

# Second-Party Opinion

## QTS Hillsboro Green Loan Framework

### Evaluation Summary

Sustainalytics is of the opinion that the QTS Hillsboro Green Loan Framework is credible and impactful and aligns with the four core components of the Green Loan Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds, Energy Efficiency, Sustainable Water and Wastewater Management, is aligned with those recognized by the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6 and 7.



**PROJECT EVALUATION / SELECTION** QTS Investment Properties Hillsboro LLC has selected the eligible green Project in accordance with the criteria under the Framework and has evaluated the characteristics of the Project against benchmarks and industry practices applicable to the design, construction and completion of data centres. QTS Investment Properties Hillsboro LLC has mandated experts to evaluate the environmental and social risks associated with the Project and implement related mitigating measures. Moreover, QTS Investment Properties Hillsboro LLC will provide an Independent Engineer Report to the lenders and issuing banks prior to the loan closing date, which identifies the Project's environmental and social risks in compliance with the Equator Principles. Sustainalytics considers the project selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** QTS Investment Properties Hillsboro LLC will be responsible for tracking and managing the use of loan proceeds. QTS Investment Properties Hillsboro LLC intends to reach full allocation of the net loan proceeds upon the disbursement of the loan. Pending full allocation QTS Investment Properties Hillsboro LLC will manage the proceeds in accordance with the loan agreement. This is in line with market practice.



**REPORTING** QTS Investment Properties Hillsboro LLC commits to disclosing allocation and the corresponding environmental impact reporting in qualitative and/or quantitative terms to its lenders on an annual basis during the term of the loan agreement. Sustainalytics views QTS Investment Properties Hillsboro LLC's allocation and impact reporting as aligned with market practice.



**Evaluation date** August 5, 2022

**Issuer Location** Overland Park, United States

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## Introduction

Quality Technology Services Realty Trust, Inc. (“QTS”, or the “Company”) is a provider of hybrid IT infrastructure and data centre services, offering colocation and network services for its clients. Founded in 2003, QTS owns and operates over 28 data centre locations spanning more than 9 million square feet of owned mega data centres across the US and Northern Netherlands. The Company is headquartered in Overland Park, Kansas, and generated nearly USD 638 million in revenue in 2021 and as of 2021, has 682 employees worldwide.

QTS Investment Properties Hillsboro LLC (“QTS Investment Properties”, or the “Borrower”)<sup>1</sup> is a special purpose vehicle that has developed the QTS Hillsboro Green Loan Framework (the “Framework”) under which it intends to obtain green loans and use the proceeds to finance and/or refinance, in whole or in part, project costs related to improving energy and water efficiency at the Company’s data centres in data campus in Oregon (the “Project”). The Framework defines eligibility criteria in one area:

1. Energy Efficiency, Sustainable Water and Wastewater Management

QTS engaged Sustainalytics to review the QTS Hillsboro Green Loan Framework, dated August 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Loan Principles 2021 (GLP).<sup>2</sup> This Framework will be published in a separate document.<sup>3</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>4</sup> 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 Loan Principles 2021, as administered by LMA, APLMA and LSTA;
- 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 1.11, 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 QTS’ 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. QTS representatives have confirmed (1) they understand it is the sole responsibility of QTS to ensure that the information provided is complete, accurate or 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 QTS Investment Properties.

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

<sup>1</sup> QTS Investment Properties Hillsboro LLC is majority-owned by Quality Technology Services Realty Trust.

<sup>2</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

<sup>3</sup> The QTS Hillsboro Green Loan Framework is available on QTS Realty Trust, Inc.’s website at: <https://www.qtsdatacenters.com/company/corporate-sustainability/esg>

<sup>4</sup> 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.

projects expected to be financed with loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the loan 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 QTS has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the QTS Hillsboro Green Loan Framework

Sustainalytics is of the opinion that the QTS Hillsboro Green Loan Framework is credible and impactful, and aligns with the four core components of the GLP. Sustainalytics highlights the following elements of QTS Hillsboro's Green Loan Framework:

- Use of Proceeds:
  - The eligible category, Energy Efficiency, Sustainable Water and Wastewater Management, is aligned with those recognized by the GLP.
  - QTS Investment Properties intends to finance and/or refinance<sup>5</sup> Project costs related to the design, retrofitting, construction and completion of data centres in a campus in Oregon, said data centres having a Power Usage Effectiveness (PUE) of 1.25 or below. In addition, the data centres financed will have a Water Use Effectiveness (WUE) of 0.<sup>6</sup> Sustainalytics notes the following:
    - The financed or refinanced data centres will have a renewable power utilization rate of 100% by 2025.
    - The data centres will include 100% usage of LED lighting and include design elements that facilitate free cooling across the entire layout of the centres.
    - Sustainalytics views these investments as aligned with market practice based on the defined PUE thresholds.
    - Sustainalytics highlights the zero WUE threshold for investments in new centres as having additional positive environmental impacts beyond market practice.
- Project Evaluation and Selection:
  - QTS Investment Properties has selected the eligible green Project in accordance with the criteria under the Framework and has evaluated the characteristics of the Project against the following benchmarks and industry practices applicable to the design, construction and completion of data centres, including: (i) the European Commission Joint Research Centre's 2021 Best Practice Guidelines for the EU Code of Conduct on Data Centre Energy Efficiency,<sup>7</sup> (ii) the International Energy Agency's November 2021 Tracking report on Data Centres and Data Transmission Networks,<sup>8</sup> (iii) the US National Renewable Energy Laboratory's subcontract report

<sup>5</sup> Project costs allocated to refinancing will not exceed 10% of the financing

<sup>6</sup> Water Usage Effectiveness is a metric used to measure the amount of water used by datacenters to cool their IT systems. To calculate WUE, the annual data centre water usage in liters is divided by the IT equipment energy usage in kilowatt hours (Kwh). Water usage includes the water used for cooling, regulating and producing electricity on-site.

<sup>7</sup> Please find more information on the European Commission Joint Research Centre's 2021 Best Practice Guidelines for the EU Code of Conduct on Data Centre Energy Efficiency here: <https://e3p.jrc.ec.europa.eu/publications/2021-best-practice-guidelines-eu-code-conduct-data-centre-energy-efficiency>

<sup>8</sup> Please find more information in the International Energy Agency's November 2021 Tracking report on Data Centres and Data Transmission Networks here: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

- on Data Centre IT Efficiency Measures,<sup>9</sup> (iv) the Climate Neutral Data Centre Pact,<sup>10</sup> and (v) the Uptime Institute's Global Data Centre Survey 2021.<sup>11</sup>
- QTS Investment Properties has mandated experts to evaluate the environmental and social risks associated with the Project and implement related mitigation measures. The Borrower will provide an Independent Engineer Report to the lenders prior to the loan closing date, which identifies the Project's environmental and social risks in compliance with the Equator Principles. Please refer to Section 2 for more details on these processes.
  - Based on the established process for Project selection and the presence of risk management processes, Sustainalytics considers this process to be in line with market practice.
  - Management of Proceeds:
    - QTS Investment Properties will be responsible for tracking and managing the use of proceeds of the green loan. The Borrower intends to reach full allocation of the net loan proceeds upon the disbursement of the loan. Pending full allocation of the loan proceeds, QTS Investment Properties will manage the proceeds in accordance with the relevant loan agreement.
    - Based on the use of a tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
  - Reporting:
    - QTS Investment Properties commits to disclosing allocation and corresponding environmental impact reporting in qualitative and/or quantitative terms to its lenders on an annual basis during the term of the loan agreement. The Borrower has communicated to Sustainalytics that impact reporting will include information on operating PUE, MW of renewable power utilized or percentage of renewable power expected, and GHG emissions avoided compared to using standard grid power.
    - Based on these commitments to impact and allocation reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Loan Principles 2021

Sustainalytics has determined that the QTS Hillsboro Green Loan Framework aligns to the four core components of the GLP.

## Section 2: Sustainability Strategy of QTS

### Contribution of the Framework to QTS's sustainability strategy

QTS's sustainability strategy focuses on key environmental areas such as: (i) energy use; (ii) GHG emissions reduction; and (iii) water conservation.

QTS joined the United States Department of Energy's Better Climate Challenge in 2022, committing to reduce its GHG emissions by at least 50% by 2032 relative to a 2022 baseline.<sup>12</sup> To achieve this target, QTS has set a goal of procuring 100% of its power from carbon-free and renewable energy sources.<sup>13</sup> As of 2021, the Company has met its original goal to source 100% of its 2018 baseline power from renewable sources by 2025. Additionally, QTS has committed to procuring carbon-free energy to support each new data centre site that it develops and currently sources approximately 32% of its power from renewable sources.<sup>14</sup>

In regard to energy use, QTS has committed to implementing energy efficiency initiatives at all of its facilities. To support this initiative, QTS plans to implement PUE monitoring systems and design 100% of buildings to green building standards, pursuing ENERGY STAR certification at all of its eligible facilities.<sup>15</sup> As of 2021, the Company has implemented hot or cold aisle containment and blanking panels programmes at all of its

<sup>9</sup> US Department of Energy, National Renewable Energy Laboratory, "Chapter 20: Data Center IT Efficiency Measures, The Uniform Methods Project: Methods for Determining Energy Efficiency Savings for Specific Measures", (2015), at: <https://www.energy.gov/sites/prod/files/2015/01/f19/UMPCChapter20-data-center-IT.pdf>

<sup>10</sup> Climate Neutral Data Centre Pact, at: <https://www.climateneutraldatacentre.net/>

<sup>11</sup> Please find more information on the Uptime Institute's Global Data Centre Survey 2021 here: <https://uptimeinstitute.com/2021-data-center-industry-survey-results>

<sup>12</sup> Data Center Dynamics, "QTS and Sabey join DOE's Better Climate Challenge" at: <https://www.datacenterdynamics.com/en/news/qts-and-sabey-join-does-better-climate-challenge/>

<sup>13</sup> QTS Data Centers, "QTS 2021 ESG Report" at: <https://www.qtsdatacenters.com/resources/brochures/esg-initiatives-2021>

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

facilities to increase the energy efficiency of its data centres. As a result of these initiatives, QTS improved its PUE by 15% by 2021 in comparison to a 2012 baseline.<sup>16</sup>

Regarding water conservation, QTS has conserved at least 15 million gallons (68 million litres) of water annually since 2016 as part of its prior water conservation goals.<sup>17</sup> In 2022, the Company shifted from its static annual water conservation objective to a target of reducing its portfolio-wide WUE by 5% annually.<sup>18</sup> To achieve its target, QTS developed a zero-water cooling solution, Water FREEdom, powered by 100% renewable energy, which is being applied to every new QTS data centre.<sup>19</sup> Furthermore, the Company has installed ENERGY STAR certified water and low-flow plumbing fixtures at all of its data centres.<sup>20</sup> QTS's water efficiency programmes improved the WUE of its data centres by approximately 27% by 2021 relative to a 2017 baseline.<sup>21</sup>

QTS is a signatory to several industry alliances promoting environmental sustainability initiatives, such as the Renewable Energy Buyers Alliance, RE100 and CERES.<sup>22,23,24,25</sup>

Sustainalytics is of the opinion that the QTS Hillsboro Green Loan Framework is aligned with QTS'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 loans obtained 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 possibly associated with the eligible projects could include supply chain environmental impact and cybersecurity, compliance and privacy risks.

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

- The Company manages the environmental and social risks associated with its supply chain procurement activities in accordance with its Sustainable Procurement Policy Statement. This policy outlines the Company's objectives in ensuring sustainability practices throughout its supply chain such as evaluating the appointment of sub-contractors through sustainability criteria, requiring the inclusion of environmental policies, and imposing best practice standards. In addition, the Company also mandates suppliers to minimize social risks by adhering to appropriate labour laws and regulations as well as to the conventions of the International Labour Organization, the Universal Declaration of Human Rights, and the United Nations Guiding Principles on Business and Human Rights. Furthermore, QTS also commits to minimizing the environmental risks and impacts of its materials by procuring materials that can be easily recycled at the end of the life cycle and avoiding the use of potentially hazardous materials.<sup>26</sup>
- QTS addresses cybersecurity, compliance and privacy risks, by implementing its Converged Security programme since 2021, which allows the Company to tackle hybrid physical and cyber threats to its assets. This unified approach was validated by the US Cyber and Infrastructure Security Agency.<sup>27</sup> Additionally, QTS has a documented cyber security incident response programme and conducts annual security awareness training that includes cyber policy training, a cyber threat overview and reporting procedures for all its staff.<sup>28</sup>
- To assist customers manage third-party compliance risk, QTS has instituted a compliance programme to provide its clients with independent third-party certifications such as ISO 27001,

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> RE100, "About us", at: <https://www.there100.org/about-us>

<sup>24</sup> The Clean Energy Buyers Association, "Our Vision", at: <https://cebusers.org/about/vision/>

<sup>25</sup> Ceres, "About us", at: <https://ceres.org/about-us>

<sup>26</sup> QTS Data Centers, "Corporate Sustainability: Sustainable Procurement Policy" at: <https://www.qtsdatacenters.com/company/corporate-sustainability>

<sup>27</sup> US Department of Homeland Security, Cybersecurity Infrastructure and Security Agency, "About CISA", at: <https://www.cisa.gov/about-cisa>

<sup>28</sup> QTS Data Centers, "QTS 2021 ESG Report" at: <https://www.qtsdatacenters.com/resources/brochures/esg-initiatives-2021>

HITRUST and PCI-DSS, enabling its customers to gain independent verification on QTS's policies, procedures and controls.<sup>29,30,31,32</sup>

- QTS outlines its approach to ensuring consumer data privacy and confidentiality through its Privacy Policy.<sup>33</sup> Additionally, the Company is a participant in the Privacy Shield Program and complies with the California Consumer Privacy Act (CCPA) and the European Commission's General Data Protection Regulation (GDPR).<sup>34,35,36,37</sup> Under these regulations, QTS provides support to its clients in retaining control over their data and maintaining security measures to ensure data protection and privacy.
- QTS builds and operates data centres in the US and the Netherlands, which are recognized as Designated Countries by the Equator Principles. This indicates the presence of robust environment and social governance systems, legislation and institutional capacity for protecting the environment and communities.

Based on these policies, standards and programmes, Sustainalytics is of the opinion that QTS has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks associated with the eligible category.

### Section 3: Impact of Use of Proceeds

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

#### Importance of energy and water 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.<sup>38</sup> This translates to a significant electricity demand from data centres, recorded at approximately 200-250 terawatt hours (TWh), or around 1% of global electricity use in 2020.<sup>39</sup> In 2016, US data centres were estimated to consume approximately 70 billion kilowatt hours of energy which corresponds to 1.8% of the country's total energy consumption.<sup>40</sup>

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.<sup>41</sup> Between 2010 and 2018, despite a six-fold increase in the computing power of data centres and a ten-fold increase in internet traffic, the global data centre energy consumption saw only a 6% increase as a result of energy efficiency improvements.<sup>42</sup> The International Energy Agency predicts that if current energy efficiency trends are

<sup>29</sup> Ibid

<sup>30</sup> ISO/IEC 27001 is an international standard related to managing information security. More details at: <https://www.iso.org/isoiec-27001-information-security.html>

<sup>31</sup> HITRUST develops programmes that manage information risk for organizations and throughout third-party supply chains. More details at: <https://hitrustalliance.net/about-hitrust/>

<sup>32</sup> PCI Security Standards Council is a forum for payments industry stakeholders to create and promote adoption of data security standards for safe digital payments. More details at: <https://www.pcisecuritystandards.org/>

<sup>33</sup> QTS Data Centers, "Privacy Policy" at: <https://www.qtsdatacenters.com/company/legal/privacy-policy>

<sup>34</sup> The Privacy Shield Frameworks were designed to provide companies in the US, EU and Switzerland with a mechanism to comply with data protection requirements when transferring personal data from the European Union and Switzerland to the United States. For more details: <https://www.privacyshield.gov/Program-Overview>

<sup>35</sup> Ibid

<sup>36</sup> The California Consumer Privacy Act was established to enhance consumer protection and privacy rights for residents of California, US. For more details: <https://oag.ca.gov/about>

<sup>37</sup> The GDPR is a legal regulation that protects the personal data of European Union citizens and applies to organizations that store or process their personal data. For more details: <https://gdpr-info.eu/>

<sup>38</sup> Ratka, S. & Boshell, F. (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/>

<sup>39</sup> International Energy Agency (IEA), "Data Centers and Data Transmission Networks", (2021), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

<sup>40</sup> US Department of Energy Office of Scientific and Technical Information, "United States Data Center Energy Usage Report", (2016), at: <https://www.osti.gov/servlets/purl/1372902>

<sup>41</sup> Ibid.

<sup>42</sup> Masanet, E. et. al. (2020), "Recalibrating global data center energy-use estimates", Science, at: <https://science.sciencemag.org/content/367/6481/984>

maintained, global data centre energy consumption can remain flat through 2022, despite a 60% increase in service demand.<sup>43</sup>

There are continued efforts by the US Government to advance energy efficiency in data centres in the country. The Federal Energy Management Program’s Centre of Expertise for Energy Efficiency in Data Centres provides technical support, tools, analyses and best practices to contribute to the implementation of energy efficiency projects in data centres.<sup>44,45</sup> 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.<sup>46,47</sup>

Along with electricity demand, data centres consume a significant quantity of water to support their operations, specifically to support cooling technologies used for servers and thermoelectric power plants.<sup>48</sup> Hence, cooling technologies can improve energy efficiency as being directly tied to data centre energy use. In 2021, US data centres were estimated to consume approximately 1.7 billion litres of water per day.<sup>49</sup> This is further exacerbated by the fact that less than a third of data centre operators track water metrics.<sup>50,51</sup>

Given this context, Sustainalytics considers QTS’ investments aimed at improving the energy and water efficiency, and therefore PUE and WUE of data centres in the US, as contributing positively to reduce the industry’s energy and water footprint, thereby generating a positive environmental impact.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals were adopted in September 2015 by the United Nations and form an agenda for achieving sustainable development by the year 2030. The loans obtained under the QTS Hillsboro Green Loan Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency, Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors to ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

**Conclusion**

QTS Investment Properties has developed the QTS Hillsboro Green Loan Framework under which it intends to obtain green loans and use the proceeds to finance and/or refinance Project costs that improve the Company’s data centre energy and water efficiency. Sustainalytics considers that the Project funded by the proceeds from any green financings is expected to create positive environmental impacts.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore,

<sup>43</sup> International Energy Agency (IEA), “Tracking Data Centres and Data Transmission Networks 2020”, (2020), at: <https://www.iea.org/reports/tracking-data-centres-and-data-transmission-networks-2020>

<sup>44</sup> Center of Expertise for Energy Efficiency in Data Centers, “About us”, at: <https://datacenters.lbl.gov/who-we-are>

<sup>45</sup> US Government Office of Energy Efficiency & Renewable Energy, “Energy Efficiency in Data Centers”, at: <https://www.energy.gov/eere/femp/energy-efficiency-data-centers>

<sup>46</sup> 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>

<sup>47</sup> ENERGY STAR, “Data Centers”, at: [https://www.energystar.gov/products/data\\_centers](https://www.energystar.gov/products/data_centers)

<sup>48</sup> Water Footprint Calculator, “Data Center Water Usage: Tackling Challenges Amid Historic Droughts, Wildfires”, (2021), at:

<https://www.watercalculator.org/news/news-briefs/data-center-water-usage/#:~:text=Data%20center%20water%20usage%20is%20growing%20year%20over,up%20to%20360%2C000%20gallons%20of%20water%20a%20day.>

<sup>49</sup> Mytton.D. (2021). “Data center water consumption”, Nature, at: <https://www.nature.com/articles/s41545-021-00101-w>

<sup>50</sup> Ibid.

<sup>51</sup> Water Footprint Calculator, “Data Center Water Usage: Tackling Challenges Amid Historic Droughts, Wildfires”, (2021), at:

<https://www.watercalculator.org/news/news-briefs/data-center-water-usage/#:~:text=Data%20center%20water%20usage%20is%20growing%20year%20over,up%20to%20360%2C000%20gallons%20of%20water%20a%20day.>

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Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the Company, and the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 6 and 7. Additionally, Sustainalytics is of the opinion that QTS 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 QTS Investment Properties is well-positioned to obtain green loans, and that the Framework is robust, transparent, and in alignment with the four core components of the Green Loan Principles 2021.

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