



Luxembourg, 20 March 2024

The document will be actively published on the Public Register and should not contain confidential information and avoid references to internal documents.

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	PIMCO EUROPEAN DATA CENTER OPPORTUNITY FUND
Project Number:	2023-0575
Country:	Regional – EU countries
Project Description:	Infrastructure fund focused on greenfield data centres, mainly in the EU

EIA required:	yes, in some cases
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Invest EU sustainability proofing required	no
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Project included in Carbon Footprint Exercise ² :	no
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(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

Environmental Assessment

The project consists in an investment in a single-sector Fund, focused on data centres, in EEA and UK, but mainly in the EU. The project is expected to result in improved quality of digital connectivity, improved energy efficiency and be well aligned with the EIB public policy goals (PPG) on Innovation, Digital and Human Capital – Digital Infrastructure.

The key E&S risks and impacts of this project derive from the Fund Manager’s capacity to identify, assess and manage potential environmental and social risks associated with its proposed investment activities. These risks typically include occupational health and safety, labour and working conditions, resource efficiency, pollution prevention and stakeholder engagement and grievance management.

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

² Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20 000 tonnes CO2e/year absolute (gross) or 20 000 tonnes CO2e/year relative (net) – both increases and savings.



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The Fund Manager is a signatory of the UN Principles for Responsible Investing (UN PRI). Accordingly, the Fund Manager seeks to implement ESG integration in its strategies where possible. As a leading global asset manager, the Fund Manager is also a signatory of the Carbon Disclosure Project (CDP), participant of the UN Global Compact, member of the Institutional Investors Group on Climate Change (IIGCC) and various other global affiliations and initiatives helping to define global sustainability standards, and encourage greater disclosure. Moreover, the Fund will seek participation in the Climate neutral Data Centre pact, a self-regulatory initiative aiming to make data centres climate neutral by 2030.

The E&S impacts of most of the proposed investments – if appropriately designed and operated – are likely to be limited. The investments are not specifically mentioned but could fall under industrial development under Annex II of Directive 2011/92/EU, as amended by Directive 2014/52/EU (the EIA Directive), being subject to a screening decision by the competent authority based on Annex III of said directive. EIB will require the Fund Manager to act according to the provisions of the EIA Directive as transposed into national law. Should the relevant competent authority screen in an investment project, the Fund Manager will be required to ensure that the EIA studies have been made publicly available as part of the EIA process, and also on the Fund Manager's website.

The Fund is committed to build the most sustainable data centres possible. Sustainability will be a key component of every design decision. Moreover, the Fund will seek to promote energy efficiency in the development of its data centres and to implement the best practices laid out in the Code of Conduct for Data Centre Energy Efficiency.

The Fund foresees that at least 70% of the Fund's total Invested Capital will comply with a policy that investments in developments are designed to achieve design PUEs below 1.35x and a BREEAM 'Very Good' certification (or such equivalent industry accepted certification as determined by the Fund Manager such as under the LEED standards or applicable local building sustainability standards).

The Fund aims to facilitate 100% renewable energy use in countries with established Power Purchase Agreement (PPA) markets where tenants contract power. Additionally the Fund Manager is proactively reaching out to renewable energy providers in the various market to source and facilitate renewable PPAs to improve the renewable energy mix of the portfolio.

Further ESG considerations that the Fund will strive to follow are:

- Incorporating scope for onsite renewable power installations in designs;
- Zero use of potable water for cooling and water recycling where possible;
- Use of fossil-free fuel, such as hydrogenated vegetable oil and other viable alternatives, in generators;
- Where viable to reuse materials, such as concrete, in construction projects to reduce embodied carbon;
- Employing local and sustainability led procurement strategies;
- Encourage sustainable transport, for example by aiming to provide EV charging infrastructure;
- Minimise noise and light pollution in new developments.

ESG Policy

The Fund Manager has a published ESG Investment Policy Statement that details the Fund Manager's commitments to: "the integration of ESG factors broadly into our research process, sustainable investment solutions offered to our clients, our engagement with issuers on sustainability factors, and the evaluation of climate change and related risks in our investment analysis". The Fund Manager formalized its ESG Investment Policy Statement originally in 2012 with continuous enhancements and evolutions over the years. The policy statement is publicly available on the Fund Manager's website.



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The Fund Manager's governance framework includes defined roles and groups that are responsible for the facets of sustainable investing, including climate-related policies and regulations.

The Fund Manager's ESG team is not a separate business unit, but is integrated across all functions of the firm from portfolio management to client-facing, executive office to product strategy, compliance to marketing. This ensures that ESG is integrated into the Fund Manager's broad research process and includes staff at every point along the value chain. To help set ESG priorities, the Fund Manager has a focused **ESG Leadership Team** in place that is responsible for leading firm-wide ESG integration, enhancing its ESG capabilities and supporting the development of portfolios that follow ESG strategies and guidelines. Key members include: an Executive Committee member who is responsible for oversight of ESG and Sustainability initiatives, providing strategic direction and firm wide coordination of the team's efforts and a Portfolio Management Lead for ESG Investing who coordinates with the broader Fund Manager team, and with external stakeholders. The Fund Manager also has legal and compliance personnel responsible of keeping apprised of and ensuring the firm complies with relevant climate-related policies and regulations.

With regards to dedicated staff / directors with direct responsibility for managing climate-related risks, the Fund Manager has formed an **ESG Data Governance Group**, which includes representatives from various teams across the firm. This group's focus areas include, among others, exploring ways of updating and enhancing proprietary ESG methodologies, and further embedding climate-related risk into the Fund Manager's existing tools and research.

The Fund Manager integrates material ESG factors throughout all stages of the alternatives investment process which includes but is not limited to: investment sourcing, due diligence, asset management & monitoring, and disposition decisions.

The Fund Manager business model hinges on a company operating (OpCo) the data centres that the Fund will invest in, develop and build. The OpCo sustainability policy is currently under development and will include a framework for quarterly sustainability reporting. The reports will be published on the OpCo website.

The Fund Manager publishes an annual ESG Investing Report to address the integration of ESG factors into its investment process and engagement work on behalf of clients, among other ESG topics. In addition, the Fund Manager also actively publishes research reports, videos and publications about ESG and sustainable investment.

The Fund Manager expects to enhance periodic reporting provided to LPs with thematic developments and deal engagement highlights related to ESG. In addition, the annual Limited Partner Advisory Committee (LPAC) meetings may also include discussions on enhancements in the ESG integration process related to private strategies.

Climate Assessment

- **Climate change mitigation:** The investments in energy efficient data centres are expected to contribute to mitigate climate change if specific technical criteria are fulfilled.
- **Paris Alignment of projects:** The Fund has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap. The Fund will ensure Paris Alignment of all its investments, as part of the Side Letter with EIF.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty (PIMCO) is in scope and screened in the PATH framework, because it has more than EUR 500 M of assets under management. Hence, EIF will require the Fund Manager to report – at the latest 12 months after signature – in line with the TCFD recommendations, including in particular information in relation to transition and physical climate risk.

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Conclusions and Recommendations

The Fund's procedures to ensure compliance with the EIB E&S Standards, core E&S requirements, as well as the E&S national laws and regulations, appear acceptable in view of its specific project pipeline considering the following conditions:

- The Fund will improve its Environmental and Social Management System (ESMS) to EIF's satisfaction and enhance its E&S policy and procedures by including EIB's Environmental and Social Standards;
- The Fund will provide OpCo's sustainability policy to EIF;
- The Fund Manager will publicly report in line with the TCFD recommendations, within 12 months after signature.

With these conditions in place, the Fund is considered acceptable for the Bank in environmental and social terms.