

Second-Party Opinion

Digital Realty Green Finance Framework – DC 2023-DC CMBS

Evaluation Summary

Sustainalytics is of the opinion that the Digital Realty Green Finance Framework – DC 2023-DC CMBS is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Energy and Resource Efficiency is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION AND SELECTION The eligible projects were selected by Digital Realty’s sustainability team and approved by its senior management team that includes the Chief Financial Officer, General Counsel and others. Digital Realty’s company-level processes to manage and mitigate environmental and social risks are applicable to the allocation decisions made under the Framework. Sustainalytics views this to be aligned with market practice.



MANAGEMENT OF PROCEEDS The proceeds from the issuance will be exclusively used to purchase a whole loan to finance the recapitalization of the ownership structure of the Mortgaged Properties. Proceeds will be immediately allocated after the issuance with no flexibility to re-allocate. This is in line with market practice.



REPORTING Citigroup Commercial Mortgage Securities Inc., the Depositor, intends to provide investors with a description of the Mortgaged Properties and the details of its sustainability features, including the PUE ratios of less than 1.4, as part of the initial offering document. Given the intent to immediately allocate the proceeds to purchase the whole loan and recapitalize the ownership structure of the eligible assets, Sustainalytics views Digital Realty Trust, Inc.’s allocation and impact reporting as aligned with market practice.



Evaluation Date	August 15, 2023
Issuer Location	Austin, US

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Introduction

Digital Realty Trust, Inc. (“Digital Realty”, or the “Company”) is a real estate investment trust that owns, acquires, develops and operates data centres. The Company’s clients include domestic and international companies across cloud and information technology services, communications, social networking, financial services, manufacturing, energy, gaming, life sciences and consumer products. It operates a global data centre footprint of more than 300 facilities in 26 countries across six continents. Digital Realty is headquartered in Austin, Texas and has over 3400 employees.

Digital Realty has developed the Digital Realty Green Finance Framework – DC 2023-DC CMBS (the “Framework”) under which it acts as the Sponsor for the issuance of a Secured Green Collateral Bond (“DC 2023-DC, Commercial Mortgage Pass-Through Certificates” or the “bond”) by Citigroup Commercial Mortgage Securities Inc. (“CCMSI” or the “Depositor”). The proceeds of the bond will be used to finance the purchase a whole loan, which will be originated by Citi Real Estate Funding Inc. (or “CREFI”) to refinance the recapitalization of the ownership structure of two Tier 3 data centres (the “Mortgaged Properties”),¹ located in Ashburn, Virginia. The Framework defines eligibility criteria in one area:

1. Energy and Resource Efficiency

Digital Realty engaged Sustainalytics to review the Framework, dated August 2023, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).² The Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.14, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Digital Realty’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Digital Realty representatives have confirmed (1) they understand it is the sole responsibility of Digital Realty to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Digital Realty.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework

¹ Digital Realty has confirmed to Sustainalytics that the Mortgaged Properties have not been financed previously by any type of labelled debt and therefore there is no double-counting.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Digital Realty Green Finance Framework – DC 2023-DC CMBS is available on Digital Realty Trust, Inc.’s website at: <https://www.digitalrealty.com/about/esg/green-bond>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Digital Realty is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Digital Realty has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Digital Realty Green Finance Framework – DC 2023-DC CMBS

Sustainalytics is of the opinion that the Digital Realty Green Finance Framework – DC 2023-DC CMBS is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible category, Energy and Resource Efficiency, is aligned with those recognized by the GBP.
 - Proceeds from the issuance under the Framework will be exclusively used to purchase a whole loan to finance the recapitalization of the ownership structure of the Mortgaged Properties:
 - The Mortgaged Properties consist of two Tier 3 data center properties located in Ashburn, Virginia, each with an annual average design power usage effectiveness ("PUE") of 1.40 or less. Sustainalytics views this eligibility criterion based on the defined PUE threshold to be in alignment with market practice.
- Project Evaluation and Selection:
 - The Mortgaged Properties were identified by Digital Realty and the eligibility under the Energy and Resource Efficiency category was reviewed by the Company's sustainability team. The selected properties were reviewed by the senior management of Digital Realty, including the Chief Financial Officer, General Counsel and others as applicable.
 - As part of its environmental and social risk management processes, Digital Realty evaluated the Mortgaged Properties to be in accordance with its Sustainability Policy. The Company further assessed the properties' compliance with the requirements of the LEED green building certification as it relates to their environmental and social impacts.
 - Based on the defined responsibilities as well as the presence of risk management systems, Sustainalytics views the project evaluation and selection process to be in line with market practice.
- Management of Proceeds:
 - Proceeds from the issuance will be immediately allocated to the whole loan used to recapitalize the Sponsor's ownership interest in the Mortgaged Properties. Neither the Depositor nor the Trust will retain the flexibility to reallocate the proceeds or have any temporary use of proceeds.
 - Based on the commitment for full allocation at issuance, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - The Depositor intends to provide investors with a description of the Mortgaged Properties and the details of its sustainability features, including the PUE ratios of less than 1.40, as part of the initial offering document.
 - Considering that the entire proceeds will be immediately used to purchase the whole loan and recapitalize the ownership structure of the eligible assets, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Digital Realty Green Finance Framework – DC 2023-DC CMBS aligns to the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Digital Realty

Contribution of framework to Digital Realty Trust, Inc.'s sustainability strategy

Sustainalytics is of the opinion that Digital Realty demonstrates a commitment to sustainability with a focus on the following environmental areas: i) energy and carbon emissions; ii) renewable energy; and iii) design and construction.⁵

In 2020, Digital Realty committed to reducing its scope 1 and 2 emissions by area by 68% and scope 3 emissions by area by 24% by 2030 from the 2018 levels, which was verified by Science Based Target Initiative (SBTi) to be in line with a 1.5-degree scenario. As a signatory to the EU Climate Neutral Data Centre Pact, the Company commits to climate neutrality for its EU data centres by 2030. In 2022, Digital Realty achieved a 16% reduction of colocation PUE from the 2017 baseline, where the Company has surpassed its target of a 10% reduction in 2022. Digital Realty has also developed a long-term goal of achieving 100% renewable energy for its data centre portfolio. In 2022, Digital Realty reached one gigawatt of new renewable energy under contract in the US, with a 9.8% increase compared with the 2021 level. As of 2022, the Company operates 126 data centres in its portfolio with 100% renewable electricity. Furthermore, at the design and construction stage, Digital Realty focuses on managing and minimizing environmental impacts and achieving credible green building certifications. The Company aims to achieve a minimum of LEED Silver or equivalent sustainable building scheme for its new developments and major renovations. As of 2022, certified green buildings accounted for 32% of the Company's operating portfolio.⁶

Based on the above context, Sustainalytics is of the opinion that the Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the bond issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects may include issues related to land use and biodiversity risks associated with large-scale infrastructure development; emissions, effluents, and waste generated in construction activities and data centre operations; community relations; environmental and social risks associated with supply chain; occupational health and safety; and cybersecurity, compliance and privacy risks.

Sustainalytics is of the opinion that Digital Realty is able to manage or mitigate potential risks through the implementation of the following:

- To manage environmental risks associated with large-scale infrastructure development and emissions, effluents, and waste generated in construction activities and data centre operations, Digital Realty commissions independent environmental consultants to conduct environmental site assessments. There is an internal assessment of existing environmental conditions for development projects, and where necessary, Digital Realty develops Environmental Impact Reports for new development projects.⁷ Furthermore, Digital Realty has in place a Code of Business Conduct and Ethics that requires the Company to comply with all the applicable environmental laws and regulations.⁸ Specific laws and regulations include the US Environmental Agency's Resource Conservation and Recovery Act, which establishes laws and regulations for the storage and disposal of all hazardous and non-hazardous waste, thereby addressing the risk of waste, emissions and effluents generated during the construction.⁹ Additionally, the National Environment Policy Act in the US addresses biodiversity-related risks by requiring environmental impact assessments for large-scale infrastructure projects.¹⁰

⁵ Digital Realty, "Environmental, Social and Governance Report 2022", (2022), at: https://go2.digitalrealty.com/rs/digitalrealtytrust/images/DLR_2023_ESGReport.pdf

⁶ Ibid.

⁷ Ibid.

⁸ Digital Realty, "Code of Business Conduct and Ethics", (2023), at: https://go2.digitalrealty.com/rs/087-YZJ-646/images/DOC_Digital_Realty_2307_Code_of_Business_Conduct.pdf?_ga=2.76721941.1685334439.1690489201-49545982.1690380792

⁹ US Environmental Protection Agency, "Resource Conservation and Recovery Act (RCRA) Laws and Regulations", at: <https://www.epa.gov/rcra>

¹⁰ US Environmental Protection Agency, "What is the National Environmental Policy Act?", at: <https://www.epa.gov/nepa/what-national-environmental-policy-act>

Sustainalytics further notes that the Project to be financed under the Framework is based in the US, which is recognized under the Equator Principles as a Designated Country. This indicates the presence of robust environmental and social governance systems, legislation and institutional capacity for protecting the environment and communities including stakeholder engagement for certain new projects.¹¹

- Regarding the risks related to the impact on communities, the Company undergoes stakeholder input and engagement activities outlined in the local approval and permitting process for developing new projects. Like environmental impacts, the Company may require environmental impact reports, traffic studies, cultural and historical resources studies and other community impact assessments on a case-by-case basis to identify and manage community impacts.¹²
- Regarding the environmental and social risks associated with its supply chain, Digital Realty has in place a Supplier Code of Conduct, which outlines requirements for its suppliers to conduct business activities in full compliance with all applicable laws and regulations including i) health and safety laws and regulations; ii) environmental laws and regulations regarding manufacture, transportation, storage, disposal and release into the environment of hazardous materials, air emissions, waste and wastewater; iii) laws and regulations regarding the privacy of information, data protection and cross border data flows; and iv) anti-corruption laws including the US Foreign Corrupt Practices Act¹³. Furthermore, Digital Realty expects its suppliers to cooperate in audits and investigations that the Company conducts.¹⁴
- Regarding occupational health and safety (OHS) risks, Digital Realty has established an Environmental Occupational Health and Safety (EOH&S) management system, which is compliant with the principles of ISO 45001:2016¹⁵ and OHSAS 18001:2007¹⁶ and covers all its employees including contractors working at its properties. The EOH&S management system consists of OHS risk and hazard assessments, evaluation of progress in reducing OHS risks against the target, internal inspection, and OHS training for employees. Digital Realty also integrates its contractors into its EOH&S management system through on-site registration, induction training, basic emergency procedure supplement, and monitoring of the OHS performance of the contractors. Within the EOH&S programme, the Company has also developed the Hazard recognition, evaluation and control programme, which includes a Stop Work Policy and Incident Reporting Process.¹⁷
- Digital Realty addresses cybersecurity, compliance and privacy risks through the Cyber Resilience as a Service Program, which involves a team, an in-house Security Operations Center and co-sourced 24x7 managed security services partners to respond to advanced threats. The Company has adopted a control framework based on the NIST Cybersecurity Framework¹⁸ to manage risks related to cybersecurity. For privacy risks, Digital Realty has in place a Privacy Practices Notice, in which the Company is committed to respecting and protecting the privacy rights of all interacted individuals. Furthermore, the Company provides annual training to its employees on cybersecurity awareness and global data privacy.¹⁹

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Digital Realty has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics has focused below where the impact is specifically relevant in the local context.

¹¹ Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>

¹² Digital Realty, "Environmental, Social and Governance Report 2022", (2022), at: https://go2.digitalrealty.com/rs/digitalrealtytrust/images/DLR_2023_ESGReport.pdf

¹³ Under the Foreign Corrupt Practices Act (FCPA), it is unlawful for a U.S. person or company to offer, pay, or promise to pay money or anything of value to any foreign official for the purpose of obtaining or retaining business. More information about the US FCPA is available at: <https://www.trade.gov/us-foreign-corrupt-practices-act>

¹⁴ Digital Realty, "Digital Realty Supplier Code of Conduct", (2014), at: https://go2.digitalrealty.com/rs/087-YZJ-646/images/DOC_Digital_Realty_1607_Supplier_Code_of_Conduct.pdf

¹⁵ ISO 45001 is a globally recognized standard that demonstrates an effective occupational health and safety (OHS) management system. More details are available at: <https://www.dqsglobal.com/en-us/certify/iso-45001-certification>

¹⁶ OHSAS 18001 is among the International Standard for Occupational Health and Safety Management Systems that provides a framework for the effective management of OH&S including risk management, legal compliance and occupational health and safety. Sustainalytics notes that OHSAS 18001 is now replaced by ISO 45001:2018. More details are available at: <https://www.nqa.com/en-ca/certification/standards/ohsas-18001>

¹⁷ Digital Realty, "Environmental, Social and Governance Report 2022", (2022), at: https://go2.digitalrealty.com/rs/digitalrealtytrust/images/DLR_2023_ESGReport.pdf

¹⁸ The NIST Cybersecurity Framework helps organizations improve their cybersecurity posture by fostering communication among both internal and external stakeholders about cybersecurity, and for larger organizations, helps to better integrate and align cybersecurity risk management with broader enterprise risk management processes. More details are available at: <https://www.nist.gov/cyberframework/framework>

¹⁹ Digital Realty, "Environmental, Social and Governance Report 2022", (2022), at: https://go2.digitalrealty.com/rs/digitalrealtytrust/images/DLR_2023_ESGReport.pdf

Importance of energy efficiency in data centres in the US

Data centres contain a large number of energy-intensive technologies and services such as servers, storage equipment, backups and power cooling infrastructure supporting billions of end users.²⁰ This translates to a significant electricity demand from data centres, recorded at 200-320 terawatt hours or approximately 1% of global electricity use in 2021.^{21,22} McKinsey estimated that US data centres consumed 17 gigawatts (GW) of power in 2022, and are expected to reach 35 GW of consumption by 2030.²³

To curb the increase in power consumption of data centres, continual improvements in energy efficiency through advanced servers, storage devices, network switches and infrastructure are required.²⁴ Between 2010 and 2018, despite a six-fold increase in the computing power of data centres and a 10-fold increase in internet traffic, global data centre energy consumption saw only a 6% increase as a result of energy efficiency improvements.²⁵ Nevertheless, considering the annual 10-30% increase in energy use in large data centres in recent years, the International Energy Agency estimates that global data centre energy consumption will increase over the next few years, although the long-term trends remain uncertain.²⁶

There are continued efforts made by the US government to advance energy efficiency in data centres in the country. The Federal Energy Management Program’s Center of Expertise for Energy Efficiency in Data Centres provides technical support, tools, analysis and best practices to contribute to the implementation of energy efficiency projects in data centres.^{27,28} Moreover, the US Environmental Protection Agency’s ENERGY STAR programme, with its coverage of data centre facilities and equipment, offers several options to encourage energy efficiency measures.^{29,30}

Given this context, Sustainalytics considers Digital Realty’s investments aimed at improving the energy efficiency and PUE of data centres in the US, as contributing to reducing the industry’s energy footprint, thereby generating a positive environmental impact.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond issued under the Digital Realty Green Finance Framework – DC 2023-DC CMBS advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Energy and Resource Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

Conclusion

Digital Realty has developed the Digital Realty Green Finance Framework – DC 2023-DC CMBS under which it acts as the Sponsor for the issuance of a green bond by Citigroup Commercial Mortgage Securities Inc. to purchase a whole loan, originated by Citi Real Estate Funding Inc., to refinance the recapitalization of the ownership structure of the Mortgaged Properties. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The Framework outlines a process by which proceeds will be allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of Digital

²⁰ Ratka, S. et al. (2020), “The nexus between data centres, efficiency and renewables: a role model for the energy transition”. Energypost.eu, at: <https://energypost.eu/the-nexus-between-data-centres-efficiency-and-renewables-a-role-model-for-the-energy-transition/>

²¹ International Energy Agency, “Data Centers and Data Transmission Networks”, (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

²² This excludes energy used for cryptocurrency mining, which was 100-140 terawatt hours in 2021.

²³ Bangalore, S. et al. (2023), “Investing in the rising data center economy”, McKinsey & Company, at: <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/investing-in-the-rising-data-center-economy>

²⁴ US Department of Energy, “United States Data Center Energy Usage Report”, (2016), at: <https://betterbuildingssolutioncenter.energy.gov/resources/united-states-data-center-energy-usage-report>

²⁵ Masanet, E. et. al. (2020), “Recalibrating global data center energy-use estimates”, Science, at: <https://science.sciencemag.org/content/367/6481/984>

²⁶ International Energy Agency, “Data Centers and Data Transmission Networks”, (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

²⁷ Center of Expertise for Energy Efficiency in Data Centers, “Who We Are”, at: <https://datacenters.lbl.gov/who-we-are>

²⁸ Federal Energy Management Program, “Energy Efficiency in Data Centers”, at: <https://www.energy.gov/eere/femp/energy-efficiency-data-centers>

²⁹ US Environmental Protection Agency, “Energy Star Expands Efforts to Improve Energy Efficiency of US Data Centers”, (2021), at: <https://www.epa.gov/newsreleases/energy-star-expands-efforts-improve-energy-efficiency-us-data-centers>

³⁰ Energy Star, “Data Centers”, at: https://www.energystar.gov/products/data_centers

Realty and that the green use of proceeds category will contribute to the advancement of the UN SDG 7. Additionally, Sustainalytics is of the opinion that Digital Realty has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Digital Realty is well positioned to act as the Sponsor for the issuance of the specified green bond by Citigroup Commercial Mortgage Securities Inc. and that the Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Citigroup Commercial Mortgage Securities Inc.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Digital Realty Green Finance Framework – DC 2023-DC CMBS
Review provider's name:	Sustainalytics
Completion date of this form:	August 15, 2023
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The review:

- assessed the 4 core components of the Principles (**complete review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*).
- assessed only some of them (**partial review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*); please indicate which ones:
 - Use of Proceeds
 - Process for Project Evaluation and Selection
 - Management of Proceeds
 - Reporting
- assessed the alignment with other regulations or standards (CBI, EU GBS, ASEAN Green Bond Standard, ISO 14030, etc.); please indicate which ones:

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- Second Party Opinion
- Certification
- Verification
- Scoring/Rating
- Other (please specify):

Does the review include a sustainability quality score?

- Of the issuer
- Of the project
- Of the Framework
- Other (please specify):
- No scoring

ASSESSMENT OF THE PROJECT(S)

Does the review include:

- The environmental and/or social features of the type of project(s) intended for the Use of Proceeds?
- The environmental and/or social benefits and impact targeted by the eligible Green and/or Social Project(s) financed by the Green, Social or Sustainability Bond?
- The potentially material environmental and/or social risks associated with the project(s) (where relevant)?

ISSUER'S OVERARCHING OBJECTIVES

Does the review include:

- An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?
- A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

CLIMATE TRANSITION STRATEGY

Does the review assess:

- The issuer's climate transition strategy & governance?
- The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?
- The credibility of the issuer's climate transition strategy to reach its targets?
- The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).
- If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?
- The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways that are deemed necessary to limit climate change to targeted levels?
- The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically?

Overall comment on this section:

Section 3. Detailed review

1. USE OF PROCEEDS

Does the review assess:

- the environmental/social benefits of the project(s)?
- whether those benefits are quantifiable and meaningful?
- for social projects, whether the target population is properly identified?

Does the review assess if the issuer provides clear information on:

- the estimated proceeds allocation per project category (in case of multiple projects)?
- the estimated share of financing vs. re-financing (and the related lookback period)?

Overall comment on this section:

The eligible category for the use of proceeds, Energy and Resource Efficiency, and is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Does the review assess:

- whether the eligibility of the project(s) is aligned with official or market-based taxonomies or recognised international standards? Please specify which ones.
- whether the eligible projects are aligned with the overall sustainability strategy of the issuer and/or if the eligible projects are aligned with material ESG-related objectives in the issuer's industry?
- the process and governance to set the eligibility criteria including, if applicable, exclusion criteria?
- the processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)?
- any process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s)?

Overall comment on this section: The eligible projects were selected by Digital Realty's sustainability team and approved by its senior management team that includes the Chief Financial Officer, General Counsel and others. Digital Realty's company-level processes to manage and mitigate environmental and social risks are applicable to the allocation decisions made under the Framework. Sustainalytics views this to be aligned with market practice.

3. MANAGEMENT OF PROCEEDS

Does the review assess:

- the issuer's policy for segregating or tracking the proceeds in an appropriate manner?
- the intended types of temporary investment instruments for unallocated proceeds?
- Whether an external auditor will verify the internal tracking of the proceeds and the allocation of the funds?

Overall comment on this section: The proceeds from the issuance will be exclusively used to purchase a whole loan to finance the recapitalization of the ownership structure of the Mortgaged Properties. Proceeds will be immediately allocated after the issuance with no flexibility to re-allocate. This is in line with market practice.

4. REPORTING

Does the review assess:

- the expected type of allocation and impact reporting (bond-by-bond or on a portfolio basis)?
- the frequency and the means of disclosure?
- the disclosure of the methodology of the expected or achieved impact of the financed project(s)?

Overall comment on this section: Citigroup Commercial Mortgage Securities Inc., the Depositor, intends to provide investors with a description of the Mortgaged Properties and the details of its sustainability features, including the PUE ratios of less than 1.4, as part of the initial offering document. Given the intent to immediately allocate the proceeds to purchase the whole loan and recapitalize the ownership structure of the eligible assets, Sustainalytics views Digital Realty Trust, Inc.'s allocation and impact reporting as aligned with market practice.

Section 4. Additional Information

Useful links (e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.)

Analysis of the contribution of the project(s) to the UN Sustainable Development Goals:

The bond issued under the Digital Realty Green Finance Framework – DC 2023-DC CMBS advances the following SDG and target: SDG 7 and 7.3.

Additional assessment in relation to the issuer/bond framework/eligible project(s):
ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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