MI6201 – DATA AND ANALYTICAL DECISION MAKING 2023/4 SEM1 – MI6201_SEM1_2023_4

Cloud Service and Information technology responsible for climate change

Group 5

Calvin James Baptist Lobo: 23213132

Yashodeep Mahajan:

Shreyasi Kendurkar:

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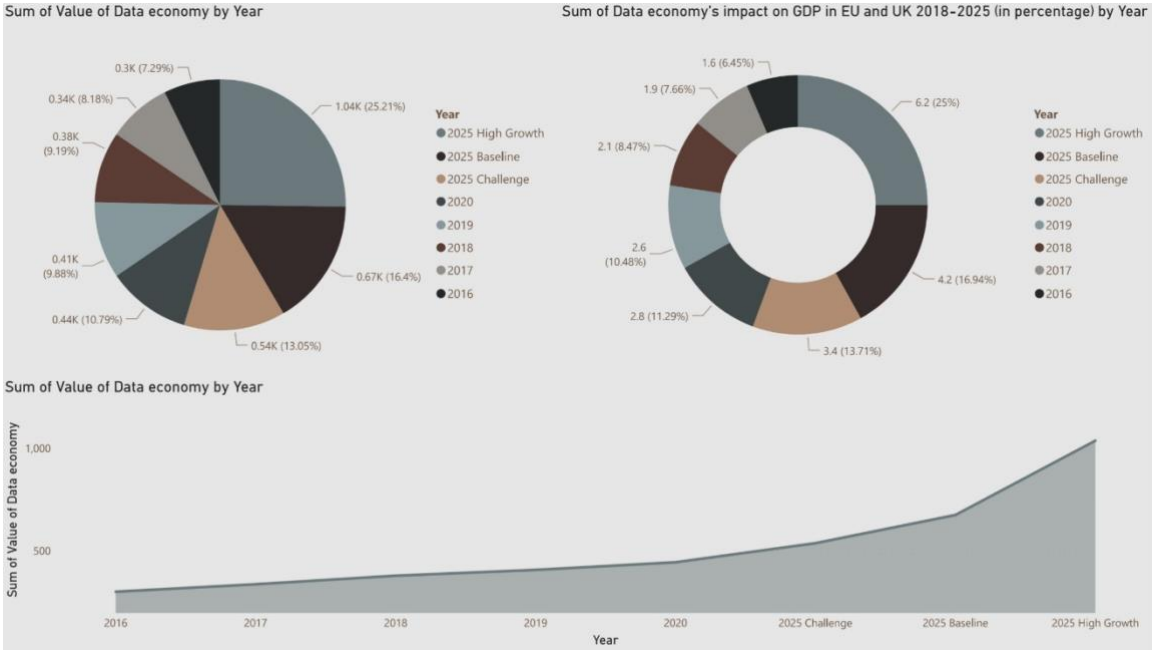
1. Cloud Computer Services Overview

Cloud computing has revolutionized the way businesses and organizations store, manage, and access data and applications. In Germany, the adoption of cloud data services has been on the rise, transforming the IT landscape and offering new opportunities for innovation, scalability, and cost-efficiency.

Cloud computing is a paradigm that involves the delivery of computing resources and services over the internet. These resources encompass a wide range of offerings, including servers, storage, databases, networking, software, analytics, and more. Cloud services can be accessed on a pay-as-you-go basis, eliminating the need for substantial upfront investments in hardware and infrastructure.

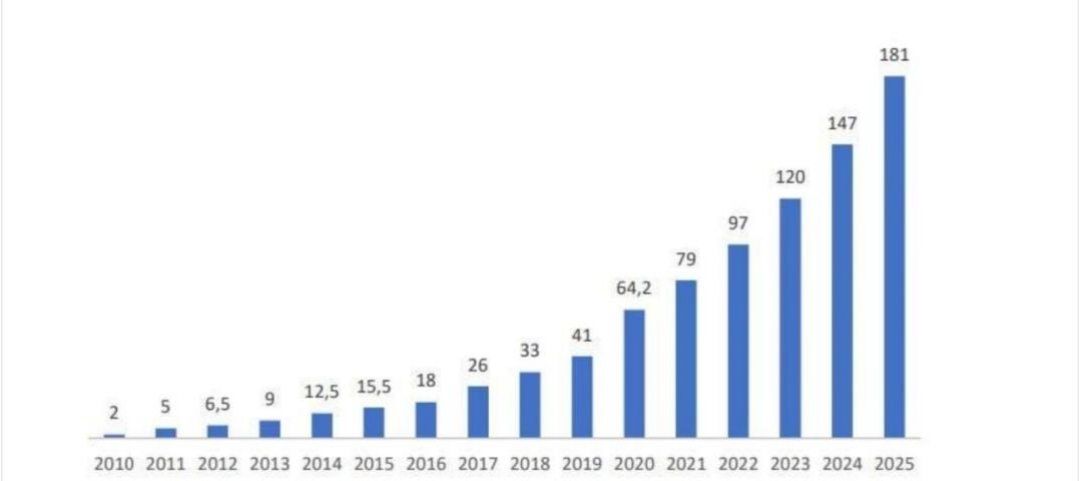


Cloud computing, a globally growing market both in size and significance, is the delivery of computing services to customers via the internet. In Europe, the cloud computing market is worth 63 billion euros in 2021 and forecast to reach 560 billion Euros by 2023. Products and services offered to customers may include compute, storage, analytics, networking, or developer tools, and can help organizations save costs and scale faster. The three main service types include software as a service (SaaS), platform as a service (PaaS), and infrastructure as a service (IaaS), each of which offers different degrees of control and responsibility to address customer needs.

European cloud providers are Deutsche Telekom, OVHCloud, Orange, and a large number of regional cloud and hosting companies. Spending on cloud computing is also increasing among European businesses, as they seek to accelerate their digital transformation and remain competitive. The largest share of the market, however, belongs to the three United States-based hyperscalers Amazon Web Services (AWS), Microsoft Azure, and Google Cloud, which account for more than 65 percent of the regional market.

Notably, the strong presence of the hyperscalers in the European market led to concerns among both politicians and European cloud providers. One reason is that data security has increasingly moved centre-stage in terms of organizations' cloud journeys. This is due to the fact that most of the data that is generated in the European Union sits in data centers in the United States, where different

regulations apply. For this reason, the GAIA-X initiative has been initiated to generate a secure data infrastructure that seeks to establish European data sovereignty.



Volume of data created in the world in Zettabytes. Data obtained in: (Statista Research Department 2022)

- ## *The German Cloud Landscape (E.g)*

The cloud market in Germany is a dynamic and competitive space, featuring a mix of global giants and local providers. Major global players like Amazon Web Services (AWS), Microsoft Azure, Google Cloud Platform, and IBM Cloud have established a significant presence in the country. Simultaneously, several German companies offer cloud services tailored to the local market. Among these, Deutsche Telekom's T-Systems stands out as a prominent local provider.

Data Protection and Compliance

One of the distinguishing features of the German cloud computing landscape is its strong emphasis on data protection and compliance. Germany, as a member of the European Union (EU), adheres to the General Data Protection Regulation (GDPR). Consequently, cloud providers operating in Germany must meet stringent data protection standards, ensuring that customer data is treated with the utmost security and in full compliance with local and EU laws.

Public Cloud Services

Public cloud services offered by global providers are widely adopted by businesses in Germany. These services encompass infrastructure as a service (IaaS), platform as a service (PaaS), and software as a service (SaaS). They empower organizations to build, deploy, and manage applications and infrastructure without the burden of substantial upfront capital investments. Certain sectors, especially highly regulated industries like finance and healthcare, lean toward private or hybrid cloud solutions. Private clouds provide dedicated resources, while hybrid clouds combine public and private cloud environments, offering enhanced flexibility and security. The choice between public, private, or hybrid clouds depends on individual business needs.

Digital Transformation and Cloud Computing

The adoption of cloud data services is intricately linked to digital transformation efforts in Germany. Businesses are utilizing cloud technologies to modernize their IT systems, improve customer experiences, and drive innovation. Cloud computing plays a pivotal role in reshaping business strategies and enabling the digital evolution of organizations. Despite the clear advantages of cloud

data services in Germany, some challenges persist. Data sovereignty remains a consideration, with organizations often requiring data to be stored within Germany. The choice of the right cloud provider and service models can be complex, necessitating thorough evaluation and due diligence. The future of cloud data services in Germany is marked by ongoing growth and evolution. Emerging technologies such as edge computing, artificial intelligence (AI), and 5G connectivity are set to expand the capabilities of cloud computing. Edge computing brings processing closer to data sources, reducing latency and enabling real-time data analysis. AI is enhancing cloud-based applications with intelligent insights, automation, and personalization. The deployment of 5G networks will facilitate faster, more reliable, and low-latency connections, further unlocking the potential of cloud services.

Environmental Costs

However, the exponential growth in data consumption comes at a substantial environmental cost. Data centers, the backbone of digital services, are notorious for their high water and electricity consumption. While energy efficiency in data centers has improved significantly, the explosive increase in computing workloads, amounting to 550% from 2010 to 2018, resulted in only a modest 6% increase in energy demand. Nevertheless, even with these efficiency gains, large computing canters continue to consume electricity equivalent to that of small cities. Moreover, the immense heat generated by these centers necessitates on-site water cooling, exacerbating the water footprint of data centers—a phenomenon described as the "double water impact." This "double water impact" extends beyond the well-studied energy-water nexus, encompassing ties to combined heat and power, hydropower, mining, and energy systems. Yet, despite these considerable environmental impacts, transparency from major computing service providers such as Google, Meta, Microsoft, and Amazon remains limited. This opacity hampers governmental and decision-makers' ability to manage electricity and water resources in the regions where data centers operate or may be established. While the literature on data centre environmental effects is relatively limited, some analysis has been conducted in the past, and indicators for data centre performance are still evolving. These studies consider the system's electricity consumption and the influence of external factors, such as weather conditions. However, optimizing for energy and water use can pose a trade-off, potentially reducing the processing performance of data centers. This issue is particularly pertinent in regions with high water stress. In response to heightened scrutiny, service providers have pledged to reduce their water and energy impact but have yet to unveil comprehensive strategies for achieving these goals.

2. IT & Cloud Data Industry

• Cloud & Data Computing Industry

Cloud computing has transformed the way enterprises access and manage their Information and Communication Technology (ICT) resources. Rather than investing in and maintaining their IT infrastructure, enterprises can now leverage cloud computing services provided by third parties over the internet.

Cloud Computing as a Service Model

Cloud computing is a paradigm that provides enterprises with on-demand, flexible, and scalable access to a pool of configurable computing resources via the internet. These resources encompass servers, databases, software applications, storage capacity, and computing power. Cloud computing represents an evolution of server-based computing, as it leverages the internet as a vast networked server, allowing enterprises to access these services through various devices, from desktop computers to portable devices.

Cloud computing services are characterized by the following mandatory attributes:

1) Users can request computing resources without direct interaction with the service provider.
2) Resources can be easily scaled up or down, making it possible for enterprises to meet fluctuating demand without major infrastructure investments.
3) Cloud computing services often follow a pay-per-user, pay-per-use, or pre-paid model.

These services can be delivered from shared servers in a public cloud or from a dedicated cloud infrastructure exclusively used by a particular enterprise (private cloud).

- ## Adoption of Cloud Computing by Enterprises

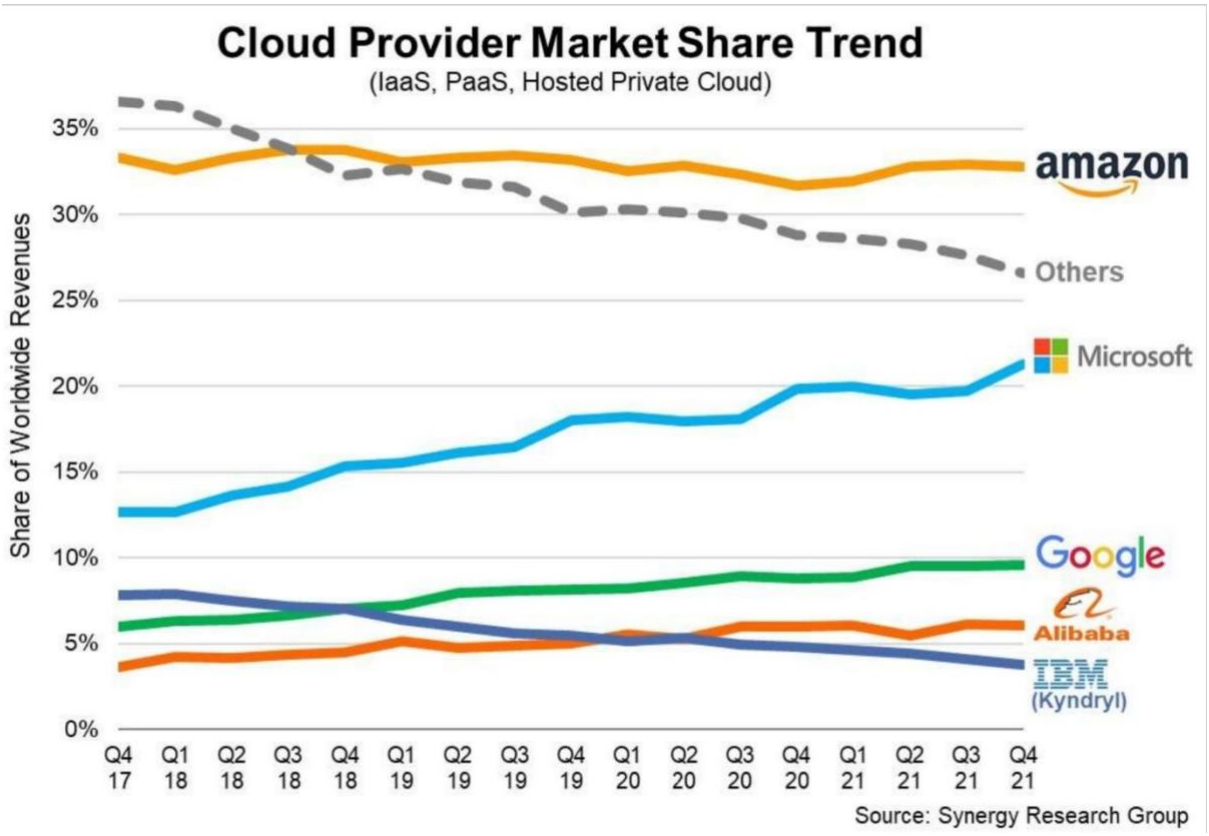
In 2021, the vast majority of EU enterprises with ten or more employees and self-employed individuals (98%) had internet access. However, the adoption of cloud computing services was reported by 41% of these enterprises, showing a 5% increase from 2020. Notably, there are substantial variations in cloud adoption across EU member states, with Sweden, Finland, the Netherlands, and Denmark having the highest adoption rates (ranging from 65% to 75%). In contrast, Greece, Romania, and Bulgaria reported much lower adoption rates (less than 25%).

Among enterprises that adopted cloud computing services, 79% utilized cloud solutions for email services. This enabled them to circumvent the need for setting up email server infrastructures. Other prominent uses of cloud computing included storing files (66%), employing office software applications (61%), and utilizing security software applications (58%). Enterprises also used the cloud for hosting databases (46%) and accessing more advanced software applications for finance/accounting (47%), customer relationship management (CRM) (27%), and enterprise resource planning (ERP) (24%). Additionally, 24% used cloud computing platforms for computing power to run custom business software applications, and 21% purchased cloud computing services for application development, testing, or deployment. The highest adoption of cloud computing services (76%) was observed in the information and communication sector, while other sectors showed varying levels of adoption, ranging from 32% to 48%. The retail trade sector exhibited the most significant increase in cloud adoption (7%).

Cloud Adoption by Enterprise Size

The use of cloud computing services increased across all enterprise size categories in 2021. Large enterprises demonstrated the highest adoption rate at 72%, marking a 7% increase from the previous year. Medium-sized enterprises had an adoption rate of 53%, up from 46%, and small enterprises reported a 5% increase in adoption, reaching 38%.

In 2021, cloud services such as email and file storage remained the most popular, with 79% and 66% of enterprises using these services, respectively. The adoption of email and office software in the cloud increased by 3% from the previous year. However, the use of other cloud services remained relatively stable. Additionally, security software applications, ERP applications, and cloud computing platforms for application development, testing, or deployment were introduced as new services in the survey. Security software applications were the most popular among EU enterprises, with 58% adopting them.



Use of Cloud Computing by Service Model

The majority of EU enterprises that purchased cloud computing services (94%) used at least one cloud Software as a Service (SaaS), such as email, office software, finance/accounting, ERP, CRM, or security software applications. Moreover, 74% of these enterprises employed cloud Infrastructure as a Service (IaaS), covering services like hosting enterprise databases, storing files, and computing power. Cloud Platform as a Service (PaaS), providing hosted environments for application development, testing, or deployment, was used by 21% of enterprises.

Approximately 30% of EU enterprises were classified as "highly dependent" on cloud computing services. These enterprises used sophisticated cloud services, such as security software applications, hosting enterprise databases, and cloud platforms for application development and deployment. The highest proportions of highly dependent enterprises were found in Sweden, Denmark, Finland, and the Netherlands.

• Information technology (IT) Industry

The Information Technology (IT) services industry in Europe is a dynamic and highly competitive landscape, characterized by major players dominating market share and continually engaging in mergers, acquisitions, and innovative strategies.

Major Players in the Europe IT Services Market

Prominent companies such as Accenture Plc, Capgemini SE, Hewlett Packard Enterprise, IBM, and Tata Consultancy Services Limited hold a strong foothold in the European IT services market. These key players have consistently demonstrated their ability to navigate the complex industry dynamics, positioning themselves as market leaders.

The IT services sector in Europe is marked by a continuous wave of mergers and acquisitions, with companies seeking to strengthen their competitive edge. These strategic moves are often driven by the need to enhance service offerings, expand market reach, and stay ahead of the competition. Innovation is the lifeblood of the IT services industry, and companies in Europe are no exception. Staying competitive in this fast-paced sector requires continuous product innovation, including the development of cutting-edge technologies, cloud solutions, and tailored services to meet the evolving needs of clients.

Challenges and Future Prospects

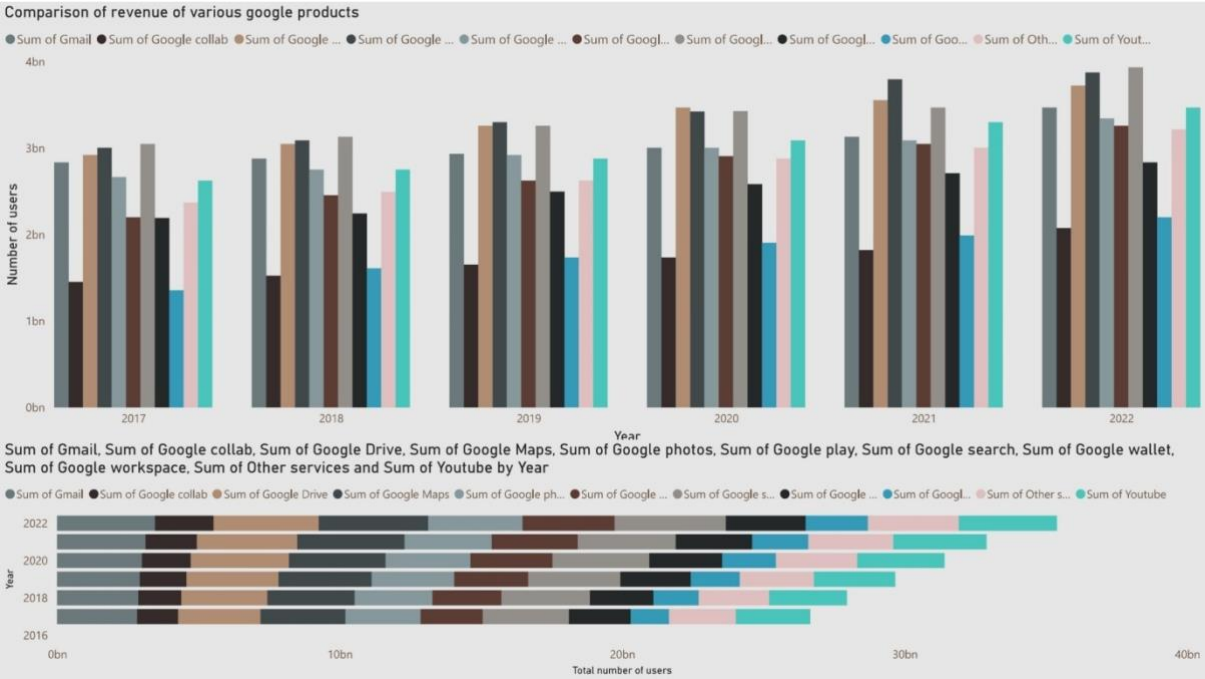
While the Europe IT services industry continues to thrive, it faces challenges such as evolving regulations, data security concerns, and the need for sustainable and eco-friendly practices. Future prospects include an increased focus on cybersecurity, AI-driven solutions, and the potential for European companies to expand their global presence. Europe's IT services industry is marked by intense competition, strategic mergers and acquisitions, a commitment to product innovation, and a strong emphasis on collaboration. Recent collaborations between major players, such as IBM and SAP, and Accenture's acquisition of Avieco, exemplify the industry's agility in responding to client demands and regulatory changes. As the industry continues to evolve, it will be essential for companies to remain adaptable, innovative, and responsive to the dynamic IT landscape.

- ## Europe IT Services Market Analysis

The Europe IT Services market is on a trajectory of significant growth, driven by factors like increased IT spending, technological advancements, and the rise of cloud-based solutions. The Europe IT Services market is set for substantial growth, with a projected Compound Annual Growth Rate (CAGR) of 7.1% over the next five years. This growth is primarily propelled by the increased spending on IT services and the adoption of advanced technologies, particularly cloud computing and artificial intelligence.

The IT services market is experiencing a surge in demand, thanks to advancements in technology. The adoption of cloud computing and artificial intelligence is significantly contributing to the sector's growth. For instance, Accenture's acquisition of Infinity Works exemplifies the industry's commitment to expanding its cloud delivery and engineering capabilities, particularly in the United Kingdom.

The Banking, Financial Services, and Insurance (BFSI) sector play a pivotal role in driving the demand for IT services. The growing use of smart technology and increased investments in security measures are key factors behind this trend. An example is TCS partnering with NORD/LB bank to transform its application estate, demonstrating the industry's role in enhancing operational efficiency and automation in BFSI. The growth of the IT services market is closely linked to infrastructure developments, such as smart city projects and data centre construction. Notable investments, like Google's expansion in Germany with USD 1.18 billion worth of data centre investments, highlight the sector's responsiveness to the evolving digital landscape.



- A need for Cloud Computing Services

Cloud computing has emerged as a transformative force in the digital age, offering individuals and organizations a flexible and efficient way to manage data, software, and applications.

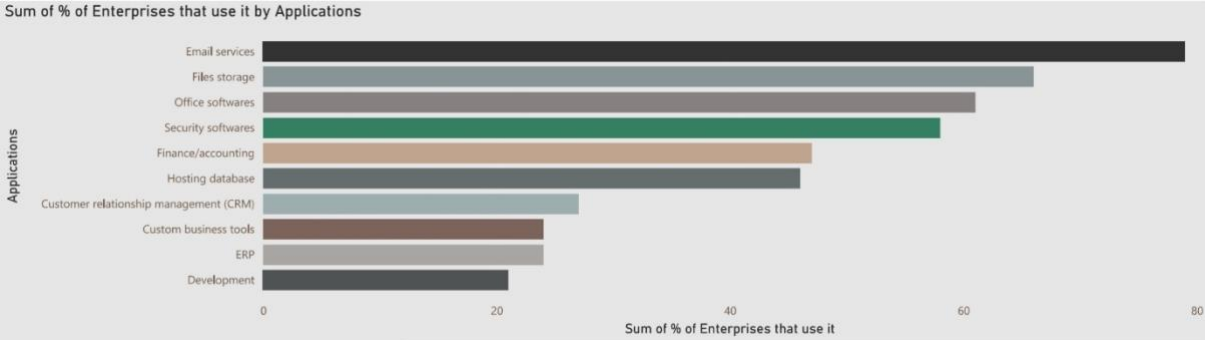
Here are a few advantages of Cloud Computing:

- Cost Savings
- Security
- Flexibility
- Mobility
- Insight
- Increased Collaboration
- Quality Control
- Disaster Recovery
- Loss Prevention
- Automatic Software Updates
- Competitive Edge
- Sustainability

The cost savings associated with cloud computing are compelling. While some organizations are concerned about the initial cost, the pay-as-you-go model and easy access to data lead to reduced expenses in project startups. Furthermore, the ability to tailor data storage space to actual needs ensures that organizations pay only for what they use. As a result, cost savings are a significant incentive for 20% of organizations embracing cloud-based solutions. Cloud hosting providers prioritize security, offering robust monitoring and encryption measures. These safeguards are more efficient than traditional in-house systems, where security competes with a multitude of other IT concerns. Cloud solutions help organizations protect their data against both external cyber threats and internal data theft, making it a safer choice. Statistics reveal that 94% of businesses saw security improvement when transitioning to the cloud.

Cloud computing provides businesses with the flexibility they need. It allows easy scaling and access to extra bandwidth on-demand, eliminating the need for costly infrastructure updates. The enhanced freedom and flexibility that cloud services offer improve organizational efficiency. This is crucial, as 65% of respondents view the ability to meet business demands as a primary reason for moving to the cloud. With over 2.6 billion smartphones in use globally, mobility is a key factor in cloud computing. Cloud services enable mobile access to corporate data, empowering employees to stay connected and productive, irrespective of their location. The mobile workforce benefits from cloud solutions, fostering up to a 24% increase in cloud usage among organizations prioritizing employee satisfaction. Cloud-based storage solutions offer integrated analytics, providing organizations with a comprehensive view of their data. This data offers invaluable insights, allowing for increased efficiency and actionable business strategies. Organizations can analyze information organization-wide and make informed decisions to achieve their goals.

Cloud-based applications automatically refresh and update themselves, reducing the need for manual organization-wide updates. This saves IT staff time and cuts costs associated with outside IT consultation. Fifty percent of cloud adopters cite requiring fewer internal IT resources as a key benefit. Early adoption of cloud solutions can provide a competitive edge. Organizations that embrace the cloud are better positioned to leverage its advantages, making it easier to compete in the digital landscape. A significant 77% of businesses view cloud technology as a competitive advantage.



A Need for IT Sector Industries

Information Technology (IT) has woven itself into the fabric of our modern world, influencing nearly every aspect of our lives. IT is the backbone of the business world, where it streamlines operations, enhances productivity, and facilitates communication. Computer systems, software, and the internet underpin business processes, from finance and human resources to manufacturing and security. The speed and efficiency of these operations are greatly amplified by IT, rendering it indispensable in the corporate landscape. Education has undergone a transformation due to IT. Modern technologies such as tablets, mobile phones, and computers empower students and educators alike.

IT not only aids in learning but also extends educational opportunities, reducing dropout rates and promoting a dynamic and interactive learning environment. Online financial transactions have become the norm, thanks to IT. It ensures the security and accuracy of transactions and maintains detailed records through computerized systems. IT has made financial operations faster, more accessible, and secure, revolutionizing the way we handle money. The field of healthcare benefits immensely from IT, as it simplifies and enhances various medical processes. Physicians can access patient records, communicate with specialists, and analyze information with ease. IT not only reduces the burden of paperwork but also contributes to better patient care. Information technology has revolutionized security measures. It provides secure online transactions, protecting sensitive data

from unauthorized access. Robust password systems and encryption ensure that only authorized individuals can access critical information. IT has obliterated geographic boundaries and fostered global communication. The ability to share information quickly and easily across the globe has driven globalization, making our world an

Importance of Information Technology

Information Technology (IT) has evolved to become an integral part of our lives, impacting us in various ways. IT provides a vital tool for productivity, allowing individuals to access company systems from anywhere. This flexibility means that work can be done remotely, contributing to increased productivity even without a physical presence in the office. The ever-growing demand for IT professionals across different domains creates abundant opportunities for those in the field. IT offers a wide range of career options, from programming and system analysis to software development and web application design.

Education has undergone a significant transformation with IT. Traditional chalkboard teaching has given way to modern gadgets and internet-based learning. Computers and the internet have made learning more accessible and comprehensive, enabling students to explore new concepts easily. IT has also benefited the healthcare sector. Patients can now connect with physicians online, and virtual healthcare applications offer guidance. Electronic health records and telemedicine ensure efficient and quality healthcare services. IT has eliminated the barriers of time and distance in business. E-commerce allows customers to buy from local and international vendors with ease. Transactions have become seamless, and businesses operate globally. The world of news broadcasting has been revolutionized by wireless communication. We can now access news from anywhere in seconds, keeping us informed about global events. IT has provided unlimited access to entertainment through various devices. People can watch movies, listen to music, and enjoy other forms of entertainment through online platforms, making leisure activities more accessible.

Communication between people has become more affordable, easier, and faster with IT. Texting, video calling, and emails have become commonplace. Numerous apps offer these services, enhancing the ease of communication. IT has played a pivotal role in promoting globalization, breaking down physical barriers between nations. The world is now a single platform, and people have become "global" citizens. IT connects individuals from different corners of the globe and fosters a sense of unity. Information Technology is a transformative force that has permeated every facet of our lives.

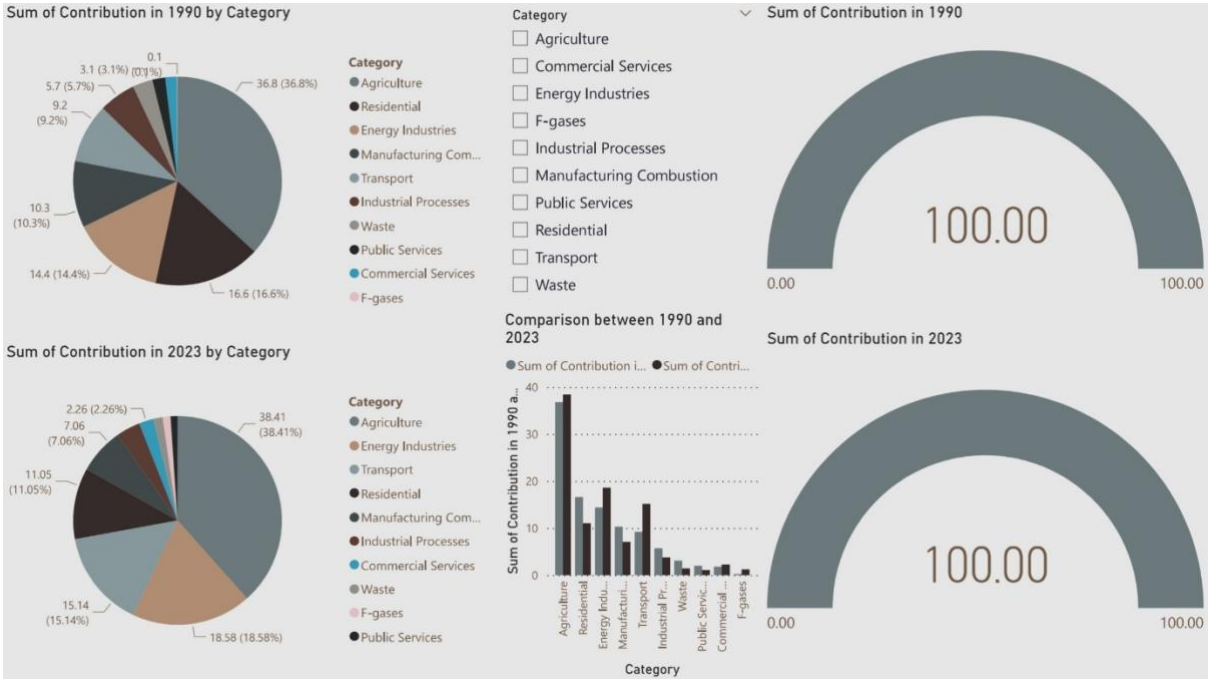
3. Cloud Services Emissions Overview

Cloud services have emerged as a transformative force in the digital age, offering businesses and individuals efficient and flexible computing resources. In recent years, discussions about the environmental impact of cloud services have intensified. However, it is crucial to recognize that cloud services, when implemented and managed effectively, can yield significant environmental benefits. One of the most compelling advantages of cloud services is their energy efficiency. Data centers that power cloud services have undergone substantial improvements in energy management and resource utilization. Advanced cooling systems, server virtualization, and data centre optimization have all contributed to a substantial reduction in energy consumption. By consolidating and efficiently managing resources, cloud providers have made remarkable progress in reducing their carbon footprint. Studies have shown that the energy consumption per gigabyte of data processed has significantly decreased, making cloud services more environmentally friendly compared to traditional data centers.

Emissions by Regions (Global Scale)

Greenhouse gas emissions, particularly carbon dioxide (CO2), have played a pivotal role in shaping our world, both in terms of industrialization and improving human living standards. Over time, the distribution of global emissions has shifted, impacting various countries and regions differently. The interactive chart allows us to explore the evolution of emissions by country, dating back to 1751. Notably, the United Kingdom was the world's largest emitter until 1888, reflecting its early industrialization. This phase of industrialization contributed to improved living conditions for a significant portion of its population. While rising CO2 emissions have had adverse environmental consequences, it is essential to acknowledge that historically, they were often a by-product of positive improvements in human living conditions. The industrial revolution paved the way for better standards of living for many, and it was a critical step in human development. However, the need to reduce emissions to protect future generations and the environment is equally vital.

Following the UK's lead, North America and Oceania also saw significant emissions increases, aligning with developments in those regions. These emissions, similarly to the UK, were a result of their own industrialization, benefiting their populations. The most significant shifts in global emissions have occurred in recent decades, with many of today's largest emitters located in Asia. This transformation reflects the rapid improvements in living standards across the continent. Life expectancy in Asia has surged from 41 to 74 years since 1950, and there has been a substantial reduction in extreme poverty. A significant portion of the population now receives formal education, contributing to an enhanced quality of life. China, the USA, and the 28 countries of the European Union collectively account for over half of global emissions. These top emitters have a critical role in addressing global climate challenges. Without their commitment to reducing emissions, the world will struggle to meet its climate targets and combat the threats of climate change.



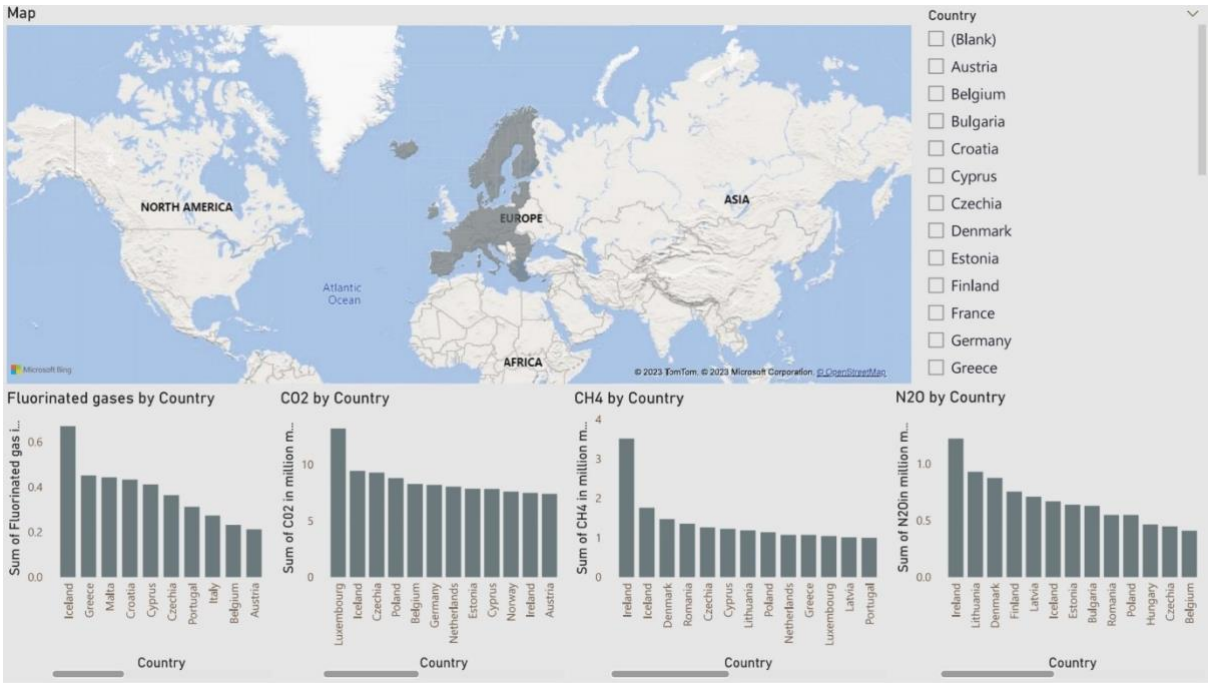
- Emissions released from IT & Data Sector Industry

The Information Technology (IT) sector has rapidly evolved and expanded in recent years, revolutionizing the way we live and work. While it has brought numerous benefits, it's also essential to consider its environmental impact, particularly in terms of greenhouse gas emissions.

The IT sector encompasses a wide range of activities, from data centers and cloud computing to software development and telecommunications. It has become a critical pillar of the global economy, enabling digital transformation in various industries. A significant portion of emissions from the IT sector can be attributed to data centers. These facilities consume substantial energy to power servers, cooling systems, and other infrastructure. Additionally, the manufacturing and disposal of IT equipment contribute to emissions.

Emissions from the IT sector in Europe have experienced several trends:

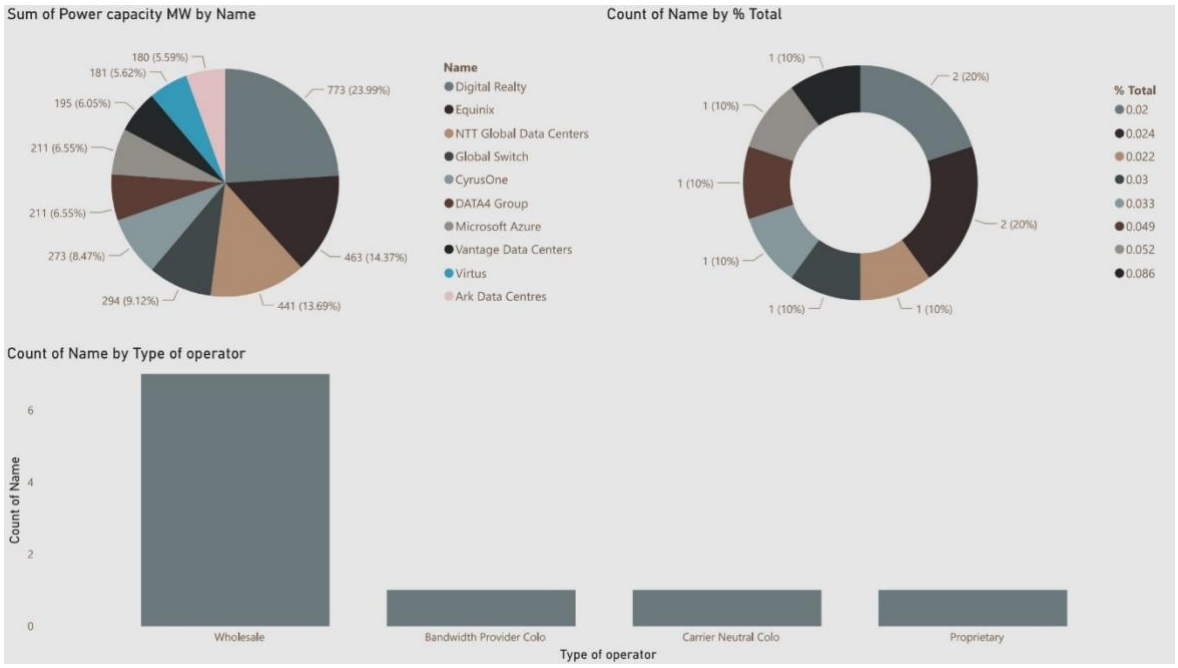
- Rising Energy Consumption: The growing demand for data storage and processing has led to increased energy consumption in data centers.
- Energy Efficiency Measures: The industry has responded by adopting energy-efficient technologies and designs, aiming to reduce its carbon footprint.
- Renewable Energy Adoption: Many data centers in Europe are transitioning to renewable energy sources, further mitigating emissions.
- E-Waste Management: The proper disposal and recycling of electronic waste are critical to minimize the sector's environmental impact.



The European Union has implemented several policies and regulations to address emissions from the IT sector. The EU has set energy efficiency standards for data centers to promote sustainability and push for increased use of renewable energy sources is aligning with the IT sector's adoption of green energy. Efforts are being made to manage electronic waste more effectively and promote recycling. In order to reduce emissions, the IT sector in Europe has undertaken various initiatives and innovations:

- Cloud Services: Cloud providers are optimizing data centre operations to minimize energy usage.
- Data Centre Design: Advanced cooling technologies, virtualization, and improved hardware are enhancing data centre efficiency.
- Green Computing: The development of energy-efficient devices and components is helping reduce emissions.
- Carbon Offsetting: Some IT companies invest in carbon offset projects to counter their emissions.

Balancing emission reduction with data privacy and security is crucial. The IT sector must implement environmentally friendly practices while safeguarding sensitive information. Challenges persist, including the growing demand for data, the need for better recycling processes, and the environmental impact of e-waste. Future prospects include the development of even more energy-efficient technologies, further adoption of renewable energy, and international cooperation.



• List of Countries currently present in cloud & data services in Europe

A list of all the countries in Europe currently providing cloud data services, as Europe includes numerous countries, each with its unique cloud services landscape. Due to that reason, an overview of some key countries known for their contributions to the European cloud data services sector.

- Germany: Germany is a prominent player in Europe's cloud computing landscape. It offers a strong emphasis on data security and privacy, which is crucial for cloud services. Companies like Deutsche Telekom, SAP, and AWS have data centers and cloud services in Germany.
  E.g.. SAP, Deutsche Telekom, AWS, Microsoft Azure. Germany has strict data protection laws like the GDPR and BDSG, ensuring a high level of data security and privacy.
- France: France has a rapidly growing cloud services market. It's home to several data centers and cloud service providers. French companies like OVH and scaleway are well-regarded for their cloud offerings.
  E.g.. OVH, scaleway, IBM Cloud, Microsoft Azure. France adheres to GDPR and has data privacy laws in place.
- United Kingdom: The UK has a thriving cloud computing sector, with data centers and cloud providers across the country. London is a hub for cloud services.

E.g.. AWS, Google Cloud, Microsoft Azure, IBM Cloud. UK adheres to GDPR and has its data protection regulations.

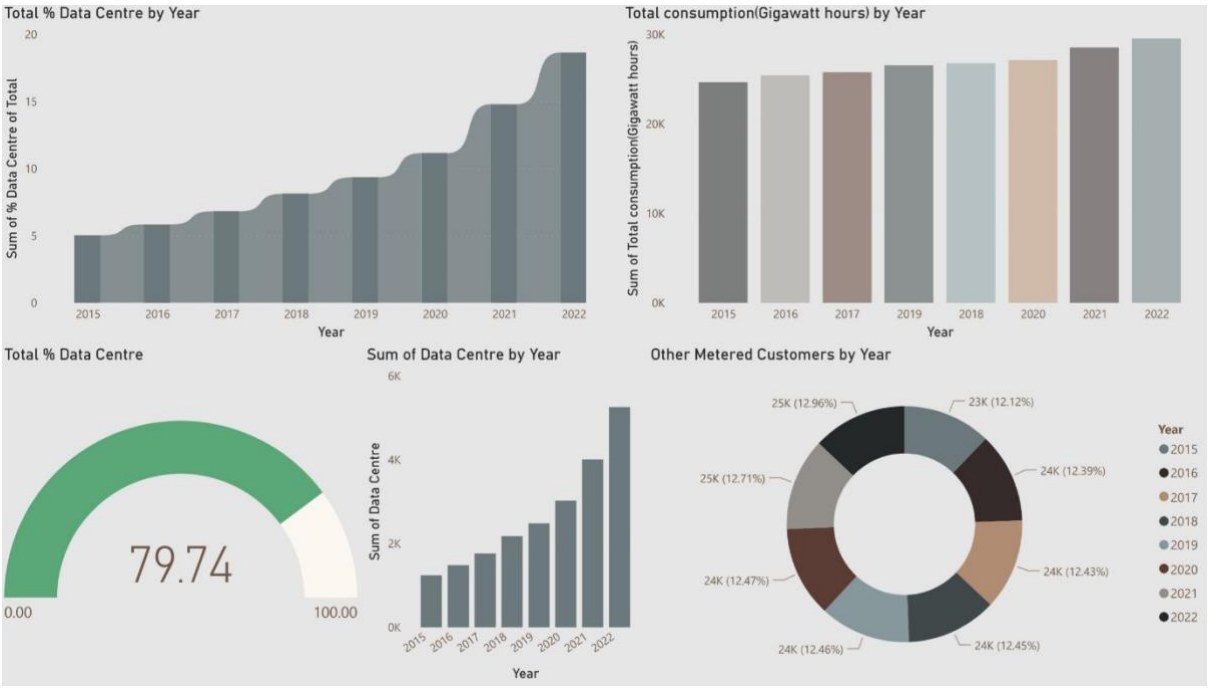
- Netherlands: The Netherlands is a leading European data centre hub. It offers advanced data infrastructure and is known for its reliability.
  E.g.. Equinix, Interxion, KPN, AWS. GDPR is applicable in the Netherlands, and Dutch law reinforces data protection and privacy.
- Ireland: Ireland hosts several data centers, and it's often called the "Data Centre Hub of Europe." It attracts major cloud providers due to its business-friendly environment.
  E.g.. Microsoft Azure, Google Cloud, Amazon Web Services, IBM Cloud. GDPR compliance is a significant focus in Ireland's data services.
- Sweden: Sweden has a growing cloud services sector. Its cool climate is favourable for data centers, and it's known for its commitment to sustainability.
  E.g.. Bahnhof, GleSYS, AWS, Google Cloud. GDPR is implemented, and Sweden places importance on data privacy.
- Finland: Finland is gaining prominence in cloud services due to its green data centers, affordable energy, and robust connectivity.
  E.g.. UpCloud, Telia, Google Cloud, Microsoft Azure. GDPR is in effect, and data privacy is a priority.
- Spain: Spain's cloud market is growing, with data centers being established in Madrid and Barcelona. It offers cloud services to the Iberian Peninsula and Latin America.
  Telefónica, Vodafone, IBM Cloud, Oracle Cloud. Spain complies with GDPR and has national data protection regulations.
- Italy: Italy has a developing cloud sector, with data centers and cloud service providers. It's an emerging market for cloud computing.
  E.g.. Aruba Cloud, Telecom Italia, Amazon Web Services, Microsoft Azure. Italy follows GDPR regulations for data protection.
- Poland: Poland's cloud market is expanding, driven by increased demand for cloud services. It's an emerging player in the European cloud landscape.
  E.g.. OVH, H88, Microsoft Azure, Google Cloud. GDPR is applicable, and Poland emphasizes data security.

• The Estimate of energy & water consumption of data centers & transmission networks

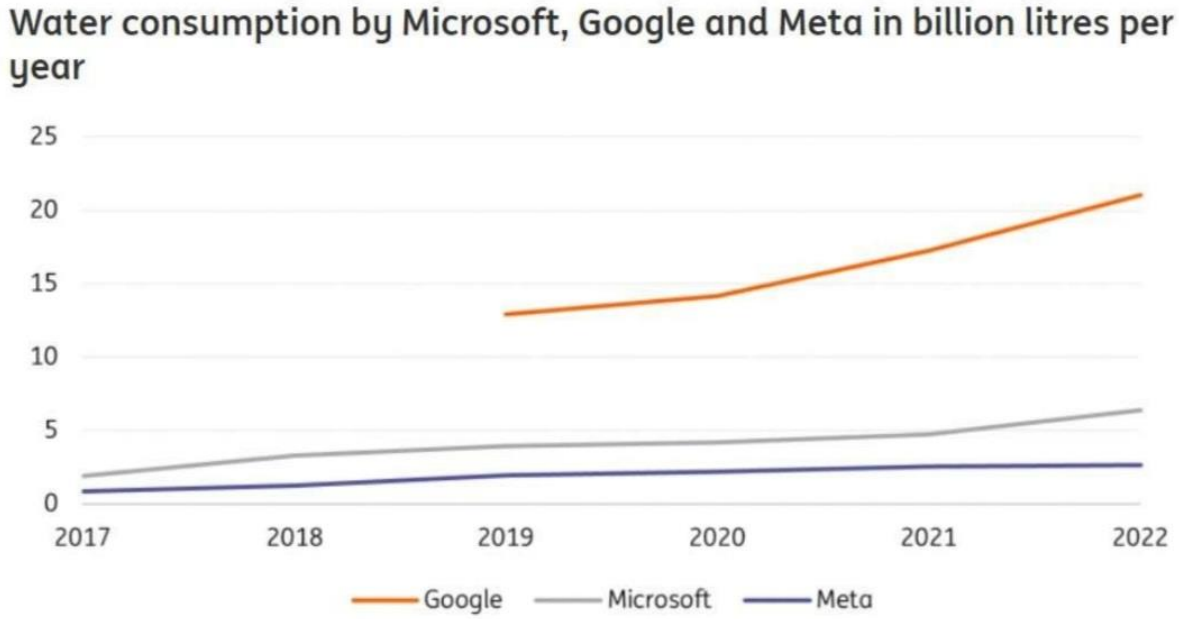
The surge in digital data consumption, as well as the proliferation of data centers and data transmission networks, have raised significant environmental concerns. To understand the water and energy footprints associated with this digital revolution, we conducted a comprehensive analysis based on data centre energy efficiency and the impact of data transmission networks. This research serves as a crucial step in assessing the environmental consequences of data centers, their electricity consumption, and water usage.

Energy Consumption per Unit of Data

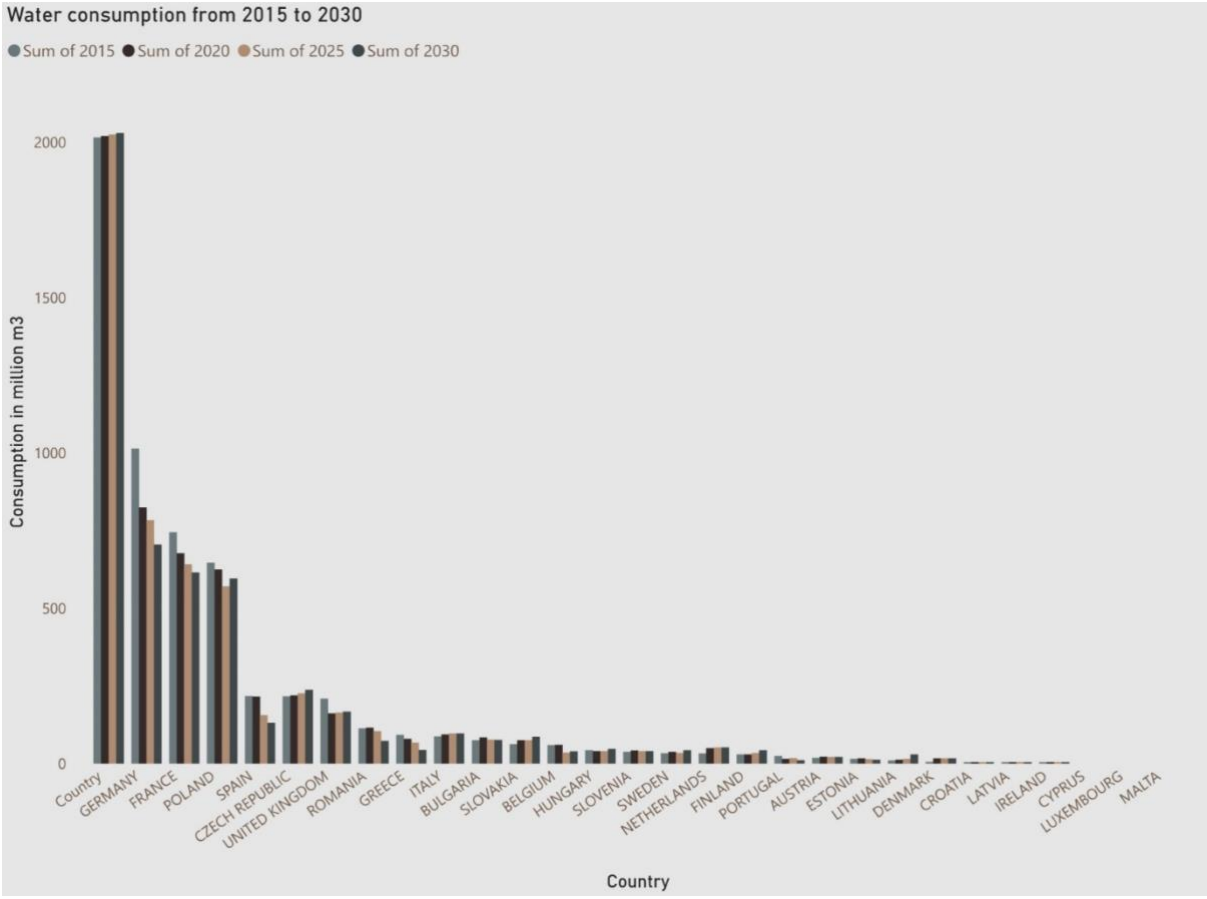
Energy efficiency in data centers has improved remarkably over the years. The estimated ratio of 0.3 kilowatt-hours (kWh) per gigabyte (GB) of processed data. This represents a substantial increase in efficiency compared to earlier estimates. In 2012, data centers were believed to consume between 4.5 kWh and 7 kWh per GB. Notably, there is a limit to how much further this number can be reduced, though the exact threshold remains uncertain. In our calculations, we consider 0.3 kWh per GB as the maximum energy consumption and 0.1 kWh per GB as the minimum to estimate the total energy consumption by data centers in a given country and the energy consumption per capita in that country. These calculations provide a framework for assessing energy consumption at both the national and per capita levels.



Water Consumption Components



The water footprint of data centers comprises two key components: indirect and direct water consumption. Indirect water consumption, represented by IWCX, stems from the high electricity consumption of data centers and its effects on data transmission and data centre operation. Water consumption for electricity production can vary significantly based on the electricity source. Thermal power plants and hydropower plants have considerably higher water consumption than renewable sources such as solar photovoltaic (PV) and wind. This component was calculated using the geographically distributed water consumption by the energy sector. The second component is direct



water consumption for cooling data centers. This aspect has generated controversy, particularly as new data centers are established in areas with high water stress. A typical data centre can use as much water as a city of 30,000 to 40,000 inhabitants. Mytton (2020) estimated that a 1-megawatt (MW) data centre consumes 25.5 million litres of water annually for cooling. To align water consumption with energy use rather than capacity, we assumed that a 1 MW data centre, operating continuously, consumes 8670 megawatt-hours (MWh) of electricity annually.

- ## Positive Aspects of Cloud Services to help Reduce Carbon Footprint:

The adoption of cloud services has become an integral part of our increasingly digitalized world. While concerns about the environmental impact of technology are on the rise, it is essential to recognize the substantial benefits that cloud services can offer in terms of reducing carbon emissions.

Renewable Energy Adoption

Leading cloud providers have made substantial commitments to transition to renewable energy sources. Many data centers now rely on renewable energy for a significant portion of their power needs. These investments in clean energy contribute to a decrease in greenhouse gas emissions and align with global efforts to combat climate change. Furthermore, cloud providers often operate in regions where renewable energy sources are abundant, enabling them to power their data centers with cleaner energy.

Cloud services are founded on the principle of resource sharing and optimization. By pooling resources and allowing multiple users to share the same infrastructure, cloud providers reduce the overall demand for physical servers and hardware. This resource optimization leads to lower emissions associated with the production and disposal of hardware. In essence, cloud services maximize the utility of existing equipment, thereby reducing the environmental impact of technology consumption. Another environmentally beneficial aspect of cloud services is their scalability. Businesses can adjust their computing resources based on real-time demand, reducing the need for overprovisioning. In traditional on-premises data centers, companies often overestimate their requirements, leading to idle servers and unnecessary energy consumption. Cloud services mitigate this issue by providing the flexibility to scale resources up or down as needed, optimizing energy usage and reducing emissions.

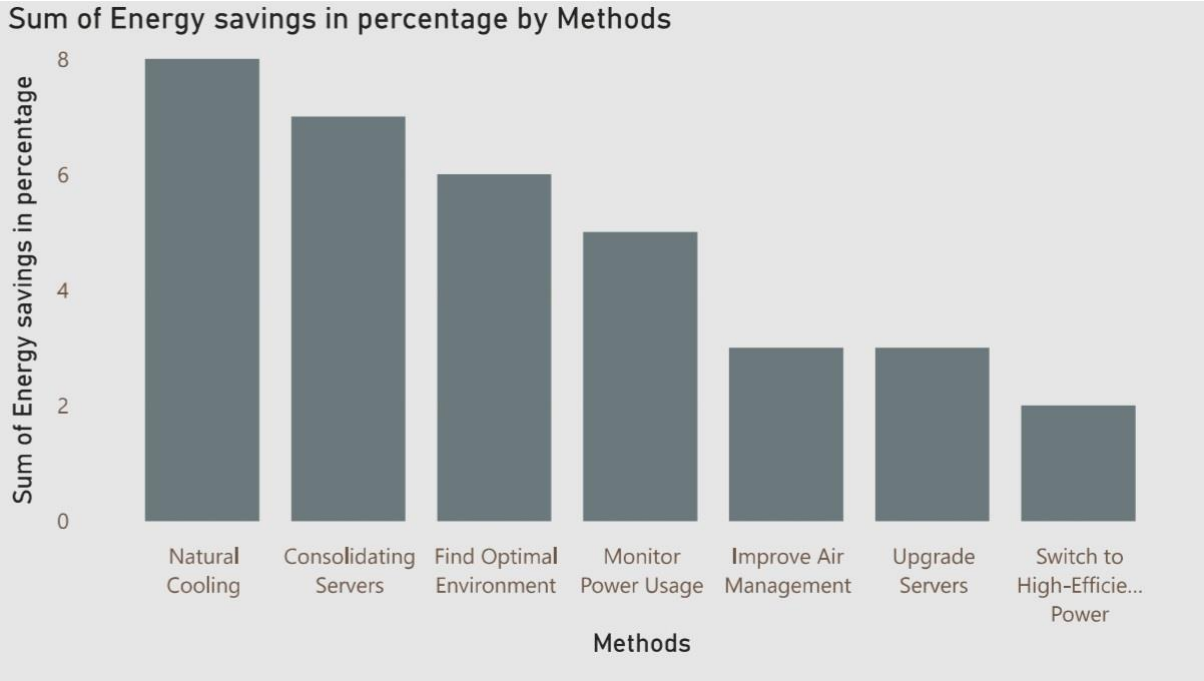
Geographic Location and Climate Considerations

Cloud providers strategically place their data centers in regions with favourable climates for cooling and energy efficiency. This geographic distribution enables more effective heat management and reduces the reliance on energy-intensive cooling systems. By choosing optimal locations, cloud providers decrease the energy required to maintain data centre operations, ultimately lowering their carbon footprint.

Cloud services have a considerable potential for reducing emissions and promoting environmental sustainability. Their energy efficiency, adoption of renewable energy sources, resource sharing, scalability, and strategic geographic placement of data centers all contribute to a greener and more sustainable IT infrastructure. While there are challenges and considerations associated with the environmental impact of cloud services, it is clear that when managed responsibly, they offer a significant advantage in the pursuit of a more environmentally friendly and sustainable digital future. By recognizing and harnessing the benefits of cloud services, individuals and businesses can contribute to a cleaner and more sustainable planet. By recognizing and harnessing the environmental benefits of cloud services, individuals and businesses can actively contribute to reducing carbon footprint and fostering a cleaner, more sustainable planet. As the world continues to embrace digitalization, cloud services can play a vital role in mitigating climate change and promoting a greener, more sustainable future.

- Green Cloud & Data Services

Digital technologies have become a cornerstone of modern society, revolutionizing how we live and work. They hold immense potential to offer green solutions to various sectors of the economy, optimizing processes, reducing waste, and enhancing sustainability. Equally important is the "greening" of the digital sector itself. It outlines the challenges posed by rising electricity consumption and greenhouse gas emissions and highlights the European Commission's commitment to addressing these issues through energy-efficient cloud computing technologies and policies.



The Environmental Impact of Digital Technologies

Digital technologies have unlocked vast possibilities, but they come with a carbon footprint. It has been estimated that digital technologies are responsible for 5 to 9% of global electricity consumption. This proportion is expected to increase with the further digitization of various industries and the emergence of advanced technologies like artificial intelligence, the Internet of Things, and block chain. Without appropriate measures, this trajectory could lead to a problematic surge in greenhouse gas emissions.

The European Commission's Focus on Energy-Efficient Cloud Computing

The European Commission has set an ambitious goal of making data centers in Europe carbon-neutral by 2030. Achieving this objective entails a multi-faceted approach, involving existing instruments, the review of legislation, and the introduction of new initiatives. The Commission is actively exploring strategies to encourage the use of renewable energy sources and the development of more efficient data centre technologies. Additionally, it is addressing the need for commonly accepted definitions and assessment methods for energy efficiency, climate neutrality, and overall sustainability of data centers. It highlights the significance of developing data centers in proximity to renewable energy sources to reduce energy transmission losses. Efforts to improve energy efficiency extend to the recovery of waste heat from data centers. Waste heat can be repurposed for heating nearby buildings, reducing overall energy consumption and promoting circular economy practices.

The Importance of Common Standards

To achieve climate neutrality, it is crucial to establish common standards for measuring and assessing the environmental impact of data centers and cloud services. The digital revolution has unlocked incredible opportunities for innovation and growth, but it has also introduced environmental challenges. The European Commission's commitment to making data centers carbon-neutral by 2030 and its proactive approach to energy-efficient cloud computing are commendable steps towards sustainability. With the right strategies, including the use of renewable energy, waste heat recovery, and the establishment of common standards, it is possible to harness the full potential of digital technologies while minimizing their environmental impact. As Europe leads the way in greening the digital sector, it sets an example for the world and paves the path to a more sustainable, climate-neutral future by 2050.

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