our value chain. Our commitments align with internationally recognized instruments including the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises.

Grievance access

Our Whistlelink mechanism provides value chain workers access to anonymous, multilingual reporting of concerns. No grievances were reported in 2024.

4.2.2 Risk assessment and IRO management

We manage value chain worker impacts, risks, and opportunities through our integrated management system (see section 1.2.1).

Risk identification approach

Our current process relies primarily on general market intelligence and monitoring news reporting regarding major suppliers. The CFO maintains responsibility for supplier oversight, with annual reviews incorporating any identified risks or incidents.

We recognize this approach lacks systematic methodology required for comprehensive IRO management. Key limitations include absence of structured human rights risk mapping, limited integration of country and sector-specific risk indices, and insufficient direct engagement with value chain workers or their representatives.

Geographic and sectoral considerations

Our preliminary analysis identifies risk factors across our supply chain, with potential exposure to labor rights risks in manufacturing regions outside the EU. Supply chain complexity in electronics manufacturing may obscure working conditions in deeper tiers.

Planned enhancements

We acknowledge gaps risk assessment, including in our engagement with value chain workers and their representatives (see section 4.2.3). Recognizing the need for substantial improvement, we have committed to enhancements including enhanced governance through, software-enabled risk assessment platforms integrating international indices, comprehensive ESG supplier assessment processes, and systematic engagement protocols with value chain workers and their representatives.

Risk	Mitigation measures
Labor rights violations	Pre-contract due diligence, annual supplier audits, and corrective action plans
Health and safety incidents	Mandatory safety protocols, spill containment systems, and emergency response training
Ethical breaches	Anti-bribery clauses, conflict-of-interest disclosures, and third-party monitoring

4.2.3 Stakeholder engagement and grievance mechanisms

We recognize the importance of enabling value chain workers to raise concerns and access remedy when connected to negative impacts. Our current approach operates through multiple channels while we develop enhanced systematic engagement processes planned for 2025.

Grievance and remedy approach

Our approach centers on prevention through our Supplier Code of Conduct requirements and responsive investigation when issues arise. The Supplier Code requires suppliers to foster transparency cultures where ethical concerns can be raised without fear of retaliation.

We provide value chain workers with access to our secure Whistlelink reporting system (https://glesys.whistlelink.com), which supports anonymous, multilingual reporting of unethical behavior, policy violations, or workplace concerns. This channel enables workers throughout our supply chain to report concerns directly to Glesys.

Business relationship requirements

Our Supplier Code requires all suppliers to provide whistleblower channels for reporting unethical practices both internally and within their supply chain. We communicate these expectations during contract negotiations with all suppliers.

However, we acknowledge that we have not yet implemented systematic verification processes to confirm that suppliers effectively communicate these channels to their workers.

Performance tracking

Currently, our tracking of value chain worker grievances operates through our general Whistlelink system. No grievances specifically related to value chain worker impacts were reported in 2024.

We are considering requiring top suppliers to disclose data on grievances received and corrective actions taken as part of our enhanced ESG supplier assessment framework planned for 2025.

Development priorities for 2025

We are developing systematic enhancements including comprehensive remedy procedures specifically addressing value chain worker impacts, structured verification processes for supplier grievance mechanism communication, and enhanced tracking systems for grievance resolution effectiveness.

Our planned materiality assessment in H2 2025 will inform prioritization of these enhancements.

4.2.4 Metrics and targets

Metric	2024	Target
% of suppliers desk-reviewed	27,5%	30%
Corrective actions required	0	No target defined
Corrective action closure rate	N/A	100%
Suppliers with verified grievance channels	Not tracked	100% of tier 1 suppliers
Value chain worker grievances received	0 (non received)	Track and resolve 100%
Average grievance resolution time	N/A	≤30 days

4.2.5 Actions and resource allocation

We recognize the need for substantial improvement in our value chain worker protection capabilities and have committed to systematic enhancements across multiple dimensions. While financial resource requirements for some initiatives remain under investigation, we are committed to allocating necessary resources to strengthen our approach to protecting workers throughout our value chain.

Enhanced governance and oversight (2025)

Starting in 2025, our newly appointed Sustainability Controller will coordinate enhanced value chain worker IRO management throught cross-functional collaboration, bringing specialized expertise in ESRS compliance and human rights risk assessment. This governance enhancement operates through our framework described in section 1.2.

Materiality assessment (H2 2025)

Our planned comprehensive double materiality assessment aligned with ESRS requirements will systematically incorporate stakeholder perspectives to identify and prioritize value chain worker impacts, risks, and opportunities.

Enhanced supplier assessment (Q4 2025)

We are developing comprehensive ESG supplier assessment processes including systematic worker impact criteria, risk-based assessments, and enhanced due diligence procedures. This framework will require suppliers to provide transparency regarding working conditions, labor rights compliance, and grievance mechanisms.

Technology and engagement capabilities (2026)

Implementation of software-enabled risk assessment platforms integrating human rights indices will provide systematic screening capabilities in Q1 2026. Enhanced engagement processes will enable improved ability to include value chain worker perspectives in future materiality assessments and ongoing risk management processes.

Resource commitment

We have committed organizational resources through our Sustainability Controller role. Resource requirements for enhanced supplier assessment capabilities and engagement protocol development are being evaluated as part of our systematic approach.

4.3 Affected communities

We maintain positive community relationships across all operational locations. Our 2024 preliminary assessment found no material negative impacts on communities. All data centers operate in established industrial zones with minimal impact beyond routine backup generator testing.

We actively contribute to local well-being through employment, partnerships, and sustainable energy initiatives. Our heat recovery systems provide direct community benefits, contributing 4,8 GWh to district heating networks in Stockholm and Falkenberg. In 2024, we invested 850 000 SEK supporting local sports teams, mental health advocacy, disability support, and technology education.

Our approach focuses on creating shared value while maintaining transparent communication channels for community feedback and concerns.

4.3.1 Governance and strategic integration

We manage community relationships through our governance framework described in section 1.2, treating community engagement as a core strategic objective rather than peripheral activity. The CEO maintains ultimate responsibility for community-related policies and strategic decisions, with operational implementation coordinated through our executive management team.

Policy framework

Our Sustainability Policy establishes community engagement as a fundamental component of our sustainability strategy, with clear commitments to support education, social equality, and community well-being through targeted programs and initiatives. Community engagement is positioned as essential to our business model, manifesting through tangible contributions to societal well-being across all operational locations.

Strategic business integration

Community considerations are integrated into our business planning through our strategic sustainability objectives. Our heat recovery systems exemplify this integration, delivering 4,8 GWh to local district heating networks in Stockholm and Falkenberg in 2024, transforming operational outputs into direct community benefits while supporting our circular economy objectives.

Local employment prioritization across all operational locations ensures our business growth creates direct economic benefits for affected communities. Educational engagement through data center tours and participation in initiatives like Halland Tech Week demonstrates systematic integration of community value creation with our operational activities.

Resource allocation

Annual community investment decisions totaling 850000 SEK in 2024 reflect systematic resource allocation supporting our strategic objectives. These investments include support for six local sports teams (each required to include youth and women's sections), Mind (Swedish suicide hotline), FUB (intellectual disability advocacy), and Kodcentrum (children's coding education).

4.3.2 Risk assessment and IRO management

We identify and manage community-related impacts, risks, and opportunities (IROs) through our integrated management system (see section 1.2.1). Our CEO maintains oversight responsibility with site teams handling local engagement across our data centers in Falkenberg, Stockholm, Oulu, and Tampere.

IRO identification process

We identify community IROs through local stakeholder dialogue, direct feedback to Glesys representatives, and monitoring operational impacts on neighboring businesses and industrial zones. Our 2024 preliminary materiality assessment found no likely material community impacts, though we continue monitoring potential issues.

Risk management approach

No material incidents or grievances occurred in 2024, reflecting our sites' established industrial locations and compliance with zoning and noise regulations. We maintain transparent communication about our energy profile and community benefits, including 4,8 GWh of waste heat contributed to district heating networks.

Due diligence

Our due diligence focuses on site selection in industrial zones and compliance with local planning and noise regulations. We maintain accessible grievance mechanisms through Whistlelink (https://glesys.whistlelink.com) and direct contact channels.

Planned enhancements

Our new Sustainability Controller will lead enhancements through the planned 2025 double materiality assessment and cross-functional project group, including standardized community impact screening, enhanced grievance channel promotion, and systematic integration of community IROs into operational planning and reporting.

This approach ensures transparent, proactive management of emerging community risks and opportunities while maintaining proportional response to our operational context.

Risk area	Description	Likelihood	Impact	Mitigation status
Community perception	Energy intensity of operations	Medium	Low	Ongoing - Transparent communication about PUE targets and ERF achievements
Grievance mechanism awareness	Accessibility and awareness of channels to voice concerns or to provide feedback	Low	Low	Planning - Enhanced engagement strategy development
Noise impact	Noise, primarily from monthly generator tests impacts neighboring offices	Medium	Low	Continuous noise level controls to ensure compliance with legal limits.

4.3.3 Stakeholder engagement and grievance mechanisms

We engage with affected communities through collaborative partnerships and grievance channels to address concerns and gather feedback on our operations.

Community partnerships and engagement

We participate in collaborative community engagement through our membership in Falkenbergs Klimatinitiativ and Svenska Datacenter Föreningen (SDCF). These partnerships ensure our community contributions align with broader regional sustainability objectives while leveraging collective industry resources for enhanced local benefits.

Our operational engagement focuses on transparent communication with neighboring businesses.

Grievance mechanisms and channels

We maintain accessible grievance channels through Whistlelink (https://glesys.whistlelink.com), available in Swedish and English. This confidential platform enables anonymous, multilingual reporting without fear of retaliation. No community grievances were recorded in 2024.

Future enhancements

Our planned double materiality assessment in H2 2025 will evaluate community engagement initiatives and guide future enhancements based on materiality outcomes and regulatory requirements.

4.3.4 Metrics and targets

We track community engagement effectiveness through metrics that demonstrate our commitment to local value creation and stakeholder dialogue. These metrics directly support our community engagement strategy outlined in section 4.3.1 and reflect the outcomes of actions described in previous sections.

In 2024, Glesys invested 0.85 million SEK in local sponsorships, supporting six sports teams across our operational locations. Each sponsored team was required to include youth and women's sections, reinforcing our commitment to inclusive community development. We achieved zero community grievances, demonstrating the effectiveness of our engagement approaches and accessible feedback channels.

Looking forward, we are establishing metrics for local hiring on construction and operational projects, with a target of at least 80% local hiring by 2025. We also plan to host five community engagement events annually, strengthening our dialogue with affected communities across all operational sites.

These targets reflect our systematic approach to community impact management through our integrated management system (section 1.2.1) and governance oversight (section 1.2). Our comprehensive double materiality assessment planned for H2 2025 will further refine these metrics to ensure they capture the most relevant community impacts and opportunities.

Metric	2024	2025 target
Local employment	Prioritized, but data not available	80%
Community investment	0,85 MSEK	Maintain level
Community engagement events	Limited tracking	8
Community grievances received	0	No target defined
Sports teams sponsored	6	No target defined

4.4 Consumers and end-users

Glesys delivers secure, high-performance infrastructure that empowers customers to meet their digital and sustainability goals. We protect user data with ISO 27001-certified controls, GDPR-compliant processes, and robust incident-response protocols.

Our service-level agreements guarantee 99,3 percent uptime and rapid support, while optional Bronze and Gold SLAs offer even higher availability. We design all customer-facing platforms to meet WCAG 2.1 AA accessibility standards, ensuring inclusive experiences.

Ongoing engagement—including annual NPS surveys, technical workshops, and our Community Slack helps us refine services and respond to evolving needs. By combining reliability, transparency, and open dialogue, we build lasting trust and drive customer success.

4.4.1 Governance and strategic integration

Customer protection governance operates through our framework outlined in section 1.2. The CEO maintains ultimate responsibility for customer protection, with the CTO leading technical security and service reliability, and the CCO managing customer engagement. The CFO manages financial risk assessments

Policy integration

We address customer protection through integrated policies within our IMS (section 1.2.1). Our security policy mandates GDPR-compliant data encryption and incident response. Service-level agreements guarantee 99,3% standard uptime with clear response times. Our quality policy commits to continuous improvement and customer co-creation in service development.

Strategic integration

Customer protection drives our strategic decisions and capital investments. We integrate security and reliability criteria into site selection, procurement, and infrastructure design. Customer feedback shapes our service roadmap through annual satisfaction surveys and quarterly business reviews with key accounts.

This integration enables us to deliver resilient, high-quality digital infrastructure that supports both customer goals and our leadership in sustainable data services.

4.4.2 Risk assessment and IRO management

We identify and assess consumer and end-user impacts, risks, and opportunities through our integrated management system (section 1.2.1). Our approach covers both positive and negative impacts across our service delivery and customer relationships.

IRO identification process

We identify consumer-related IROs through processes including incident registers, service-level reports, accessibility audits, annual Net Promoter Score surveys, and industry benchmarking.

Risk assessment and mitigation

We assess risks using likelihood and impact evaluation. Future assessments will incorporate time horizon as defined by ESRS.

Positive impacts and opportunities

Our customer protection approach creates positive impacts through 99,3% uptime guarantees, GDPR compliance, and accessibility standards. Sustainability leadership through 100% renewable electricity provides competitive differentiation and supports customer environmental objectives.

Future enhancements

Our double materiality assessment planned for H2 2025 will refine materiality thresholds and expand scenario analysis to strengthen our IRO management.

Risk area	Description	Likelihood	Impact	Mitigation status
Data breaches	Unauthorized access to customer data	Low	High	Active - ISO 27001 controls, multi-factor authentication, vulnerability scanning
Service disruptions	Infrastructure outages affecting availability	Low	High	Advanced - Redundant systems, UPS, disaster recovery plans
Digital exclusion	Accessibility barriers limiting user access	Low	Medium	Development - WCAG 2.1 AA compliance project ongoing

4.4.3 Financial effects from customer-related IROs

Our systematic approach to assessing customer-related financial effects builds on the risk assessment detailed in section 4.4.2 and informs resource allocation across our service portfolio. This analysis provides stakeholders with clear understanding of how customer-related impacts, risks, and opportunities influence our financial position.

Assessment methodology

We assess anticipated financial effects using scenario-based analysis aligned with our customer risk framework described in section 4.4.2. Our methodology integrates physical and operational risk assessments with business impact modeling.

Financial effects are evaluated for both revenue streams with significant customer exposure and operational costs related to customer protection measures. Our integrated management system (section 1.2.1) provides the framework for regular updates to these assessments.

Current financial impact assessment

Our preliminary assessment confirms minimal material financial exposure from customer-related risks. ISO 27001 certification, GDPR compliance, and 99,3% uptime demonstrate systematic risk mitigation that protects revenue streams while maintaining service reliability commitments.

Service disruption risks, while low likelihood due to redundant infrastructure, could result in SLA penalties with contractual limits providing quantified maximum exposure of approximately 2-3% of annual revenue per major incident.

Anticipated opportunities

Customer trust in our sustainability profile creates competitive differentiation opportunities, though quantification remains challenging. Our 100% renewable electricity and 4,8 GWh heat recovery provide tangible benefits supporting premium positioning in sustainability-conscious market segments.

Operational efficiency improvements targeting power usage effectiveness below 1.2 could reduce energy costs by 2-3 MSEK annually while enhancing customer value propositions through improved environmental performance.

Financial integration and planning

Customer-related financial effects are systematically integrated into our strategic planning and capital allocation processes. Investment in customer protection measures, including cybersecurity infrastructure and service reliability enhancements, directly supports revenue retention and market differentiation.

Data limitations and future enhancements

Current assessments incorporate uncertainty ranges reflecting data availability constraints and market dynamics. Our comprehensive double materiality assessment planned for H2 2025 will strengthen quantification methodology while maintaining conservative estimation approaches aligned with ESRS requirements.

This revision addresses ESRS requirements while maintaining focus on Glesys' specific customer relationships and business model, using cross-references to established governance structures and avoiding unsupported assumptions about quantitative data not available in the source material.

4.4.4 Stakeholder engagement and grievance mechanisms

We maintain systematic customer engagement to understand their perspectives on our impacts and integrate feedback into business decisions. Our approach treats customers as strategic partners in our sustainability journey, ensuring their input directly influences service development and operational improvements.

Engagement structure and processes

Customer engagement occurs through multiple touchpoints across the service lifecycle, designed to capture feedback at critical decision points. We engage directly with customers and their representatives through established channels rather than proxy relationships, enabling authentic dialogue about material impacts.

Our engagement operates across three key stages: service development through customer co-creation processes outlined in our Quality Policy, operational performance monitoring via quarterly business reviews with strategic accounts, and strategic planning through annual customer satisfaction surveys with Net Promoter Score assessment.

Engagement type	Description	Frequency	Purpose	Stakeholder groups
Strategic feedback	Annual customer surveys with NPS	Annual	Customer satisfaction measurement	All stakeholder groups
Service development	Customer co-creation	Ongoing	Product lifecycle collaboration	Key accounts, technical users
Operational performance	Quarterly business reviews	Ongoing	Performance monitoring	Strategic accounts
Knowledge sharing	Educational initiatives	Ongoing	Industry education and relationship building	All customers
Issue resolution	Support channels and whistleblowing	Ongoing	Problem resolution and feedback	All customers, end-users

Communication channels and methods

We maintain diverse communication channels tailored to different engagement needs:

- Standard support channels: support@glesys.com and dedicated telephone lines for general inquiries and feedback.
- Enhanced SLA support: dedicated hotline for priority customers.
- Community collaboration: Glesys Community Slack platform for technical collaboration and peer-to-peer learning.
- Educational outreach: data center tours, cybersecurity seminars, disaster recovery workshops, and AI education sessions.
- Confidential reporting: Whistleblowing service ensuring anonymity for concerns.

Responsibility and integration

The CEO maintains oversight of customer engagement outcomes through quarterly board reviews, while department heads implement engagement activities and integrate feedback into operational decisions. Monthly operational planning incorporates customer feedback into service improvements, with quarterly executive reviews ensuring customer perspectives influence strategic planning and sustainability initiatives.

Performance measurement

We track engagement effectiveness through customer feedback integration rates, response rates to engagement initiatives, and customer satisfaction scores across different engagement types. Our 2024 Net Promoter Score of 42 drives continuous improvement toward our target of 50.

Planned enhancements

Our double materiality assessment planned for H2 2025 will evaluate customer engagement approaches and identify enhancement opportunities aligned with ESRS requirements.

4.4.5 Metrics and targets

Our targets are established through systematic customer engagement described in section 4.4.4, incorporating feedback from annual NPS surveys, quarterly business reviews, and community platform interactions. Target development follows our governance framework outlined in section 1.2, with executive management approval ensuring alignment with business objectives and customer expectations.

Our NPS target of 50 reflects our Quality Policy commitment to achieving industry-leading customer satisfaction. We track progress through annual surveys and quarterly executive reviews, integrating customer feedback into service enhancements and operational improvements.

Our zero-tolerance targets regarding data protection and security, reflect our ISO 27001 certified management framework and systematic data protection approach, ensuring comprehensive customer information security while maintaining transparent accountability.

Progress tracking and continuous improvement

We monitor target achievement through our integrated management system (section 1.2.1), with monthly operational reviews and quarterly executive assessments. Customer feedback integration rates and satisfaction scores across engagement channels provide effectiveness indicators, supporting systematic improvement of our customer protection and service delivery approaches.

Target performance feeds directly into our strategic planning and risk management processes, ensuring customer-related objectives remain aligned with evolving expectations and regulatory requirements.

Customer satisfaction metrics

Metric	2024	Target
Customer satisfaction (NPS)	42	50

Data protection and security performance

Metric	2024	Target
Security incidents affecting customer data	0	0
GDPR compliance breaches	0	0

Customer engagement and accessibility

Metric	2024	Target
Customer grievances received	0	No target defined
Website accessibility compliance (WCAG 2.1 AA)	Assessment phase	100%

5. Sustainability notes

Appendix A: Scope 3 category assessment

Categories included in inventory

Category 1 - Purchased goods and services

- Material due to significant procurement of IT hardware, software licenses, professional services, and facility maintenance materials
- Data quality: Medium certainty - transitioning to supplier-specific EPDs for major purchases

Category 2 - Capital goods

- Significant due to infrastructure investments and IT equipment purchases
- Data quality: High certainty for major infrastructure; medium for smaller components

Category 3 - Fuel and energy-related activities

- Material for emissions from renewable electricity production and fuel lifecycle
- Data quality: High certainty based on actual consumption data

Category 4 - Upstream transportation

- Limited data and reporting due to data availability constraints. Currently only covering upstream transportation of servers.
- Data quality: Medium uncertainty as estimated emissions rely on supplier's product carbon footprint reports with general estimations for distribution within Europe.
- Action plan: Enhanced supplier engagement questionnaires planned for 2026 to collect primary transportation data

Category 5 - Waste generated in operations

- Limited materiality due to zero-landfill operations but included for completeness
- Data quality: High certainty for Swedish operations; medium for Finnish sites

Category 6 - Business travel

- Material due to customer engagement and operational travel requirements
- Data quality: High certainty for agency bookings; medium for expense report data

Category 7 - Employee commuting

- Relevant as standard employee-related impact require disclosure
- Improvement plan: Company-specific employee survey planned for 2026 to replace generic factors
- Data quality: Currently low certainty

Category 8 - Upstream leased assets

- Applicable for electricity consumption at upstream colocation facilities
- Data quality: High certainty based on verified renewable certificates

Categories Temporarily Excluded

Category 13 - Downstream leased assets

- Current status: Electricity consumption for colocation customers currently bundled within Scope 2 reporting
- Technical limitation: Lack of dedicated customer-specific metering infrastructure. Dedicated metering systems planned for installation throughout 2025-2026

Categories permanently excluded

The following categories are excluded based on comprehensive business model assessment and service nature analysis:

Not applicable to service business model: 3.9 (Downstream transportation), 3.10 (Processing of sold products), 3.11 (Use of sold products), and 3.12 (End-of-life treatment) are not relevant as Glesys provides digital services rather than physical products requiring transportation or end-user processing.

No relevant operations:
Categories 3.14 (Franchises) and 3.15 (Investments) do not apply as Glesys does not operate franchises, or maintain material investment portfolios outside operational control.

This assessment aligns with GHG Protocol requirements for materiality and business model relevance, ensuring focus on categories where Glesys has actual impacts and potential influence over emissions reductions.

Appendix B: GHG calculation methodologies

Glesys follows GHG Protocol Corporate Standard and Scope 3 Standard for all emissions calculations. This appendix details calculation methods, data sources, and quality assurance procedures across all scopes.

Scope 1 calculation methods

Fuel consumption - Backup generators

- Data source: Direct tank level measurements with automated monitoring
- Calculation: Fuel consumed (liters) × fuel-specific emission factors
- Quality assurance: Monthly tank reconciliation and automated monitoring alerts

Company vehicles

- Data collection: Monthly odometer readings from drivers
- Calculation: Actual distance driven (reported metering from drivers) with applied emission factors. For electric cars emissions are calculated by assuming 0,2kwh/km and applying the co2 of Nordic electricity mix. For electric/petrol hybrid emissions are calculated based on electricity consumption (Nordic mix) 0.2 kWh/km and fuel consumption 1.7 l/km, as well as the proportion of electric and fuel operation
- Documentation: Driver logbooks, fuel receipts, electricity consumption records

Refrigerant leakage

- Protocol: Quarterly third-party inspections per EU F-Gas Regulation
- Calculation: Leakage quantity (kg) × refrigerant-specific GWP
- Quality assurance: Certified technician inspections and system pressure monitoring

Scope 2 calculation methods

Market-based methodology

- Renewable electricity: Zero emission factor for consumption covered by Guarantees of Origin certificates
- Certificate tracking: Monthly reconciliation of consumption vs. certificate volumes
- Supplier verification: Vattenfall Environmental Product Declarations validate renewable source mix
- Residual mix: Applied to consumption not covered by certificates (none in 2024)

Location-based methodology

- Emission factors: IVL Swedish Environmental Research Institute grid factors for Sweden and Finland
- Consumption data: Monthly supplier invoices and meter readings
- Shared offices: Estimated using (office total consumption × Glesys headcount / total office headcount)

District heating

- Biomass sourcing: Supplier-verified biomass content percentages
- Calculation: Biomass portion × biomass emission factors; fossil portion × natural gas factors
- Verification: Annual supplier sustainability reports and fuel mix certificates

Scope 3 calculation methods

Category 1: Purchased goods and services

- Primary approach: Spend-based methodology using Swedish National Agency for Public Procurement emission factors
- Data processing: ERP system extracts by procurement category with currency conversion to SEK
- Calculation: Procurement spend (SEK) × category-specific emission factors (kg CO_2eq/SEK)
- Enhancement plan: Transition to supplier-specific Product Carbon Footprints for top 80% of spend

Category 2: Capital goods

- Preferred method: Supplier Environmental Product Declarations (EPDs) or Product Carbon Footprints
- Alternative method: Material composition approach using DEFRA 2024 material factors
- Data sources: Procurement specifications, contractor material bills, supplier sustainability documentation

Category 3: Fuel and energy-related activities

- Well-to-tank factors: DEFRA 2024 upstream emission factors for fuel production and transmission
- Electricity T&D losses: IVL grid loss factors applied to consumption volumes
- Calculation: (Fuel consumption × WTT factor) + (Electricity consumption × T&D loss factor)

Category 4: Upstream transportation

- Supplier Product Carbon Footprints for servers.

Category 5: Waste generated in operations

- Data collection: Monthly waste collection reports by stream and treatment method
- Treatment-specific factors: IVL emission factors by waste type and disposal/recovery method
- Methods: Material-specific factors for recycling; combustion factors minus avoided energy credits for energy recovery; methane generation factors for landfill

Category 6: Business travel

- Air travel: Direct CO_2 data from Egencia platform including Radiative Forcing Index (RFI) factor of 1.7
- Rail travel: SJ (Swedish Railways) trip-specific CO_2 data
- Hotel stays: Greenview Hotel Footprinting tool v2024.1.1 factors by hotel type and location
- Local transport: Distance-based calculation using DEFRA 2024 public transport factors
- Quality hierarchy: Direct supplier data > distance-based calculation > spend-based estimation

Category 7: Employee commuting

- Current method: STR (Swedish Transport Research) 2017 study average of 0.807 tonnes CO_2/employee/year
- Assumption: Finnish commuting patterns equivalent to Swedish averages
- Future enhancement: Employee commuting survey planned for Q1 2026

Category 8: Upstream leased assets

- Electricity consumption at colocation facilities where Glesys leases rack space
- Market-based calculation: Colocation provider renewable electricity certificates result in zero emissions
- Location-based calculation: Host country grid factors applied to estimated consumption

Data quality and assurance

All calculations follow GHG Protocol standards with conservative assumptions where uncertainty exists. Quality assurance includes monthly reconciliation of energy and fuel data, quarterly supplier data validation, and annual methodology reviews.

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Appendix C: Emission factors and data sources

Scope 1 emission factors

- Fuel combustion: DEFRA 2024, EPD from Ecopar
- Company vehicles: DEFRA 2024, AIB
- Refrigerants: Swedish Environmental Protection Agency's refrigerant list

Scope 2 emission factors

- Market-based: Zero emission factor for consumption covered by Guarantees of Origin certificates
- Location-based: Nordic electricity mix factor from IVL Swedish Environmental Research Institute
- District heating: Grid specific emission factors from VMK.

Scope 3 emission factors

- Purchased goods and services: Swedish National Agency for Public Procurement
- Capital goods: Supplier EPDs where available. Alternatively material emission factors from DEFRA 2024
- Fuel- and energy-related activities: Well-to-tank factors from DEFRA 2024. Electricity grid-loss factors from IVL
- Upstream transportation: Data estimates derived from server supplier's product carbon footprint reports
- Waste generated in operations: IVL Swedish Environmental Research Institute
- Business travel: Primarily CO2 data from travel agency or train operator. Other calculations made with factors from DEFRA 2024, Greenview hotel Footprinting tool version 2024v1.1, the Swedish Environmental Protection Agency, and the Swedish Transport Administration (Trafikverket). RFI = 1,7 applied to flights.
- Employee commuting: 0,807 tonnes co2/ employee/year (STR 2017)
- Upstream leased assets: Data supplied by colocation provider.

Data quality assessment framework

Tier 1 - Primary data (highest quality)

- Direct measurements from owned equipment and supplier-provided consumption data with verification (e.g., tank level meters, electricity invoices, refrigerant inspection reports). Supplier Environmental Product Declarations.

Tier 2 - Secondary data with high specificity

- Region-specific emission factors from authoritative sources (e.g., IVL grid factors, DEFRA fuel factors)

Tier 3 - Generic secondary data

- National or international average factors and spend-based calculations with sector factors (e.g., procurement emission factors, average commuting data)

Tier 4 - Estimated data (lowest quality)

- Assumptions based on headcount or revenue and extrapolation from limited data points (e.g., shared office consumption, waste estimates for operations in Finland)

Uncertainty assessment and sensitivity analysis

Scope 1 uncertainty: ±5%

- Primary contributors: Fuel measurement accuracy, emission factor uncertainty
- Mitigation: Automated monitoring, certified calibration, conservative assumptions

Scope 2 uncertainty: ±3%

- Primary contributors: Meter reading accuracy, certificate tracking
- Mitigation: Monthly reconciliation, supplier verification, direct billing data

Scope 3 uncertainty: ±25-40%

- Category 1 (Procurement): ±30% due to spend-based methodology
- Category 7 (Commuting): ±40% due to generic national averages
- Improvement plan: Enhanced supplier engagement targeting and employee survey mapping commuting habits by 2026

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ESRS 2 - General disclosures

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