



Green Finance Framework

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1 Introduction

About QualityTech, LP (“QTS”)

We¹ are a leading provider of data center solutions across a diverse footprint spanning more than nine² million square feet of owned mega scale data center space within North America and Europe. Through our software-defined technology platform, QTS delivers secure, compliant infrastructure solutions, robust connectivity and premium customer service to leading hyperscale technologies companies, enterprises, and government entities. We are committed to providing flexible and scalable colocation and hyperscale data center solutions powered by our innovative software-defined data centers and network services. QTS is a Blackstone portfolio company.

Our advanced interconnection provides secure, reliable, enterprise-grade colocation services to service our customer’s critical IT assets. QTS facilities provide customers with optimal connectivity and unmatched resiliency, redundancy and scale.

Global Data Center Locations

We build, own and operate data centers strategically located across the United States and northern Netherlands. The maps below shows our operational data centers as well as those under development as of September 2023.



Our Sustainability Strategy

We have embraced our duty to address global sustainability objectives and goals, and our company has committed to driving sustainable impact through transparency, accountability, and action. The QTS mission is to empower people and technology, driven by a culture of service to others that emphasizes serving something greater than ourselves. We demonstrate this by caring for and improving the lives of our employees, customers, partners, investors, and community members.

¹ References to ‘us,’ ‘we,’ the ‘Company’ or similar phrases refer to QTS or the applicable affiliate of QTS executing the transaction, as the context requires.

² As of July 2023.



Community Impact

As a steward of people, QTS has a responsibility to actively support the communities in which our employees live, work and do business. In 2012, we created the QTS Community Impact program with a mission to enrich the lives of employees and members of the communities where we operate. Through this program we focus on philanthropy and service projects that not only strengthen communities but also bolster our employees' connections with those communities. In 2022, we set a target to log at least 3,500 volunteer hours company wide. Our employees exceeded that target by more than 225%, logging more than 7,900 hours in various communities and provided 179 different organizations with charitable contributions totaling nearly \$2 million.

Powered by People

At QTS, how we deliver our services is equally as important as the service we deliver. Our people play a vital role in our company culture, and we value the trust that our people build with our clients and the public.

Environmental and Occupational Health and Safety

We are committed to a workplace free of recognized hazards that could cause physical harm to the health or well-being of our employees, customers, and contractors. Environmental, health, and safety ("EHS") performance is a key measure of the company's success.

The QTS EHS policy defines our environmental and safety management philosophy. This policy reflects our leaders' dedication to comply with all applicable laws, regulations, policies, and the promotion of a safe and sustainable work environment. QTS is continually improving our environmental and safety performance. All employees, customers, vendors and on-site contractors are responsible for complying with the EHS policy and related procedures in support of QTS' EHS initiatives.

Environmental Sustainability

Environmental sustainability is integrated in our business practices. As part of our operation, QTS supports policy change, shares innovative strategies, and partners with our communities. We drive data center efficiency by innovating our processes, reducing greenhouse gas emissions, encouraging our employees to become sustainability leaders in their communities, supporting local legislation impacting sustainability and promoting transparency on sustainable practices in the industry.

Energy and Greenhouse Gas Emissions Reduction

While data centers are known to contribute to global power consumption and greenhouse gas emissions, we have committed to supporting our operations with carbon-free electricity. This strategy is integral to our pursuit of being good stewards of our people, communities and the environment. Even as our business has grown and like-for-like energy consumption has increased, our carbon intensity has declined since 2018 when we initiated our program to procure 100% carbon-free energy.



Sustainable Building Design

The QTS Freedom design is an example of how, through building construction standardization, QTS sustainably manages resources and drives energy, water and waste efficiency. With a tested standardized build, we can scale quickly, shorten construction timelines and reduce waste through the use of prefabricated materials and modular power units. QTS Freedom is a standardized and modular approach that accelerates rapid deployment of critical data center space and capacity while aligning with the logistical and efficiency requirements of the world's largest and most demanding companies.

We have embedded into our standardized building designs: energy efficiency, green building certifications to ensure accountability, Power Usage Effectiveness ("PUE") monitoring, and a blanking panel program at all sites to increase efficiency in data halls. Additionally, we offer EV charging stations at most sites, a feature that is included in all new QTS Freedom standard building designs.

The QTS Freedom design allows us to pinpoint power and cooling to specific spaces, increasing efficiency and lower PUE. QTS' newest data centers built with the Freedom design have directly contributed to PUE improvements.

Responsibly Integrated with Local Environments

QTS is committed to sustainability from various angles. To improve its overall efficiency, QTS developed its Freedom standard building design: a best-in-class, highly efficient data center model that the company will use for all new greenfield data center builds. This go-forward blueprint features QTS' proprietary zero water cooling design. Its mechanical design utilizes a low pressure pumped refrigerant system that uses outside air economization to remove heat without using water. The system also employs economization when outdoor temperatures are below the return air temperature. Because they utilize zero water to cool IT loads, QTS greenfield, water-free data centers deliver a WUE of 0. We apply these innovative designs into the construction of our data centers to ensure that water supply is not affected by our operations. We target an annual goal to reduce water use efficiency by five percent per year across all our locations.

We initiated a partnership with American Forests called Grow with QTS that supports tree-planting in strategic locations to encourage improvement of rural, suburban, and urban ecosystems. Since initiating the program, Grow with QTS has donated more than 150,000 trees across the United States to help with fire restoration, restore stripped mineland, and reestablish forests and forest animal habitats.

As of 2022, QTS recycled over 1.7 billion pounds of material and recycled 78% of our operational waste. Sources of waste included in our operational waste are trash and recycling from on-site receptacles, cardboard, paper, and scrap materials from development activities.



Sustainability Reporting

QTS is proud of our sustainability efforts and we provide an annual sustainability report ³, prepared by our Sustainability Leadership Team in conjunction with a third-party ESG consultant. We report in accordance with the GRI Standards and the Sustainability Accounting Standards Board (SASB) real estate standards. The report is also aligned with the guidance of the Task Force on Climate Related Financial Disclosures (TCFD), including insights into climate impact governance, strategy, risk management and metrics. As part of our commitment to sustainability reporting, we have elected to participate in several other voluntary disclosure frameworks and initiatives including CDP, ECOVadis, GRESB, RE100, and the US EPA Green Power Partnership.

Goals and Partnerships

Goals and Commitments:

- Procure 100% of our power from carbon-free energy sources⁴
- Portfolio-wide annual reduction in WUE by 5% year over year, on an annual basis
- Design 100% of our buildings to Green Building Standards (LEED certification) and pursue ENERGY STAR certification for all eligible properties
- Recycle 90% of operational waste by 2025
- Install EV charging stations at 75% of our facilities by 2025

External Partnerships:

- Clean Energy Buyers Alliance
- Data Center Coalition
- RE100
- World Vision
- American Forests
- U.S. Dream Academy
- Veteran's Advantage

³ Available for download at qtsdatacenters.com.

⁴ Source 100% of electrical power from sources with no direct greenhouse gas emissions with the intention to source the maximum amount of renewable power possible subject to cost and supply constraints. In certain lease structures, tenants have discretion to determine electricity sourcing. For such leases, QTS supports procurement of carbon free power as requested.



Awards and Recognition:

- Business Intelligence Group, Excellence in Customer Service, 2023
- CEBA Deal Tracker Top 10 List, 2022
- SEAL Sustainable Innovation Award, 2019, 2020
- GRESB Infrastructure Sector Leader, 2022
- Seven Seals ESGR Award, 2022
- Business Intelligence Group Most Sustainable Company, 2019, 2022
- Best Initiative for Philanthropy and Corporate Giving 2022, HCM Excellence Awards
- Newsweek America's Most Responsible Companies, 2021, 2022, 2023
- 2022 Top 10 CEOs of the Most Sustainable Data Centre Companies, Data Centre Magazine
- 2022 Top 10 Global Hyperscale Data Centre Sustainability Leaders, Data Centre Magazine
- Top 15 in EPA Green Power Partner Program in Tech and Telecom, 2022
- EcoVadis Silver Medal, 2023

ESG Governance

Board of Directors and Management Oversight

QTS Board of Directors are responsible for overall risk oversight and management, including environmental, climate impact, social, supply chain and governance matters. The Board works closely with QTS leadership, providing input and receiving periodic updates regarding our sustainability initiatives and progress. Our Board has tasked the Governance Committee with primary oversight of sustainability matters.

The QTS management team structures, monitors, and adjusts our sustainability efforts—subject to board oversight—in a manner that best serves the interests of the company and its stakeholders. Senior management reviews the long-range plans and goals of our segments and divisions on an ongoing basis. These plans consider long-term sustainability implications and our ability to meet customer needs related to sustainability.

At an operating level, the following senior managers, each reporting directly to the CEO, have responsibility for critical areas of our sustainability initiatives:

- Governance and Ethics-General Counsel
- Environmental, Health and Safety-Chief Operating Officer
- Human Capital-Chief People Officer
- Data Privacy and Security-EVP Quality Special Operations

The QTS Sustainability Leadership Team, led by the VP of Energy and Sustainability, is responsible for leading and implementing organization-wide ESG targets, goals, and initiatives, reported directly to the CEO. Executive sponsorship of this team and its initiatives demonstrates QTS' high level of dedication to environmental sustainability, social responsibility and governance. Varied team composition reflects our understanding that ESG initiatives provide cross-functional opportunities for company-wide improvements. Team members bring diverse expertise from a variety of departments



spanning the organization, including people services, finance, product management, stakeholder marketing and communications, legal, and operations.

2 Rationale for Establishing the Green Finance Framework

We⁵ established the Green Finance Framework to further align our financings with our sustainability strategy and commitments. We intend to execute financings pursuant to the Green Finance Framework that may include, among others, securities (including bonds or asset-backed securities) and loans (“Green Finance Instruments”). Green Finance Instruments can be secured or unsecured and offered in registered or unregistered transactions.

For any issuance of asset-backed securities (“ABS”) or collateralized loan obligations (“CLO”) or similar products, either

- the proceeds will be allocated by QTS to finance and/or refinance expenditures meeting the criteria set forth in this Framework (a “Secured Green Standard Instrument” and, together with unsecured green bonds or loans, “Standard Green Instruments”) OR
- the collateral underlying the ABS or CLO will align with the eligibility criteria set forth in this Framework (a “Secured Green Collateral Instrument”).

For any issuance of ABS or CLO, we will clearly specify whether a transaction is a Secured Green Standard Instrument or a Secured Green Collateral Instrument.

This Framework aims to provide transparency and disclosure of our Green Finance Instruments to our investors and lenders, following industry best market practices and subject to future market development and expectations. We continuously monitor and evaluate the market and potential financing alternatives to ensure the most efficient management of our financing strategy aligned with our sustainability strategy.

The Green Finance Framework is intended to be a high-level, multi-purpose explanation of how our financings will relate to our sustainability strategy. Investors should refer to the relevant documentation of each transaction for further details.

3 Green Finance Framework

The QTS Green Finance Framework outlines the methodology and associated principles for classifying a financing as a Green Finance Instrument, including eligibility criteria and verification processes.

The Green Bond Principles are a voluntary framework outlining best practices when issuing bonds serving environmental purposes through global guidelines and recommendations that promote transparency and disclosure. These guidelines are promulgated by an organization of issuers, underwriters and investors with the International Capital Markets Association, acting as secretariat. The Green Loan

⁵ References to ‘us,’ ‘we,’ the ‘Company’ or similar phrases refer to QTS or the applicable affiliate of QTS executing the applicable transaction pursuant to this Green Finance Framework, as the context requires.




Principles comprise voluntary recommended guidelines published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndication and Trading Association, to be applied by market participants on a deal-by-deal basis depending on the underlying characteristics of the transaction.

Use of Proceeds

We intend to allocate an amount equal to the net proceeds of any Standard Green Instrument to finance and/or refinance, in whole or in part, new or existing projects (“Eligible Projects”) from any Eligible Projects categories listed below. For Secured Green Collateral Instruments, the collateral underlying such ABS, CLO or similar product will comprise Eligible Projects. For the avoidance of doubt, a property that aligns with one or more of the first three eligibility criteria for “Energy Efficiency” will be considered eligible collateral for a Secured Green Collateral Instrument.

Green Finance Instruments	
<p>Standard Green Instruments – Amount equal to net proceeds allocated to Eligible Expenditures</p> <ul style="list-style-type: none">Unsecured Green Bonds or LoansSecured Green Standard Bonds or Loans	<p>Secured Green Collateral Bonds or Loans – Collateral underlying asset-backed transaction comprised of Eligible Expenditures</p>



Green Expenditure Category	Eligible Project Category Description	UN SDG
<p>1) Energy Efficiency</p>	<p>Expenditures and investments related to:</p> <ul style="list-style-type: none"> ○ Design, construction, operation, and maintenance of new energy-efficient data centers with an “as designed” PUE ratio not more than 1.5 on an annual basis. ○ Upgrades, retrofits or improvements that result in a 2% per annum energy efficiency improvement in a site’s power usage by a reduction in losses or improvement in electrical or mechanical plant efficiencies. ○ Design, construction, certification, operation and maintenance of data center buildings that have or are expected to have relevant green building certification or energy ratings set forth below: <ul style="list-style-type: none"> ○ LEED: Gold or Platinum; or ○ BREEAM: Excellent or Outstanding; or ○ Green Globes: 3 or 4 Globes; or ○ ENERGY STAR: ENERGY STAR score of 85 or greater for building categories not eligible for ENERGY STAR certification. ○ Design, construction, certification, operation and maintenance of existing and operational data PUE⁶ not more than 1.5 	
<p>2) Renewable Energy</p>	<p>Expenditures and investments related to renewable energy procurement including the installation, maintenance, and operation of solar, wind or associated battery storage infrastructure or off-site solar or wind through direct investment, long-term offtake, lease or service agreements (with terms no less than 5-years) including physical or virtual renewable energy power purchase agreements.</p>	

3.1 Process for Evaluation and Selection of Projects

A committee consisting of representatives from our sustainability, development, finance and operations teams shall be responsible for evaluating whether expenditures are eligible for inclusion in our portfolio of Eligible Projects based on the sustainability priorities set forth in the definition of Eligible Project. This committee will assess the environmental and social risks associated with deemed Eligible Projects and determine appropriate mitigating measures, including, where relevant, obtaining independent

⁶ For existing and operating assets, PUE is determined by the 12-month rolling average operating PUE as measured based on the most recent period for which such data is available.



technical advisor reports for new constructions and confirming compliance with the Equator Principles.

Eligible Projects that may be included in this portfolio include (i) capital expenditures and (ii) operating expenditures to the extent made within two years of the Closing Date.

3.2 Management of Proceeds

Standard Green Instruments

QTS intends to maintain a portfolio of Eligible Projects in an amount not less than the total net proceeds from outstanding Standard Green Instruments.

Pending full allocation of such amounts to the portfolio of Eligible Projects, at our discretion, we may hold and/or invest the balance of net proceeds not yet allocated in our treasury liquidity portfolio (in cash or cash equivalents, money market funds, etc.).

The transaction documentation for each Standard Green Instrument is expected to specify:

- the extent to which payments in respect of the applicable Green Finance Instruments will be made from our general accounts or linked to the performance of any projects financed with or comprising Eligible Projects;
- the extent to which proceeds will be held in segregated accounts; and
- the time period by which we intend to allocate an amount equal to the net proceeds of such instrument.

Secured Green Collateral Instruments

We expect that the net proceeds from each issuance of Secured Green Collateral Instruments will be allocated on or around the transaction date to Eligible Projects. The transaction documents for each Secured Green Collateral Instrument are expected to specify the extent to which payments in respect of such instrument are linked to performance of the underlying collateral and whether any amounts received by the issuer of such instrument are capable of being re-invested in further collateral comprised of Eligible Projects.

3.3 Reporting

Allocation Reporting: In respect of Standard Green Instruments,⁷ we intend to make and keep readily available reporting on the allocation of net proceeds to the portfolio of Eligible Projects, which we expect to provide to investors annually (until full allocation⁸) and thereafter in the event of a material development. Such report is expected to include information on the expenditures in the portfolio of Eligible Projects at least at the category

⁷ Similar reporting is not required in respect of Secured Green Collateral Instruments, which are expected to be fully allocated to Eligible Projects as of the date of such transaction.

⁸ To the extent a given Sustainable Finance Instrument includes a revolving credit component, such reporting would continue through maturity.



level (to the extent such Standard Green Instrument permits use of the proceeds for multiple Eligible Project Category) and the approximate amount of refinancing of existing projects. Such reporting may be aggregated with other related reporting.

Impact Reporting: Where feasible, in respect of Standard Sustainable Finance Instruments, we intend to report on the sustainability impacts of Eligible Projects. These may be supplemented by qualitative and/or case-study reports on outcomes and impacts of the projects funded. Where relevant, information may be provided on data reporting and impact assessment methodologies, to increase transparency.

The extent to which reporting is made public will be disclosed on a deal-by-deal basis.

3.4 External Review and Verification

Pre-Issuance Review: In connection with this Framework, we worked with an outside consultant with recognized expertise in environmental, social and governance research and analysis to (i) assess our definition of Eligible Projects and processes for alignment with the Green Bond Principles and Green Loan Principles, (in each case, as in effect as of the date of this offering), and (ii) obtain and make publicly available a Second Party Opinion (“SPO”) from such consultant in respect of compliance with such criteria.

Verification: We intend to specify in the transaction documents for each Green Finance Instrument the extent to which reporting provided thereunder will be subject to third-party review or verification. For Green Finance Instruments with transaction documents that include contractual restrictions requiring that proceeds be used for specific identified Eligible Projects (e.g., project finance green loans), no such third-party review is expected. For Green Finance Instruments with transaction documents that do not include such contractual restrictions (e.g., unsecured green bonds), we intend to make available to investors on an annual basis a report from an independent registered public accounting firm in respect of its examination of management’s assertions conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, including assertions by management in respect of the allocation of the net proceeds of Standard Green Instruments to the portfolio of Eligible Projects.

4 Amendments to this Framework

QTS may review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market.

The updates, if not minor in nature, will be subject to the prior approval of any qualified provider of Second Party Opinions. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external verifier. The updated Framework, if any, will be published on QTS’ website and will replace this Framework as to any Green Finance Instruments subsequently entered.



5 Disclaimer

This Framework contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company. These forward-looking statements are based on the Company's current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of the Company to control or estimate precisely. You are cautioned not to place undue reliance on the forward-looking statements (as well as information and opinions) contained herein, which are made only as of the date of this document and are subject to change without notice. The Company does not undertake any obligation or responsibility to release any updates or revisions to any forward-looking statements and/or information to reflect events or circumstances after the date of publication of this Framework. Our use of the term "material" in this Framework relates to materiality to our stakeholders in their analysis of our performance on environmental, social, or governance topics and does not imply materiality as such term is used for purposes of the securities laws of any jurisdiction. This Framework represents current Company policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This document is not intended to be and should not be construed as providing legal or financial advice. The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party. This document is not intended to be and should not be construed as providing legal or financial advice. This Framework does not constitute a recommendation regarding any securities of the Company or any subsidiary or affiliate of the Company. This Framework is not, does not constitute, nor it should be interpreted as, or form part of, any offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of, any solicitation of any offer to underwrite, subscribe for or otherwise acquire or dispose of, any securities issued or to be issued by the Company or any of its subsidiaries in the U.S. or any other jurisdiction. Any decision to buy or invest in securities shall be made solely and exclusively on the basis of the information set out in the pertinent prospectus or equivalent or related documentation filed or otherwise made available to prospective investors by the Company or its subsidiaries. Thus, this Framework does not constitute a prospectus or other offering document and no securities have been or will be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the U.S. or any other jurisdiction. Neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Under no circumstances will the Company or its affiliates, representatives, directors, officers and employees have any liability whatsoever (in negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection with the document or the above mentioned presentation.