



2020

ESG

Initiatives

Report



Letter From Our CEO



I am proud of the way that the QTS organization stepped up to the many challenges that were presented in 2020, and served each other, our customers and communities, enabling the strongest year of operating performance in QTS' history. The strong foundations we have laid, in part through impactful Environmental, Social and Governance (ESG) programs, have prepared our business to excel even amidst a volatile economic environment.

QTS' significant achievements during 2020 in advancing our ESG initiatives include:

- **35%+ increase** in QTS' renewable energy procurement year-over-year
- **Ranked #1** by GRESB in sustainability among data centers globally for the second consecutive year
- **Highest year** of charitable giving in QTS history (greater than \$1 million) to more than 80 different organizations
- **Initiated** a new corporate partnership with World Vision to make clean water accessible to thousands of families globally

One of the cornerstones of our ESG program is our goal of procuring 100% of our power from renewable energy sources by 2025. We are committed to minimizing our carbon footprint and utilizing as much renewable resources as possible in our ongoing operations in support of broader climate impact initiatives. Our environmental sustainability program focuses on balancing the costs and impact for our key stakeholders while continuing to make progress toward achieving our goal of being a good environmental steward. We are currently on track to achieve our 100% renewable energy goal by 2025, however, we have much work left to accomplish. We have and will continue to partner with our customers, peers and industry constituents to support policy change to expand the availability of cost-effective and impactful renewable energy programs.

As one of the largest third-party data center providers in the world, we have a platform and responsibility to positively impact those around us and set an example of how successful companies can operate. This extends to our approach to environmental sustainability as well as social initiatives. I believe that great companies achieve more than just generating outstanding financial results. QTS employees consistently give their time and talents in support of a broad range of social causes and that commitment to our communities has been woven into the fabric of QTS since our inception.

Accordingly, QTS' Core Values have never changed since our inception, and they speak to ideals such as respect, integrity and community. These principles serve as the foundation for our view on diversity, inclusion and belonging because we have always sought to bring forth the best of each individual QTS employee as we've emphasized their ability to bring their whole selves to work. QTS is dedicated to fostering an environment where our employees are empowered to excel in their roles and have a great sense of purpose and belonging.

At QTS, we believe deeply in the value of each and every human being. We are passionate about our freedoms, and we endeavor for everyone to have the ability to pursue their dreams without discrimination or prejudice. We believe that through hard work and perseverance, we can solve even the most difficult social issues by creating environments where each individual can thrive based on their interests, talents and pursuit of excellence, and we treasure the opportunities that we have to set our own path.

We believe that a group of colleagues who genuinely care for one another and their communities can and will do great things – both within QTS and in their personal pursuits. QTS employees come from many different backgrounds, beliefs and characteristics. However, when people with different points of view come together around a common purpose, the results can be extraordinary. Diversity of thought and experience enables innovation and challenges organizations to create and continue to grow.

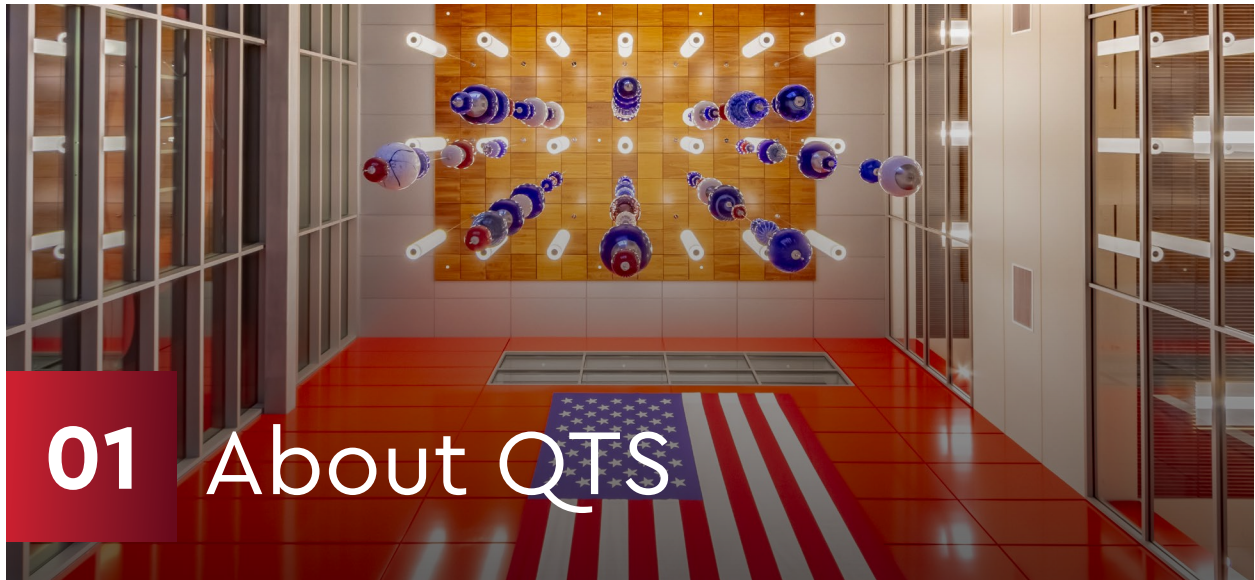
QTS has made significant strides in the areas of giving to our communities, supporting diversity, and environmental stewardship, but our work is not done. Our progress, as documented in this report, demonstrates that we can do more, and we will – and as always, we will do so united around a common set of core values and mission.



Chad L. Williams
Chairman & CEO

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01 About QTS

QTS Realty Trust Inc. was formed with a vision to create a platform of highly secure state-of-the-art data centers. Headquartered in Overland Park, Kansas, QTS operates throughout North America and the Netherlands. Through its software-defined technology platform, QTS is able to deliver secure, compliant infrastructure solutions, robust connectivity and premium customer service to leading hyperscale technology companies, enterprises and government entities.

QTS is "**powered by people**" to ensure our customers enjoy world-class support and engagement and an environment that encourages the pursuit of excellence every day in our mission and purpose of "**empowering people and technology.**"

2020 Overview and Update

During 2020 the world faced an unparalleled shift spurring from the global pandemic. As workers transitioned to work from their homes, demand for a strong and sustainable Internet infrastructure accelerated with increased video conferencing, cloud-based services and streaming content.

The data center industry and QTS responded quickly with enhanced safety protocols for our essential workers and customers, along with new construction to meet customer needs. During the year we completed new facilities in Atlanta, GA and Hillsboro, OR and continued expansion of our footprint in Ashburn, VA, Manassas, VA, Richmond, VA and Eemshaven, Netherlands. As of December 31, 2020, our data center portfolio consisted of 28 data centers located throughout the United States, Canada and Europe. Across our footprint, our data centers are concentrated in the markets which we believe offer the highest growth opportunities for long-term sustainable development.

We believe that strong ESG performance will be necessary over the long term to attract and retain customers and employees. In 2020 we maintained our track record of

99.999% ("five-nines") reliability for our customers and continued to lead the data center industry in customer satisfaction. We use a Net Promoter Score Survey to measure customer satisfaction and brand perception, which is dependent on factors including ESG issues. We are pleased that 2020 marked the fifth consecutive year QTS has led the data center industry Net Promoter Score (NPS) at 80+.

Even in the midst of the global pandemic last year, we accelerated ESG initiatives and are proud to have launched a humanitarian partnership with World Vision, providing water to individuals and water access points to developing communities around the world. We are also proud of the performance and achievements by the QTS team in supporting consistent growth by leveraging our core differentiators – industry leadership in sustainability, cost advantaged mega scale infrastructure, operational excellence and track record in our federal business, and our continued strong commitment to a fully digitized, premium customer experience through QTS' software-defined data center platform, our Service Delivery Platform (SDP).

COVID-19 Pandemic

The COVID-19 pandemic brought unprecedented and significant disruptions to the global economy. However, throughout 2020 we maintained operations and completed the most active year of data center development in our history, while limiting workplace exposures to COVID-19. Our business has been deemed essential operations, which allowed us to remain fully staffed with critical personnel in place to continue to provide service and support for our customers.

As part of our Board-directed business contingency planning, we have had an emergency response plan in place for several years. Our current pandemic response plan is regularly reviewed, and lessons learned from other crisis responses—including natural disasters—have been incorporated into our plan.

Three years ago, QTS launched an accelerated path towards the digitization of our internal and external-facing systems which provided a strong foundation to support a broader remote workplace environment for QTS employees and our customers. Fifteen percent of the workforce was already in a remote/flex work arrangement before the pandemic began. As the pandemic progressed we implemented our pandemic response plan which resulted in approximately 70% of our workforce working remotely with no discernable impact to business continuity, operations or performance. Our site critical data center operations teams remained safely on-site to ensure operational continuity. We significantly increased our employee communications during the year, including holding live virtual all-hands meetings and frequent updates from the executive team, and closely monitored our employees' engagement.

Core Values

Our mission of "**empowering people and technology**" is driven by a culture of service that emphasizes serving something greater than ourselves. QTS demonstrates this by caring for and improving the lives of current and future employees, customers, partners, investors and community members. Our stewardship of people and capital extends to the caretaking of our environment and communities.

Our set of Core Values represents the foundation of QTS. **Character, integrity and trust** defines how QTS interacts with each other, our customers, investors and communities. Through a focus on **action, innovation and accountability**, we continue to challenge ourselves to be a leader in the data center industry. Our **team-oriented** culture emphasizes collaboration and communication to deliver the best results for our key stakeholders. Through a dedicated focus on delivering a world-class customer experience **we respect**

We initiated extensive safety measures at our facilities, health-screened personnel each time they entered a QTS facility and developed contingency staffing plans three to four levels deep for site critical employees and core business functions. A detailed and redundant plan for managing potential on-site COVID-19 cases was established, including "zoning" restrictions in our facilities and construction areas to minimize the risk of cross-exposure to the virus. We implemented extra safety measures including temperature readings taken upon entering all sites, mask requirements, extra cleaning protocols, additional sanitizer placed throughout facilities, and social distancing guidelines. Through SDP we were able to analyze data to identify heavy use patterns to intensify cleaning areas and assist with contact tracing efforts.

Several programs were available to help employees cope with the impacts of the pandemic, including flexibility for employees to care for themselves and family members, flexibility for schooling their children and mental health programs. QTS organized special recognition for site critical employees and provided extra bonuses for front-line employees to recognize them for their service.

We made efforts to help our customers through the creation of a rapid-response program and internal task force focused on COVID-19 "Operation Safeguard," by publishing our COVID-19 response plan on our website (<https://www.qtsdatacenters.com/qts-covid-19-response-plan>), and conducting a Remote Work Survey 2020 to collect feedback about how we could help our customers. Additionally, our team sent communications to customers at each facility on safety measures and any time we were informed of a visitor who tested positive for COVID-19.

our customers and acknowledge the great trust they place in QTS as their site critical IT infrastructure provider. Lastly, we believe that how we deliver our services is just as important as caring for each other and the communities in which we work, demonstrated by our **support of family, faith and community volunteerism**.





02 About this Report

The 2020 ESG Initiatives Report is the third annual report prepared by the QTS Sustainability Leadership Team in conjunction with a third-party ESG consultant.

This report has been prepared in accordance with the GRI Standards: Core option and the Sustainability Accounting Standards Board (SASB) real estate standards. The report also aligns with the guidance of the Task Force on Climate Related Financial Disclosures (TCFD), including insights into climate impact governance, strategy, risk management and metrics.

This document reports on the highest priority ESG data and initiatives for the 2020 calendar year, including projects that were initiated before the reporting period but continued into 2020, as well as forward-thinking goals developed in 2020 for projects that are yet to begin.

The ESG topics covered in this report are those that are highly important to QTS stakeholders, as well as highly impactful to QTS' business, as determined by the QTS Sustainability Leadership Team. This report was formally reviewed and approved by the CEO and Board of Directors, in collaboration with the Sustainability Leadership Team.

SASB Activity Metrics

SASB industry standards contain activity metrics that are designed to assist in the accurate evaluation and comparability of reporting. *Note, other SASB metrics are provided in the relevant sections of this report.*

SASB Accounting Code and Metric	Disclosure and Additional Information
Activity Metric	
IF-RE-000.A	
Number of assets, by property subsector	Property subsector: FTSE Nareit Data Centers – 28
IF-RE-000.B	
Leasable floor area, by property subsector	1.6M sq. ft.
IF-RE-000.C	
Percentage of indirectly managed assets, by property subsector	0%
IF-RE-000.D	
Average occupancy rate, by property subsector	92.6%

As part of our commitment to ESG reporting, in 2020, QTS elected to participate in a number of voluntary disclosure frameworks:

- CDP (report published [here](#))
- ECOVadis
- Global Reporting Initiative (GRI)
- GRESB
- RE100
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate Related Financial Disclosures (TCFD)
- U.S. Environmental Protection Agency Green Power Partnership



ESG Leadership and Oversight

Board of Directors and Management

The Board of Directors has an active role in the company's overall strategies. The Board receives sustainability updates each quarter which includes progress against specific sustainability goals.

The Board of Directors is responsible for overall risk oversight of the company, which includes certain environmental, climate impact, social, supply chain and governance matters and receives periodic updates regarding the company's sustainability initiatives and progress. In addition, the Nominating and Corporate Governance Committee is tasked with oversight of sustainability and social matters, and the company's Sustainability Leadership Team, led by the Vice President of Energy and Sustainability, is responsible for leading and implementing ESG initiatives across the company and reports directly to the CEO. Executive sponsorship of this team and its initiatives demonstrates the high level of dedication to environmental sustainability, social responsibility and governance at QTS.

Our management team, subject to Board oversight, structures, monitors and adjusts our sustainability efforts in a manner that best serves the interests of the company and all of its stakeholders. Each year, senior management reviews the long-range plans and goals of our segments and divisions on an ongoing basis, several times a year. These plans consider long-term sustainability implications and the ability to meet customer needs related to sustainability.

At an operating level, the following senior managers have ultimate 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

Each of these positions reports directly to the CEO.

QTS Sustainability Leadership Team

QTS is committed to developing a company-wide approach that demonstrates a commitment to the future of our environment, drives data center efficiency, and encourages employee engagement. We believe that the QTS Sustainability Leadership Team is a direct embodiment of this commitment. The Team is responsible for leading and implementing ESG initiatives across the company, reporting directly to the CEO, Chad Williams, and is led by the VP of Energy and Sustainability Travis Wright. Executive sponsorship of this Team and its initiatives demonstrates the high level of dedication to environmental sustainability, social responsibility and governance at QTS. ESG team members bring expertise from a variety of departments spanning the organization, including people services, finance, product management, stakeholder marketing and communications, legal and operations. The varied composition of the Team reflects QTS' understanding that ESG initiatives provide intersectional opportunities for company-wide improvements. We also have company-wide targets, including ESG goals and initiatives managed by the QTS Sustainability Leadership Team.

Contact Information

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KELLY MICHAEL
Director, Marketing Operations & Communications



JON SIZEMORE
Predevelopment Project Manager

Material Topics & Topic Boundaries

QTS conducted an initial materiality assessment in 2018, where we received input from our Executive Leadership, and a third-party ESG consultant. We reflected upon the larger environmental, economic and social implications of the organization and its associated activities. This approach allowed us to determine which topics directly influence our environmental, economic and social impacts, as well as the decisions and assessments of our stakeholders. We have continued to annually reevaluate this materiality assessment.

Topic boundaries defined as internal take into consideration our employees and investors, whereas external boundaries encompass our customers, partners, the communities where our data centers and offices are located, and the larger environmental, economic and social impacts of our activities. The topics resulting from the materiality assessment align with our Core Company Values.

- Material Topics**
- Community Engagement
 - Employee Health and Wellness
 - Energy Use and Reductions
 - Occupational Health & Safety
 - Employee Training & Education
 - Stakeholder Engagement
 - Materials Recycling
 - Employee Recognition
 - Water Consumption and Conservation
 - Risk & Resilience
 - Renewable Energy Procurement
 - GHG Emissions & Reduction Targets
 - Community Leadership
 - Green Building Certifications
 - Environmental Disclosure & Transparency
 - Environmental Regulatory Compliance
 - Diversity & Inclusion
 - Public Financial Disclosure
 - Corporate Transparency
 - Anti-Corruption
 - Executive Sponsorship & Senior-Level ESG Management
 - Safety & Security
 - Data Security

Key Stakeholders and Engagement

At QTS, we define Stakeholders as anyone who affects or is affected by our business. That list includes both employees and contracted employees, local community members, our investors, current and future QTS customers and our suppliers. Each group of stakeholders is an essential component to our success as a business. In order to ensure we meet and exceed our stakeholders' expectations, we engage in continued education, transparent reporting and communication, and give our stakeholders the opportunity to provide us with feedback. Engaging with stakeholders is the key to building strong, long-lasting relationships with those we impact and those who are crucial to our success. We continue to assess and validate our material ESG topics through ongoing stakeholder engagement, as described in the next section of this report.

Engagement strategies and outcomes are described in detail in the relevant sections of this report.

Key Stakeholders, Engagement Approach and Topics

Stakeholder Group	Engagement	Topics of Discussion
Customers	<ul style="list-style-type: none"> Quarterly business reviews Net promoter, customer satisfaction & customer effort surveys Dedicated account management and customer experience management teams Customer Advisory Council Sustainability dashboard within Service Delivery Platform Joint community engagement projects Quarterly newsletter Customer product training webinar Customer appreciation events 'Welcome to QTS' onboarding program Interaction survey tools on website and SDP Covid-19 Response Website Page Pandemic focused email notifications Power utilization and efficiency Customer renewal power and infrastructure statistics 	<ul style="list-style-type: none"> Account review and scale planning Operational maturity and 24x7x365 support Participation in customer sustainability initiatives Customer-minded building design including green building programs and streamlined logistics Transparent customer communication Compliance and security Data security Water consumption and conservation Energy use and reductions
Employees	<ul style="list-style-type: none"> Employee Engagement Surveys Employee Value Proposition (EVP) ambassadors program QTS Ethics Hotline Quarterly People Rally meetings for all employees Wellness programs Eagle Club Program Employee Crisis Fund Employee Student Scholarship Program Annual volunteerism time Training and leadership development opportunities Office sustainability program Mentorship program Pandemic worker support stipend Pandemic office safety training and materials Ongoing pandemic notifications Home office worker care packages Global employee engagement event Diversity and Inclusivity support provided through leadership and Women Inspiring Leadership (W.I.L.) program 	<ul style="list-style-type: none"> Promote transparency and communication within the organization Ethical business practices Year-round training and career enhancement opportunities Community engagement and volunteerism ESG goals and feedback opportunities Executive sponsorship and senior level ESG management Occupational safety and health Employee recognition Employee health and wellness

Key Stakeholders, Engagement Approach and Topics (continued)

Stakeholder Group	Engagement	Topics of Discussion
Investors	<ul style="list-style-type: none"> • Dedicated investor relations executive and support team • Quarterly and annual SEC filings in compliance with SEC guidelines • Quarterly earnings conference call including Q&A with QTS Executive team • Robust investor outreach program including conference attendance, presentations and 1x1 investor meetings and conference calls • Strong involvement by QTS Executive team in investor relations initiatives • As needed, members of QTS' Board of Directors engage with investors on various topics • ESG initiatives 	<ul style="list-style-type: none"> • Public financial disclosure • Strategic growth initiatives • Culture and employee engagement • ESG performance and initiatives • Executive sponsorship and senior level ESG management • Renewable energy procurement and energy markets • Diversity & Inclusion
Community	<ul style="list-style-type: none"> • Matching Gift Program • Employee volunteering • Location-driven philanthropy • American Forests partnership • Conference attendance and speaking appearances • ESG and SASB Reporting on environmental impact • Submitted report to the GRI repository for data transparency • World Vision HumanKind program • Food bank donations within our communities • Support for pro-community program supporting high risk youth 	<ul style="list-style-type: none"> • Renewable energy procurement and energy markets • Community leadership • Water consumption and conservation • Materials recycling • Environmental Disclosure and Transparency • Environmental Regulatory Compliance
Suppliers	<ul style="list-style-type: none"> • Regular surveys and business reviews • Contract development and ongoing interaction • Direct communication through meetings, calls and emails • Sustainability standards in construction contracts • QTS Sustainable Procurement Policy • Supplier ESG initiatives 	<ul style="list-style-type: none"> • Environmental Regulatory Compliance • Green building certifications • Environmental disclosure and transparency • GHG Emissions and Reduction Target • Risk and resilience • Executive sponsorship and senior level ESG management

QTS GREEN

CUMULATIVE RECYCLING TOTAL:
1,366,991,483 lbs

RECYCLING IN 2020:
73,076,763 lbs

*BLANKING PANELS TOTAL:
211,654

CUMULATIVE WATER CONSERVED TOTAL:
112,193,549 gal

WATER CONSERVED IN 2020:
13,188,240 gal

GREEN POWER USAGE IN 2020:
412,400,000 kWh

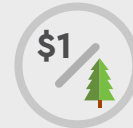
*Blanking panels provide a way to cover unused rack space in the front of a rack, and are considered a best practice method for improving air flow efficiency in data center server racks.

PARTNERSHIP WITH



AMERICAN FORESTS
- SINCE 1875 -

2020 = \$24,933



of trees donated, 2020

PARTNERSHIP WITH



World Vision

6,936

people now have access to clean drinking water

2020 = \$21,357.56

Contributions to support clean drinking water in 2020



\$6,357.56

Funding towards Global Clean Water Fund



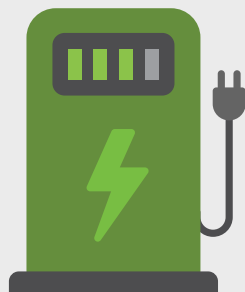
\$15,000.00

Community Water Point in Kenya



over **\$1 MILLION** donated

to charitable organizations



EV Charging Stations:

Available at **11 QTS DATA CENTERS**



Ashburn-Broderick, Atlanta, Chicago, Eemshaven, Fort Worth, Groningen, Irving, Jersey City, Piscataway, Richmond, Suwanee

2020 Awards and Recognition

QTS is excited to announce that throughout 2020 we were the recipients of a number of highly esteemed awards across multiple sectors. These awards further demonstrate our commitment as an organization to ESG and the impact of our initiatives.



Overall grade: A-, 2020
Supplier Engagement Rating (SER): A, 2020
Supplier Engagement Leaderboard: 2020



#1 in Global Data Centers: 2019, 2020
#1 Global Infrastructure: 2019



Most Sustainable Global Data Center: 2019, 2020



Global Visionary Innovation Leadership Award: 2020



Patriot ESGR Award, presented to:
Jana Moore 2019, Dan Fulcoly 2020
Seven Seals ESGR Award, presented to:
Chad Williams 2019
Above & Beyond ESGR Award, presented to:
Chad Williams 2019
Pro Patria ESGR Award: 2020



Green Power Partner Program, #12 in Tech and Telecom
Green Power Leadership Award: 2020



Bronze Medal Sustainability Rating: 2020



Data Center Veterans Champion, presented to:
Dan Fulcoly 2020



Business Sustainability Award: 2019



Placed in the top 30 employers nominated: 2020



Tech Cares Tech Shares: 2020
(for providing over 900 meals for the Atlanta community)



Business Intelligence Group Most Sustainable Company: 2019



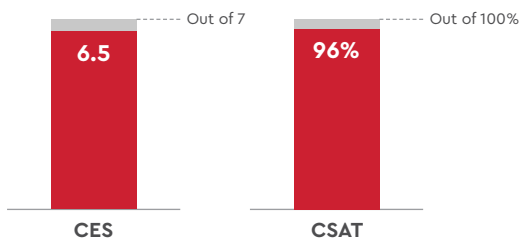
World's Top Most Influential Climate Leaders in Data Centers and Cloud: 2019



04 Customer Commitment

Our customer-centric approach helps us to deliver consistent premium service.

We have a track record of leadership in customer experience, and 2020 marked the fifth consecutive year QTS has led the data center industry in Net Promoter Score (NPS). NPS judges the likelihood that QTS customers will purchase again or recommend QTS services to another company as judged by an ongoing independent survey of its customer base. In 2020, we achieved an industry-best NPS score of 88, nearly twice that of the closest data center company.



Photos were taken prior to pandemic and mask mandates

The following strategic initiatives help us to deliver on our customer service commitments:

Quarterly Business Reviews

Account Managers and Customer Experience Managers host a quarterly discussion with their customers to review relationship milestones, active implementations, and future business planning.

NPS Surveys

After all customer interactions, a Net Promoter Score Survey is independently administered and calculates overall customer satisfaction and brand perception.

Client Advisory Council

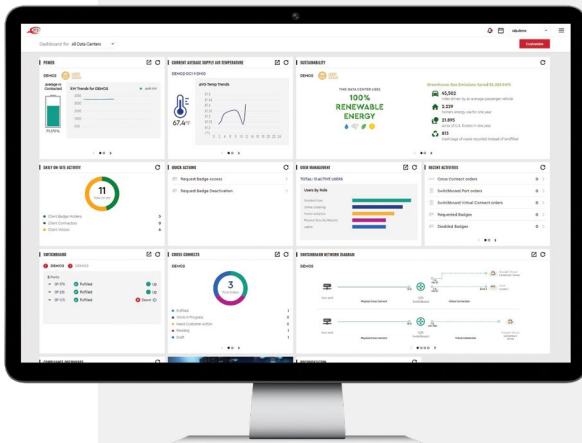
Comprised of a group of 10–12 global business executives representing some of QTS' largest customers, the Client Advisory Council meets twice a year to form an active discussion community with a purpose to exchange interests and concerns with peers and the QTS Senior Executive team with the ultimate goal of influencing QTS' strategic direction.

In 2020, QTS distributed approximately 4,450 customer surveys and received over 800 responses. Here is a list of some actions QTS has taken based on the feedback:

- Service Delivery Platform (SDP) enhancements
- Feedback task management improvements (QTS ServiceNow platform)
- Improved customer training and communication
- Investments in an Experience Management platform to collect and provide actionable insights into customer behaviors

Service Delivery Platform (SDP)

The QTS SDP is the first of its kind in the data center industry. We've digitized our data centers enabling our customers real-time visibility into their QTS environment. Committed to complete data transparency, SDP empowers customers to interact with their data and QTS services in innovative ways. Read more about how this technology is helping customers reduce their environmental impact and improving customer satisfaction in the Environment section of this report.



Security and Resilience

Security and compliance are essential for today's data-centric enterprises and federal agencies. We proudly host a variety of customers whose needs vary, but all of whom have a common need for high levels of security and resilience. Our customers expect high levels of physical and logical security and resilience to ensure their information technology workloads are secure from physical threats and can operate at the highest levels of availability. Read more about our commitments to security in the Risk and Resilience section of this report.

Health and Safety

In order to minimize health and safety risks to our customers and employees, we have rules and regulations that must be upheld while personnel are working on QTS land or at a QTS data center. QTS undertakes audits to ensure compliance with legislative quality and safety requirements.

QTS Operations teams have full responsibility and authority for Environmental, Health and Safety (EHS) performance of their sites. Oversight is provided by both Regional and National resources through the actions of routine site visits, functional reviews at regular intervals and audits by subject matter experts. In addition, for EHS programs, QTS has partnered with a third party (Environmental Resource Management) to assist with ongoing program development and audits of existing programs.



05 Environment

We are committed to minimizing our environmental impact, including our carbon footprint. Our efforts are focused on developing a global approach centered on making sustainable choices easy for both our internal and external stakeholders. We support policy change, we share innovative strategies, and we partner with our communities. These actions drive data center efficiency through innovation, reduce greenhouse gas emissions, encourage our employees to become sustainability leaders in their communities, support local legislation impacting sustainability, promote transparency on sustainable practices in the industry, and move energy markets forward.

Environmental Goals:

Procure 100% of our power from renewable energy sources by 2025.

As of the end of 2020, we procure 36% of our energy from renewable sources with a visible path toward growing that percentage in 2021.

Conserve at least 15 Million gallons of water per year.

On average QTS has conserved 15 million gallons of water annually since 2016. Going forward the company aims to measure year-over-year improvement in water usage effectiveness (WUE).

Report to GRESB, CDP, EcoVadis, RE100 and the EPA Green Power Partnership.

Pursue Green Building Certifications in 100% of owned facilities by 2025.

As of the end of 2020, 72% of our facilities are LEED certified or Green Design certified, we made significant progress with Energy Star certifications that will continue in 2021.

Install EV charging stations at 75% of our facilities by 2025.

As of the end of 2020, we have installed Electronic Vehicle (EV) charging stations at 55% of our facilities.

Recycle 90% of our Operational Waste by 2025.

As of the end of 2020, QTS has recycled over 1.3 billion pounds of material and recycled 68% of our operational waste.

Green Buildings

The investments we make in improving the energy and resource efficiency of our data centers have two important impacts:

- They help our clients to achieve their own sustainability goals which, in turn, improves customer experience
- They reduce greenhouse gas emissions, which helps QTS mitigate climate impact risk

As of the end of 2020, **72%** of our facilities are LEED or Green Design.

QTS Green Data Centers (at time of publish)

Ashburn-Broderick	Ashburn-Moran	Atlanta	Chicago	Fort Worth	Hillsboro	Irving	Jersey City	Manassas	Miami	Piscataway	Princeton	Richmond	Sacramento	Santa Clara	Suwanee	Eemshaven	Groningen
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Environmental Certification

LEED Certification, ENERGY STAR or Green Design Certification	L, E	L	L, E	L, E	L	o	L, E	L	E	E	L	o	L	E	L, E	o	o	o
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Renewable Energy/Electric Vehicles

Renewable Power	o	o	o	✓	✓	✓	✓	o	o	o	✓	o	✓	o	o	o	✓	✓
On-Site Solar Panels											✓	✓	✓					
EV Charging Stations	✓		✓	✓	✓	o	✓	✓	o		✓		✓	o	o	✓	✓	✓

Energy Efficiency

Continuous PUE Monitoring	✓	o	✓	✓	✓	✓	✓	o	✓	o	✓	✓	✓	✓	✓	o	o	
Economization/Free Cooling	✓	✓	✓	✓		✓	✓	✓	✓			✓	o	✓	✓	✓	✓	✓
Energy Efficient LED and T-8 lighting	✓		o	✓		o	✓	✓	✓	✓			✓	✓		✓		
Hot/Cold Aisle Containment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Blanking Panels Program	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Water Conservation

Water Conservation Programs	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓			o
ENERGY STAR Water and Low Flow Plumbing Fixtures	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Urban Redevelopment

Brownfield Redevelopment			✓	✓			✓				✓		✓				
Office Sustainability Program ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

L = LEED E = ENERGY STAR o = Planned

1. Relevant initiatives include replacement of single use items, recycling program, Cupanion water savings program, energy efficient desk lighting vs overhead

QTS Service Delivery Platform (SDP) – The Industry's First Software-Defined Data Center

Strategic investments made prior to the onset of the pandemic to digitize our data centers and to develop a suite of real-time apps put the value of remote management at the forefront for our customers. In a year of constant and unpredictable change, customers were able to manage their environments without interruption.

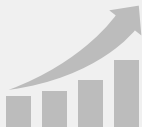
SDP provides customers real-time visibility, access and control into their QTS environment. Committed to complete data transparency, SDP empowers customers to interact with their data and QTS services in innovative ways. The visibility and dynamic control that SDP affords continues to

support our industry-leading customer satisfaction.

In the hands of customers well before COVID-19, this mobile-enabled platform saw immediate and rapid adoption as work from home mandates and shut downs were set in motion. By Q4 2020, 100% of our customers were using SDP to intelligently manage and optimize their environments. Several new apps launched in March 2020, provide 3D visualization of environments and the ability to set real-time notifications prior to thresholds being met – both contributing to fewer trips to the data center.

SDP Engagement Levels Accelerated in 2020

24% increase in unique users accessing the platform



Double the amount of unique customers transacting on SDP



Double the amount of transactions for cross connects and Switchboard orders via SDP



Users are coming to SDP more often, accessing more apps, and staying longer – with average session times of 30 minutes, approximately double the level of engagement in 2019



SDP Sustainability Insight

SDP is transforming how both QTS operates its data center portfolio and how customers operate and optimize their usage, unlocking the true power of data.

We provide real-time visibility with the QTS sustainability application, allowing our customers to see their power usage and energy mix and relate this to their environmental impact. Since this data is real-time, and calculated based on actual power usage, customers can make informed decisions on reducing their environmental footprint and benchmarking changes. For example, customers are able to perform a technology refresh and view the carbon footprint before and after.

Environmental disclosure and transparency is something QTS takes seriously, and we understand that sustainability initiatives gain the greatest momentum when numerous stakeholders are active and engaged.

SDP helps our customers understand their impact on the environment through QTS (Scope 3 emissions). This provides a real-time understanding of how their footprint affects the environment and puts data in their hands to use in their own sustainability initiatives.

SDP and the access to real-time data has transformed how QTS operates its facilities allowing us to understand and optimize our power usage and demand. We use this data to evaluate the most effective ways to provide cooling and to better understand people movement through the data center – this allows us to reduce our impact on the environment and enhance our customer experience.

SASB Accounting Code and Metric	Disclosure and Additional Information
Management of Tenant Sustainability Impacts	
IF-RE-410a.1	
1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	(1) 93% (2) Subsector FTSE Nareit Data Centers – N/A
IF-RE-410a.2	
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	(1) 100% (2) 0%
IF-RE-410a.3	
Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Pg. 13, Customer Commitment

Energy and Greenhouse Gas Emissions Reduction

Data centers power the Internet and make it possible to connect with the people, communities and data that are central to our lives. The energy necessary to operate data centers accounts for approximately three percent of global power consumption, and two percent of greenhouse gas emissions². This is why QTS is committed to energy-efficiency and the consolidation of colocation clients in high-efficiency data centers. We have committed to power our entire portfolio with renewable energy by 2025. As shown in the CO₂e Emissions vs. Energy Consumed diagram below, even as our business grows and like-for-like energy consumption has increased, our carbon intensity has declined since 2018 when we began our program to procure 100% renewable energy. As we continue to procure more renewable energy, our fuel and energy activity related emissions continues to decrease. Any increase in CO₂e emissions can be attributed to the development of three new mega data center facilities. To support our long-term sustainability goals, we plan to develop a carbon emissions goal that aligns with TCFD reporting standards by 2022.

CO₂e Emissions and Intensity Reduction

	2017	2018	2019	2020
Total Sq. Ft. Raised Floor (including leased facilities)	1,403,516	1,480,232	1,659,137	1,957,825
Total Data Centers	25	25	24	28
Scope 1 & 2 Emissions (CO ₂ e Metric tons)	413,482	410,189	392,754	416,342
Emissions Intensity (Scope 1 + Scope 2 emissions in MT/ Total annual revenue in Millions)	1,116	970	815	772

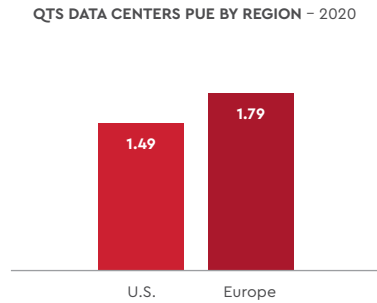
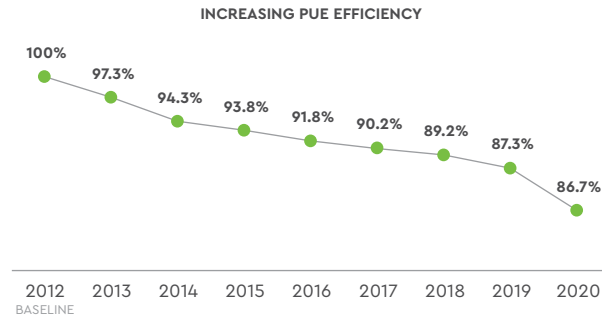
**QTS follows the eGrid approach to calculating Scope 2 emissions, which includes emissions of CO₂, CH₄, N₂O, CO₂e, NOX, and SO₂ gasses in the makeup of CO₂e. QTS' consolidation approach for emissions includes all sites that are under our operational control.*

A common issue with greenhouse gas reporting in our industry is the inability for our clients to make a zero-carbon claim for double-counted scope 2 emissions. This negatively impacts our relationship with clients actively pursuing zero-carbon goals and damages the competitive edge we may otherwise offer as we transition to a 100% renewably sourced company³. In order to avoid these outcomes, QTS accounts for all emissions related to our data center equipment and our clients' IT equipment as Scope 2 emissions. This allows our clients to claim the same emissions as Scope 3. As a direct result, we are able to keep a competitive edge, while bolstering both our clients' and our own emission reduction goals.

2. https://www.supermicro.com/wekeepitgreen/Data_Centers_and_the_Environment_Dec2018_Final.pdf
 3. https://www.bsr.org/reports/BSR_Future_of_Internet_Power_GHG_Emissions_Report.pdf

Power Usage Effectiveness

Power Usage Effectiveness (PUE) is a ratio that describes how efficiently a computer data center uses energy; specifically, how much energy is used by the non-computing equipment. Our PUE has steadily improved over the last eight years, as we continue to expand our business and make better use of our data centers. In 2020 this relative efficiency gain saved 205,174 MWh of electricity vs our baseline year of 2012.



Renewable Energy

QTS understands how important renewables are when addressing energy efficiency. As of 2020, 36% of our power was sourced from renewables including our data centers in Chicago, IL, Piscataway, NJ, Irving, TX, Fort Worth, TX, Richmond, VA, Hillsboro, OR and Eemshaven, Netherlands and Groningen, Netherlands. We have installed Electric Vehicle (EV) Charging stations at 55% of our owned facilities and in 2020, QTS continued its partnership with the Renewable Energy Buyer's Alliance (REBA), an alliance of large clean energy buyers, energy providers, and service providers working together to unlock the marketplace for all nonresidential energy buyers and transition to a zero-carbon energy future⁴. In partnership with REBA, QTS continues to advocate for more cost-effective pricing for renewables across the country.

We strive to procure renewables that are both cost-effective and impactful. Until recently, data centers had limited options when procuring renewable energy – conventional brown power augmented by the purchase of unbundled Renewable Energy Certificates (RECs), Power Purchase Agreement (PPA) with a single renewable energy project, or build a dedicated wind or solar farm. In response to this, QTS developed its Green Power Procurement Model that is unique to the data center industry and is now being replicated by others in the industry. It starts with QTS partnering with an investment bank as they are preparing to fund a new renewable energy project or new phase of a project. QTS agrees to purchase a portion of the energy and bundled REC's that the project produces for 10+ years, and we purchase it delivered to a major liquid market hub. The purchase is then sleeved through a retailer. In this way, we can easily match our load profile, and liquidate energy overages at very low risk. New projects get funded, we reduce risk for everyone, and the net result is renewable energy that is lower cost than conventional energy.

4. <https://rebuyers.org/>



Through procurement of carbon-free renewable energy we saved 180,570MT of CO₂ emissions in 2020. We are projecting to save nearly 200,000 MT of CO₂ emissions in 2021.

- 2020 CO₂ emissions with renewables: **413,581 MT**
- 2020 CO₂ emissions without renewables: **594,151 MT**
- Total CO₂ conserved due to procurement of renewables: **180,570 MT**
- QTS purchased **414,512 MWh** of renewable energy in 2020

SASB Accounting Code and Metric	Disclosure and Additional Information
Energy Management	
IF-RE-130a.1	
Energy consumption data coverage as a percentage of total floor area, by property subsector	100% – Property subsector FTSE Nareit Data Centers
IF-RE-130a.2	
(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	(1) 1,338,122 MWh (2) 98.5% Grid Electricity (3) 36%
IF-RE-130a.3	
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	+12.8%
IF-RE-130a.4	
Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	(1) 72% (2) 44%
IF-RE-130a.5	
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Pg.18, Energy and Greenhouse Gas Emissions Reduction

Industry Collaboration

Renewable Energy Buyers Alliance. Our VP of Energy and Sustainability, Travis Wright, is on the Renewable Energy Buyers Alliance (REBA) Advisory Board. REBA is an alliance of large clean energy buyers, energy providers, and service providers working together to unlock the marketplace for all nonresidential energy buyers and transition to a zero-carbon energy future. In partnership with REBA, QTS continues to advocate for more cost-effective pricing for renewables across the country, and spoke at numerous events sharing ESG expertise across our sector, including:

- EPA renewable energy buying webinar
- North American Energy Markets Association event on Forward-Looking, Problem-Solving, New Market Deal-Making

Data Center Coalition. The Data Center Coalition (DCC) is the trade association for the data center industry. QTS' Chief Hyperscale Officer is the Chair for the DCC Board of Directors.

As the voice of the industry, DCC represents and advances the interests of the data center community and advocates for a strong business climate, policies and investments that support the growth and success of this important business sector. The DCC aggregates industry expertise and thought leadership to educate state and local government officials, economic developers, policymakers, community leaders and other stakeholders about data centers and highlights the economic and community-building impacts of the sector.

Water

Energy and water consumption are integrally connected, and there is a trade-off between dry and wet cooling systems. Typically, a water-based cooling system is more energy-efficient than a dry-type cooling system, but it evaporates water at the data center. A dry cooling system uses virtually no water at the data center, but does require the power plant that is supplying energy to use more water in its own process. We view this in a similar way to Scope 1 and Scope 2 greenhouse gas emissions. Water consumed at the data center would be analogous to Scope 1 emissions, and water used at the power plant would be analogous to Scope 2 emissions.

QTS has solved this dilemma in two ways:

1. Our new "Freedom" standard data center design utilizes highly efficient dry cooling systems that include air-side economization. These systems approach the efficiency of a water-based system in most climates.
2. Of the renewable energy that we procure, 100% is from wind and solar assets that use virtually no water.

In 2019, we devoted a total of 7 acres of rooftop space at our Atlanta and Piscataway data centers to rain water collection systems. As of 2020, this has resulted in 10,877,790 gallons of water that was integrated into our cooling systems at both sites.

ATL: 2.9 Acres, 5.1 Million Gallons



PNJ: 4.1 Acres, 5.7 Million Gallons



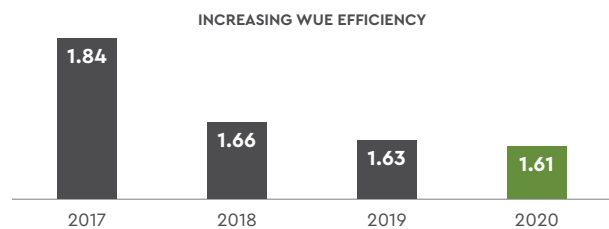
Since 2013, QTS has recycled and conserved over 112 million gallons of water. In the last year, we saw a 1.2% improvement in overall water use effectiveness (WUE). WUE is a metric developed by The Green Grid to help data centers measure how much water a facility uses for cooling and other building needs.

Efficiency Measures

- High efficiency pumped refrigerant systems with air-side economization as opposed to conventional Direct Expansion (DX) cooling system
- Water side economizers in our facilities with cooling towers that allow for cooling without the use of mechanical refrigeration systems
- Hot aisle/cold aisle airflow management at all sites, a layout design for computing equipment that maximizes heating/cooling efficiency
- Smart airflow technology that monitors the temperature at the rack level and adjusts the amount of cold air delivered to equipment based on exactly what is needed, rather than supplying a constant supply of air regardless of equipment load
- Automated lighting controls
- ENERGY STAR appliances
- Modular Data Center Physical Infrastructure (DCPI) that eliminates waste in manufacturing and performs more efficiently than built-in-place systems

Water Usage Effectiveness

QTS' water efficiency initiatives continue to reduce water usage in our data centers. Water Use Effectiveness (WUE) is a metric developed by The Green Grid to help data centers measure how much water a facility uses for cooling and other building needs. Units are liters/kilowatt-hour (L/kWh)



SASB Accounting Code and Metric	Disclosure and Additional Information
Water Management	
IF-RE-140a.1	
Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 100% (2) 0%
IF-RE-140a.2	
(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) 1,439,814 m3 (2) 0%
IF-RE-140a.3	
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	+12.6%
IF-RE-140a.4	
Description of water management risks and discussion of strategies and practices to mitigate those risks	Pg. 21, Water

Waste

At QTS, we understand that waste management extends beyond recycling and trash bins. Materials recycling can take on many forms, and we are committed to re-imagining our approach to resource conservation. This is reflected in our numerous Brownfield re-development projects, a robust office sustainability program implemented in 2019, future plans to re-shape our purchasing policies, and our continued commitment to education surrounding the recycling and waste programs at our facilities. Another area where QTS is seeking to better manage waste and resources is through building construction standardization and our QTS Freedom Design. With a tested standardized build, we are able to scale quickly, shorten construction timelines for customers and reduce waste through the use of prefabricated materials and modular power units.

Since our inception, we have recycled over 1.3 billion pounds of material, most of which consisted of recycled building structures from our Brownfield redevelopment projects. Not only does this eliminate massive amounts of landfill waste, it saves energy as well. Had we decided to take the more common approach of tearing the existing buildings down in Atlanta, Chicago, Dallas and Richmond and starting over, one can imagine the resources required to re-make all of the steel, concrete and roofing materials.

In 2020, we had over **73 million pounds** of total data center recycled weight.

That's about **thirty times as heavy** as a Sierra Redwood Tree.

We understand that focusing on sustainability practices allows employees to practice their personal values at work and unites them around a higher purpose. This is why we have initiated a program that includes or will eventually include:



Eliminate disposable cups, plates, straws and utensils in the workplace



Transition our offices away from single use pod-based to bulk coffee



Provide each desk with a recycling bin



Increase the number of office plants



Implement an annual QTS Green Day for our employees



Cupanion water savings program encouraging use of water bottle fillers over disposable items



Energy efficient desk lighting vs overhead lighting

Most in the data center industry are familiar with Power Usage Effectiveness (PUE), and Water Usage Effectiveness (WUE), but only recently have the more forward-thinking data center operators started using Material Usage Effectiveness (MUE). MUE measures the total waste divided by the recycled waste, and an operator wants to be as close to 1 as possible. In 2020 we achieved a 68% recycling rate, working toward a goal of recycling 90% of our operational waste. In addition, our MUE dropped from 1.35 in 2019 to 1.32 in 2020.



06

Occupational Health and Safety

QTS strives to furnish a workplace free of recognized hazards that could cause physical harm to our employees and other personnel. We have an occupational health and safety management system in place that operates in compliance with the Occupational Safety and Health Administration (OSHA) and are dedicated to ensuring workplace safety.

Employees are expected to report unsafe conditions or circumstances, serious or recurring problems, or any threats to the employee or company's well-being. QTS has a number of programs and policies in place that align with the various OSHA regulations pertaining to our industry, such as our Hearing Conservation Program and Hazard Communication Program. In addition, QTS adheres to a housekeeping and general safe work practices program that outlines ways in which our employees can stay safe while they work.

2017

9 OSHA Recordables in 2017 resulting in an Incident Rate of 1.17 based on a 200,000 hrs factor (1,543,779.57 total hours worked)

2018

9 OSHA Recordables in 2018 resulting in an Incident Rate of 1.32 based on a 200,000 hrs factor (1,364,192.50 total hours worked)

2019

7 OSHA Recordables in 2019 resulting in an Incident Rate of 1.05 based on a 200,000 hrs factor (1,333,170.68 total hours worked)

2020

5 OSHA Recordables in 2020 resulting in an Incident Rate of 0.74 based on a 200,000 hrs factor (1,352,334.46 total hours worked)



Photos were taken prior to pandemic and mask mandates

Hazard and Risk Identification

In 2020, the Environmental, Health and Safety (EHS) team continued the momentum gained in 2019 towards building a strong safety culture within QTS. In addition to better reporting capabilities and the institution of the Near Miss Program, the EHS team began updating its standards and policies to stay current with requirements and best practices. The Near Miss Program empowers QTS employees to report incidents that came close to occurring and offer suggestions for mitigating the risk. Employees submit these reports through a SharePoint site, and the report results are used as a leading indicator to proactively identify hazards before serious injury occurs.

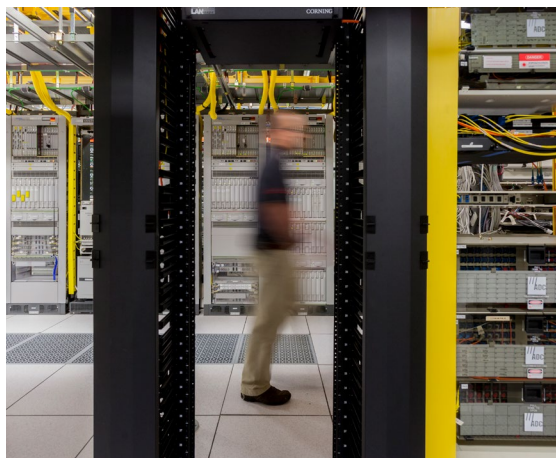
When an incident occurs, a ticket is created to alert all of the site directors and the EHS team. The EHS team contacts the site director for more information if necessary and reviews the injury at the weekly meeting. The site EHS representative conducts a root cause analysis with the site team and offers corrective actions that are tracked by the EHS team. The incident is briefed to all site directors on a recurring site director call to ensure transparent communication across all sites.



EHS

The QTS Environmental Health and Safety policy defines our environmental and safety management philosophy. This policy reflects our leaders' commitment to compliance with all applicable laws, regulations, policies, the promotion of a safe and sustainable work environment, and the continual improvement of our environmental and safety performance. The policy has both global and local, site-specific implications. Each of our data centers has an EHS representative who is responsible for the coordination and implementation of the EHS Policy and all associated reporting. Site management is responsible for overall compliance with environmental, health and safety regulatory requirements.

All of our employees, vendors and on-site contractors are responsible for complying with the [EHS policy](#) and related procedures.



Training

QTS employees are provided an online Training Procedures database, which provides training on workplace safety and other technical, job-specific skills. Our training is administered in accordance with OSHA requirements. In addition to online courses, each month the in-house Learning and Development Team hosts a continuous training program called "Toolbox Talks." This program allows our Facilities operations groups to administer ongoing, in-depth OSHA training materials on safety topics that impact our employees, such as lockout tagout procedures and equipment safety. Our facilities operations groups may conduct the Toolbox Talks via group training session, or via email with online resources attached.



Photos were taken prior to pandemic and mask mandates



07 Our Team

Photo was taken prior to pandemic and mask mandates

At QTS, we believe that how we deliver our services is equally as important as the service we deliver. Our people play a vital role in our company's culture, innovation and growth, and we are deeply committed to those who affect or are affected by our business. The QTS community is comprised of over 600 talented and driven individuals who bring a servant leader approach and a positive attitude to work each and every day. QTS is Powered by People and we are committed to enabling our employees with the appropriate tools and support to be successful in each of their respective roles.

40% of QTSers have 5+ years of tenure.

Attracting and Retaining Talent

Benefits

QTS is proud to offer a comprehensive and competitive benefits program for our full-time employees and their families. Full-time employees working 30 hours or more per week are eligible for medical, dental, and vision insurance on the first of the month following the date of hire. We offer group life insurance for full-time employees, as well as short- and long-term disability, a 401(k) plan with company match, and workers compensation. All non-executive employees are eligible to participate in our Employee Stock Purchase Plan. We also offer an Employee Assistance Program, which is a 24/7 resource that provides confidential and experienced help for employees dealing with issues that impact their professional and personal lives. In order to ensure we are meeting the benefit needs of our employees, we have a goal to execute a benefits survey on an annual basis, which allows us to incorporate important employee feedback when we review enrollment packages.

We enhance our benefits annually including number of exciting changes to our programs in 2020. These include parental leave policies, child adoption benefits, pet insurance, and the inclusion of a Healthcare Blue Book in our benefits package. The Healthcare Blue Book allows our employees to make informed decisions about their care providers, and the medical institutions they choose to rely

upon. Additionally, we understand what a vital role pets play in our employees' lives, as well as the cost burden of veterinarian bills. This is why we offer 3 reimbursement options and a wellness benefit for our pet owners through Nationwide.

We realize that health and wellness extends beyond a company's benefits package, which is why in 2020, QTS installed fitness centers in multiple additional QTS locations that provide access for our employees at no charge. The fitness centers represent the next step for our wellness initiatives, which already include ergonomic-designed furniture (such as standing desks), water bottle refill stations and our ongoing Wellness Wednesdays campaign. The Wellness Wednesdays campaign provides our employees with healthy living tips, as well as opportunities to participate in various challenges focused on healthy living, such as our get-active and healthy recipe challenges.

Additionally, we launched a financial wellness offering in 2020 free of charge to employees and their families. This financial wellness program, administered by Truist Bank, includes financial training, tips for budgeting, and advice on decisions such as renting vs. buying. We'll continue this outstanding offering throughout 2021 to further help our employees achieve their financial objectives.

Benefit Highlights:



Parental Leave Policy

We believe that our updated parental leave policy, which covers 100% of our full-time employees, sets us apart from others. Under this policy, new primary care givers receive 12-weeks of parental leave that is 100% paid. New mothers can also benefit from Short-Term Disability and 12 weeks of Family and Medical Leave Act (FMLA) job protection. We understand that raising a family doesn't end once our employees return to work, which is why our policy also includes full pay for reduced work weeks throughout the first 6 months (post-leave) of an employee's return to work. Secondary caregivers are allotted 2 weeks of fully paid leave, with the option to take time off at any point during the child's first year. Lastly, QTSers who choose to adopt a child receive these same parental benefits.



Employee Emergency Crisis Fund

QTS recognizes that unexpected catastrophic events can happen to anyone at any time. We partnered with Helping Hands Ministries Inc. to create the Employee Emergency Crisis Fund. This fund exists so that QTSers can assist one another in times of critical need. Since the QTS Crisis Fund is totally employee funded, all employees are encouraged to contribute to the fund through the corporate payroll deduction program. The fund provides assistance to employees or eligible dependents (in the case of the death of an employee) experiencing serious financial hardship and who are unable to afford housing, utilities and other basic living expenses due to a natural disaster, life-threatening illness or injury, death or other catastrophic or extreme circumstances beyond the employee's control. Employees as well as their eligible dependents are eligible for up to \$2,000 per qualifying event in any given year.



Employee Student Scholarship Program

To aid in living out our "Support for Family" Core Value, QTS is pleased to offer the QTS Student Scholarship Program. This program provides five competitive, need-based scholarships of \$5,000 to each recipient per year, which can be used to cover higher education expenses including tuition, room and board, and other institutional expenses related to receiving a degree. The scholarship is renewable for a total of four years of college education as long as the student meets the renewal requirements. The scholarship is available to any child of all non-executive level employees in the company, which represents more than 90% of the workforce. Selection of scholarship recipients is determined by the Greater Kansas City Community Foundation Scholarship Selection Committee based upon academic achievement, the requirement of financial assistance to attend college, personal recommendations, as well as participation and leadership in school and community activities.

Scholarship Recipient:
Gabriel D. Galliano

Son of Guillermo Galliano
Data Center Operations
Lead Technician, QTS Miami



SCHOLARSHIP SPOTLIGHT



The support that was provided to me by the QTS Scholarship and those tasked with overseeing it went far and beyond a monetary value. This scholarship allowed me to not only focus on my studies but be selective when looking for employment throughout my college years. My mind was always able to be set on how I was going to reach my long-term career goals by earning high marks in my classes which lead to me receiving Dean's List honors every semester and finding opportunities to work in my field of choice in which I now have 5 years' experience. Even more valuable than the actual funds provided was the sense of people whom I had hardly met believing in me, praying for me, and wanting me to succeed. The level of gratitude that I have for that specific aspect of receiving this scholarship is difficult to articulate because of how rare and sincere it is. I never expected to be blessed in this way and still often find myself questioning why I was chosen to receive this great blessing.

Thank you to everyone involved in helping me and students around the country like me, who are undeserving, yet finding favor in the Lord. Thank you for listening to the Lord, acting and being a vessel to pour into others, I believe this scholarship will have a great part in allowing me to one day do the same to others. My sincerest thanks and gratitude to everyone who had any part in helping me. A special thanks to Mrs. Williams, for following her servant's heart and providing the vision for this scholarship program that has been life-altering.



Training, Education, and Employee Development

An effective and thorough training, education and development program is important to us, as it impacts both our internal operations and our external relationships. QTS has developed world-class development programs to give our employees access to the best training and education programs possible. It's all part of our commitment to being Powered by People in all aspects of our company.

At QTS, we aim to promote internally as much as possible to provide career growth and development opportunities for our own QTSers. In instances where we are unable to hire internally, we offer a \$1,000 referral bonus to any employee who refers a future hire for any QTS position up to management (no executive level positions). Additionally, QTS partners with Year Up, a workforce development organization that rigorously prepares underserved young adults for successful corporate careers and higher education. QTS brings in interns with the potential to hire aspiring talent from this nationwide non-profit which is dedicated to closing the opportunity divide.

QTS Employee:

Biko Mitchell

OSC Engineer Level III
QTS Jersey City



Tenure at QTS: 10 years

Biko was attending school in South Georgia when his father told him about the Year Up program – he was in his sophomore year of college, studying computer science. The Year Up program would pay for his classes and arrange an internship at the end of the program. He started his internship at QTS Suwanee in the summer of 2011 as a Customer Service Representative (CSR). Biko was in good company, he was trained by other Year Up graduates who were currently working at QTS. Following his internship, Biko was offered a full-time role at the QTS Suwanee Data Center. The Year Up program instills timeliness and professionalism in their members. They also teach accountability - if participants didn't follow the rules there were consequences, including removal from the program. Biko knew he could change his life if he took the program seriously and adhered to its guidelines. When he first started as a full-time QTSer, he was asked about his career path and his goals to become an engineer. Biko found a mentor and put in long hours over the next three years to learn more about his desired role, and when the time came he took the test and became an OSC Engineer Level I.

He states, *'The program changed my life, in a great way. I've been in IT and at QTS ever since I was an intern – working my way up the ladder, now I am a Level III engineer. I am forever grateful to QTS for taking the chance on me, they could have gotten someone more qualified to do it. I really appreciate the Year Up program and I recommend it to everyone.'*

QTS offers the Lead the Way Leadership Program, where our people leaders complete a leadership training curriculum. These leaders represent 24% of our population. In addition to this leadership training, every site critical employee on our facilities operations team has a defined Career Path that includes specific job-related training requirements. Typically each site critical operations employee in our data centers will spend about 100 hours in training every year, and QTS is very supportive of promoting optional learning and development and certifications that are helpful for our employees to have. All required certifications for our Facilities Operations, IT and Information Security personnel are 100% paid for by QTS.

Through the in-house Learning and Development program, QTSers are required to complete approximately 3 hours of compliance training on an annual basis, which includes Active Shooter, Security Awareness, and Workplace Harassment trainings. In 2020, we added anti-bribery, anti-corruption and insider trading courses to give our employees the tools they need to recognize and mitigate risks associated with bribery and corruption. In 2020, 100% of our employees completed the training. Managers are able to track the learning progress for their direct reports to ensure every team member is taking part in these important trainings as execution and accountability are core aspects of how QTS continues to win, grow and achieve success.

2020 Updates

In 2020 the QTS team completed over 15,000 hours of training, pivoting the majority of those courses to virtual delivery due to the COVID-19 pandemic.

We enhanced our QTS-tailored internal training, including our leader development courses, sales training, and custom e-learning courses. We also created role-based custom learning plans, with curated curriculums based on department, role, and required competencies.

We implemented new technologies to ensure consistent training delivery. We pivoted to virtual delivery of live classes, we invested in Udemy for Business licenses to grant all employees access to over 5,000 courses, and we extended Workday and internal training library functions.

QTS Employee:

Karen Santiago

ServiceNow Administrator
QTS Suwanee

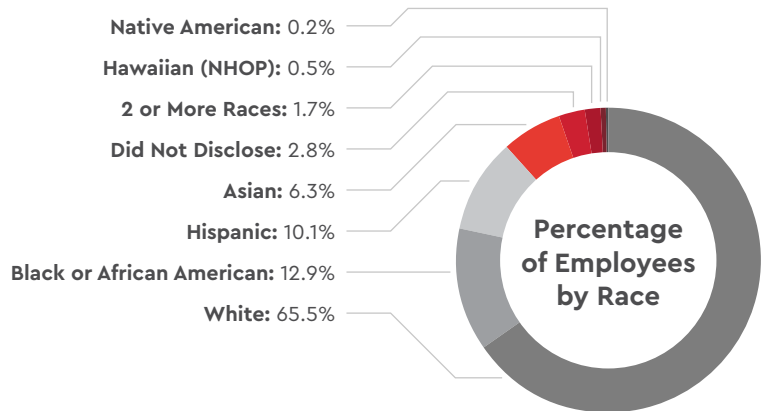


Tenure at QTS: 7 years

Karen joined the Year Up program straight after high school. The first part of the Year Up program focused on training students to succeed in a corporate setting, and developing business and IT skills. Following her classes, she started her internship at QTS Suwanee as a Customer Service Representative (CSR). After graduating from Year Up, Karen started her full-time journey at QTS as a CSR. From there she worked in the QTS Operations Support Center (OSC) on change management for several years. She was subsequently promoted to a coordinator role. In this role Karen trained on ServiceNow and grew her knowledge and skills until she became the ServiceNow Administrator. Karen says, "It is really exciting to see this program continue at QTS today, it changed my life being here. I wouldn't be in this type of position if I had taken a more traditional post-high school path. I don't think I'd be this far into my current career path. Now having a family, it has been huge. I highly recommend this program to students and encourage them to dive in and ask questions. The OSC is a great place to start your internship because they touch so many departments at the company and you get to interact with all sorts of people."

Diversity and Inclusion Metrics

- 22%** women in total employees
- 28%** women in leadership
- 8%** women in critical data center/customer focused operations
- 55%** women in corporate functions
- 18%** minorities in leadership
- 45%** minorities in critical data center/customer focused operations
- 19%** minorities in corporate functions
- 32%** minorities in total employees



Diversity and Belonging

We believe a focus on diversity and belonging is important to achieve our long-term growth objectives.

QTS is committed to hiring a diverse workforce and partners with more than 1,000 unique diversity focused organizations nationwide to attract talent. In addition to this list, over 30% of the partners within our external recruiting agency program include veteran or women-owned businesses.

Approximately 32% of QTS' total workforce and over 45% of our critical data center operations workforce is ethnically diverse. In addition, approximately 22% of our workforce is comprised of women. Like industry peers, we have historically had a difficult time recruiting women for critical data center operations roles. The gender gap is an industry-wide issue, and QTS is committed to closing the gap through outreach, training and development activities specifically focused on women in leadership and technology roles.

Additional on-going initiatives via social media campaigns, employment branding strategies, career fairs, professional organization involvement and other events help ensure we cast a wide, diverse net for talent.



Since its inception, W.I.L. has grown to support community at QTS and achieved many noteworthy accomplishments.

Launched in 2018, our Women Inspiring Leadership (W.I.L.) program is open to all employees to participate on a voluntary basis. W.I.L. is focused on supporting, developing and inspiring leaders through focus panels, training events, and partnering with professional associations in our communities. QTS offers a curriculum track for QTS women, which is intended to have a broader impact on women in technology and to aid in closing the gender gap in our industry. We are building on the success of W.I.L. to create a complimentary focus on diversity in the workplace with the goal of creating a comfortable and inclusive environment and giving employees a platform to voice feedback around diversity, belonging and inclusion. Ongoing efforts include recruitment at women's technology group events, inclusive professional groups and within the Veteran community to target a more diverse workforce.

W.I.L. also coordinates a mentoring program that is available to all QTS employees. The W.I.L. mentoring program provides structured relationships to drive employees to their potential and provide an opportunity for QTS employees to give back to those earlier in their respective careers. The culture of W.I.L. creates a natural outlet for QTS employees to have open dialogue around thoughts and feelings related to diversity.

In December 2020, as part of our ongoing commitment to improve diversity throughout the organization, and as further evidence of our desire to set the right tone from the top, we appointed a new female director to QTS' Board of Directors. Joan Dempsey brings over 35 years of experience in protecting the nation's security, as a US Navy veteran, a senior government official, and as an executive VP in the defense sector. With a lifelong commitment to mentoring, she was honored with a mentorship award that is named for her and is awarded annually to an industry professional who emulates her lifelong commitment to the value of mentoring. In addition to the QTS Board, Ms. Dempsey serves on the board of one of the world's largest renewable energy companies.

General Highlights:

- 129 Active participants via events and social channels
- Leadership team comprised of 10 women (core leadership team members, advisors and an executive sponsor) that work to provide growth opportunities for QTS employees through Mentorship, Development Opportunities and Community Engagement

Mentorship Program:

- Developed and sponsored the second annual QTS mentorship program
- Expanded the program to a 9-month scheduled module and activity-based program, as well as added virtual and remote work capabilities to support all employees during the pandemic
- 60 participants (mentees and mentors), more than triple the participation of our first program

Community Engagement:

In 2020, sponsored a partnership between QTS and Women In Technology (WIT), a non-profit focused on supporting women throughout their education and career opportunities in technology.

Development Opportunities:

- Speakers to date include members of the QTS executive team, board members and other great examples of women inspiring leadership in our communities. Our guest speakers allow QTSers to connect with external organizations, encourage diversity of thought and provide opportunities to see women who have been successful in many different roles
- W.I.L. has hosted multiple skill-building classes, covering topics such as building personal brands, radiating confidence and learning about the influence of women in the workplace
- W.I.L. has hosted panels focused on business functions (Women in Sales and Women in IT Operations) to highlight achievements of QTS women and provide networking opportunities across the organization
- In 2020, initiated a Virtual "Coffee Chats" series to distribute guidance and knowledge sharing among employees during the transition to remote work

Engagement and Satisfaction

We believe that successful organizations actively seek out and incorporate feedback from employees on a consistent and ongoing basis. In order to ensure that our programs and initiatives are addressing relevant opportunity areas, for the past four years QTS has administered an internal Employee Engagement Survey on an annual basis. Administered by Gartner, a third-party, and completely anonymous, employees are encouraged to give honest and fair suggestions to improve the QTS experience. In addition to gaining feedback, these surveys allow us to assess the impact of company-wide changes over time and encourages our employees to own their engagement with QTS.

Results from the survey are used to assess changes in employee engagement and satisfaction areas, as well as to identify opportunities where we have room for improvement for our Employee Value Proposition. Results are reviewed at the location and division level and are used to drive action planning and inform future people-related initiatives.

2020 Engagement Survey Highlights:

- Employee engagement results were at or above the 90th percentile of all Gartner survey participants. That means our engagement results are in the top 10% of all companies that Gartner surveys across the globe.
- 90% of employees who responded to the survey Strongly Agreed or Agreed with the statement: 'I believe in QTS' work values' vs. 88% Favorability at the 90th percentile benchmark.
- In support of our long term strategic planning, 84% of employees Strongly Agreed or Agreed with the statement: 'I understand the connection between my work and QTS' organizational strategy' vs. 80% Favorability at the 90th percentile benchmark.
- 81% of who employees responded to the survey Strongly Agreed or Agreed with the statement: 'I would recommend QTS as a great place to work' vs. 74% Favorability at the 90th percentile benchmark.

We also complement the Engagement Survey with a Pulse Survey program. Whereas the Engagement Survey is distributed monthly at the time of each employees' work anniversary, the Pulse Survey program measures the health of an organization by asking the same questions to the entire company at the same time. The results and common themes provide a baseline for employee sentiment among various employee experience topics. We compare these snapshots to previous surveys and use this tool to further evaluate the effectiveness of new engagement measures.

EVP Ambassadors Program – The Employee Value Proposition (EVP) represents the value QTS provides to its employees: pay, benefits, training, career development opportunities, and more. EVP Ambassadors are volunteers at each QTS location who bring the Powered by People tagline alive and who work to improve the employee experience for current and future QTSers, including gathering feedback from their locations and actively working to address needs and requests.



Strongly Agreed or Agreed:

'I believe in QTS' work values'



Strongly Agreed or Agreed:

'I would recommend QTS as a great place to work'



Photo was taken prior to pandemic and mask mandates

Employee Recognition

QTS adheres to the integrity, leadership, execution, agility and development (iLEAD) mentality, which we define as a shared understanding that everyone is a leader. iLEAD is an acronym created for a set of competencies that support QTS' Core Values. All employees use iLEAD as part of our Performance Management criteria. By embracing this commitment to our Core Values, we bring out the best in ourselves and position QTS for continued growth and success. We believe it is important to show gratitude and recognize the numerous ways in which employees go above and beyond, whether it is from an internal or external perspective. Some of our recognition programs include:

- **The Wingman Award:** This award recognizes employees who have gone above and beyond the call of duty to help fellow employees and customers, or who generally help to make QTS a world-class organization. Employees nominate one another for this award, and it can be given

to any QTSer, no matter their level or department. Each winner is given a write-up in QTS' bi-weekly PluggedIn! newsletter and gift card.

- **Elevate Award:** QTS places great importance on customer service. We measure it in several ways, including providing regular Net Promoter Score surveys to all of our customers. Each QTS site takes great pride in its NPS score, and to recognize the employees who help achieve high scores, QTSers who are mentioned by name in survey responses receive an Amazon gift card.
- **Sidekick Salute:** Empowers team members to 'catch' their peers in real-time situations and provide the means to say 'thanks'. We aim to promote a culture of gratitude among facilities employees and make it easy to recognize peers on the spot by handing them a token that can be turned in to facilities leadership for a gift card.

Eagle Club

Purpose and Goal: QTS Eagle Club was created to recognize employees for extraordinary contributions and accomplishments within their role throughout the year. Eagle Club members are those employees who have performed far above expectations in terms of their work ethic and effort, their leadership in exemplifying our Core Values, their volunteerism, and their overall contribution to the success of the company and their fellow employees. Every QTS employee (with the exception of C-level executive leadership) is eligible for nomination for induction into the Eagle Club after 12 full months of employment. Induction of management level personnel is limited to no more than 5 total VPs and Directors each year. Each year, approximately 25 employees are selected for induction into the Eagle Club. QTS has inducted 219 Eagle Club members since the company's inception and 36 active employees have been inducted into Eagle Club multiple times. In 2020, the retention rate of Eagle Club members was nearly 95%.

Membership Reward: Each employee selected for induction into the Eagle Club, along with his or her spouse/significant other, is invited to attend the annual Eagle Club Retreat typically held in June. Each Eagle Club member is presented with an engraved eagle statue and lapel pin to commemorate his/her induction. In addition to the retreat and Eagle Club award, all inductees (prior and current) are asked to participate in periodic follow-up luncheons/dinners and/or forums with the CEO and other corporate leaders to glean valuable insight and input through dialogue with the company's top performers. Inductees also may be invited to participate in periodic webinar roundtable events throughout the year.

Selection Process: Employees are nominated by their supervisors who create a detailed summary of the nominee and his/her contributions to the company. The Employee Selection Committee (a group of seven employees from various sites and roles within the company that changes each year) reviews each nomination to determine the final Eagle Club inductee list. Special attention is given to the specific job performance activities and volunteerism that managers, directors, VPs and senior executives indicate made their nominees stand out.



Photos were from a pre-pandemic Eagle Club.



QTS is committed to promoting sustainable procurement by adopting the key elements of sustainability: environmental quality, social justice and economic prosperity. We recognize that the products and services we procure have both environmental and social impacts and we are committed to addressing these through our procurement procedures.

Our [Sustainable Procurement Policy Statement](#) confirms our social and environmental expectations of our suppliers, including those relating to human rights.

In order to ensure effective implementation of our policy and giving due consideration to market and economic availability, our objectives are to:

- Procure from ethical and legal sources.
- Purchase energy from renewable resources.
- Include sustainability criteria when appointing the services of sub-contractors.
- Influence clients and designers when specifying materials to encourage the procurement of materials with a recycled content, or materials that can be easily recycled at the end.
- Procure energy efficient equipment that is UL or CE listed and meets or exceeds common energy efficiency standards.
- Encourage the reuse of materials as a first priority in preference to the purchase of new materials.
- Require that all members of the supply chain comply with relevant legal requirements according to industry guidelines and standards, and be able to demonstrate compliance.
- Request details from sub-contractors regarding environmental policies, management systems, environmental breaches, and assess this information as part of our company approval process.
- Use local suppliers and sub-contractors where appropriate to minimize the environmental impact associated with transportation and to support the local economy.
- Aim to avoid the use of materials and substances with hazardous properties, and processes that could cause damage to the environment and health.
- Collaborate on sustainable procurement opportunities throughout the supply chain and through membership of trade associations, sharing best practice.
- Promote awareness of this policy amongst Employees and our supply chain.



QTS recognizes that a healthy community provides a healthy environment to conduct business. We have a responsibility as a steward of people to actively support the communities in which our employees live, work and do business. The QTS Community Impact program is led by a senior level executive, Vice President Community Relations and Development, who is responsible for outreach to our communities and the large global community to help QTS make a positive impact. As a team-oriented organization whose core values include integrity, character and trust, there is a conscious emphasis on support of family, faith and community volunteerism which we live out through the QTS Community Impact program. Our emphasis is on the support of programs and agencies whose purpose is to strengthen and enhance our communities.

In 2012, we created the QTS Community Impact program with a central mission to enrich the lives of QTSers and members of the communities in which we serve. This is achieved by providing our time, talent and financial resources to benefit local programs and agencies that strive to enhance the care and improvement of human life. The focus is on better communities and changed lives.

We focus our philanthropy on programs and projects that strengthen communities and improve life for its citizens

and future generations. We provide resources to programs and agencies that QTSers believe serve the most critical needs of the community and that could realize the greatest benefit from funding, employee volunteerism, or technology services or any combination of the three. To help support this program we created an internal initiative to commit our time, talent and treasure to help those in need.

We encourage and facilitate our employees serving their communities, including our Executive Team and CEO. That is why every QTSer is allocated three full days per year of paid volunteer time. In 2020, QTSers donated nearly 2,000 volunteer hours to various communities, and provided over 80 different organizations with charitable contributions amounting to over \$1 million.

To further support community at QTS, we encourage each of our sites to sponsor volunteerism projects and host family events, where employees of all disciplines can gather to celebrate and get to know one another. In 2020, 100% of our operational facilities chose to partner with local community organizations to deliver time and resources to volunteer initiatives.



Community Outreach Partnerships

In late 2019 we initiated a partnership with American Forests to support tree-planting at strategic sites to encourage improvement of rural, suburban, and urban ecosystems by planting and caring for trees that provide important environmental and economic benefits including pure water, clean air, and wildlife habitat. The Grow with QTS program is a commitment to the future and to prosperity with our customers and American Forests. We have committed to donate more than 20,000 trees per year for planting, with one tree being donated for every 100 kW contracted each month per customer. In 2020, the Grow with QTS program donated nearly 25,000 trees along the Sierra Nevada ranges to help with fire restoration, as well as along the border of Virginia and West Virginia to restore stripped mineland. The program covers our current and future customers.

In 2020, QTS established a partnership with World Vision, a humanitarian organization, to make clean water accessible to thousands of families globally. Under the new initiative QTS and World Vision will provide people in developing countries with clean water on behalf of QTS' customers for the life of each customer's contract. For large, multi-megawatt customer deployments, QTS will build a sustained clean water source, such as a well or water point, in a developing country of the customer's choice, providing long-term, sustainable clean water to an entire community. On an annual basis, the World Vision partnership with QTS is expected to provide access to clean drinking water to nearly 7,000 people including the sponsoring of select deep well projects around the globe.



QTS Matching Gifts Program

The QTS Matching Gift Program is designed to support QTSers in their personal giving to eligible 501(c)(3) non-profit organizations within the United States. This program reflects our continuing commitment to providing encouragement to our employees, while investing in those agencies who are having a positive impact on the quality of life within our communities. QTS matches 100% of any gift of at least \$50, to a maximum of \$250 per employee per calendar year, to any eligible organization.

Charitable partnerships include more than 170 organizations since 2012 including:

- Big Brothers & Big Sisters
- Children's Advocacy Groups
- Habitat for Humanity
- Local Food Depositories
- U.S. Dream Academy
- American Forests – Grow with QTS program 2020 and beyond
- World Vision – HumanKind Program 2020 and beyond
- Cupanion – 2020 and beyond

Our Commitment to Veterans

QTS is deeply committed to the U.S. military, law enforcement and first responders which is why we are proud to report approximately 45% of our operations staff has served our country. We have an active recruitment process in place focused on veterans, reservists and members of the National Guard.

To further our commitment to continuous improvement in policies related to the treatment of veterans, reservists and members of the National Guard, we enhanced our benefits in 2019 and continued to maintain a best in class program through 2020.

QTS is proud to announce that in 2020 we received the Pro Patria Award, given to recipients who have demonstrated the greatest support to Guard and Reserve employees through their leadership and practices including personnel policies that make it easier for employees to participate in the National Guard and Reserve. Additionally, in 2020, we placed in the top 30 employers nominated for the Secretary of Defense Employer Support Freedom Award.

CUPANION

QTS has chosen to partner with Cupanion in support of global water initiatives and has provided QR codes for employees to scan. Every time you refill (your water bottle), Cupanion 'Fills it Forward' by giving clean water to a person in need. Cupanion believes in a healthy planet and clean water for all, which led them to create a product that makes giving water as easy as drinking water. They work with many of the top universities and schools, as well as some of the most innovative companies and events to build meaningful and engaging programs that focus on sustainability and charitable giving. Cupanion chooses to work with multiple charitable partners, each taking a unique approach to building sustainable (long-term 5-10 year) solutions locally and globally.



10 Governance and Ethics

QTS' corporate governance is structured in a manner we believe aligns with both the interests of the company as well as our stockholders. The Board of Directors is responsible for overall risk oversight of the company, which includes environmental, climate, social, supply chain and governance matters, and receives periodic updates regarding the company's sustainability initiatives and progress. In addition, the Nominating and Corporate Governance Committee is tasked with oversight of sustainability and social matters, and the company's Sustainability Leadership Team, led by the Vice President of Energy and Sustainability, is responsible for leading and implementing ESG initiatives across the company and reports directly to the CEO. Executive sponsorship of this team and its initiatives demonstrates the high level of dedication to environmental and social responsibility at QTS.

Board of Directors

QTS' Board of Directors is comprised of experienced independent directors who are committed to enhancing stockholder value by aligning with corporate governance best practice. At the time of publication, the Board is comprised of 10 members, 9 of whom are determined to be independent for the purposes of the NYSE's corporate governance listing standards and two of whom are determined to be "audit committee financial experts" under the rules of the Securities and Exchange Commission. The Board is not staggered, and each director is subject to annual re-election. There is no stockholder rights plan, and there are no family relationships among our executive officers and directors. The company has a lead independent director, each member of the company's audit, compensation and nominating and corporate governance committees is independent, and the company has opted out of the Maryland Unsolicited Takeovers Act, commonly known as "MUTA."

Board Oversight of Risk Management

One of the critical functions of the Board is informed oversight of the company's risk management process. In carrying out this critical responsibility, the Board has designated the Audit Committee with primary responsibility for overseeing enterprise risk management. While the Audit Committee, with assistance from the Nominating and Corporate Governance Committee, has primary responsibility for overseeing enterprise risk management, each of the standing committees—Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Security Committee—addresses risks specific to their respective areas of oversight as follows:

- Audit Committee:** The Audit Committee has the responsibility to consider and discuss major financial risk exposures, and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken.

- **Compensation Committee:** The Compensation Committee assesses and monitors compensation policies to ensure that such practices are designed to balance risk and reward in relation to the company's overall business strategy and do not encourage excessive risk-taking.
- **Nominating and Corporate Governance Committee:** The Nominating and Corporate Governance Committee monitors the general operations of the Board and the effectiveness of the Corporate Governance Guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. The Nominating and Corporate Governance Committee also will monitor compliance with legal and regulatory requirements.
- **Security Committee:** The Security Committee monitors the federal contract business, information technology and cybersecurity risk.

The company's management team regularly provide the Board and its standing committees reports on the company's Enterprise Risk Management process, progress and results, highlighting management's assessments and recommendations, to enable the Board and each committee to understand and discuss risk identification, risk management and risk mitigation. The Board believes that the composition of its committees, and the distribution of the particular expertise of each committee's members, makes this an appropriate structure to monitor effectively the risks discussed above.

Corporate Governance Guidelines

The Board has adopted a set of governance guidelines, the QTS Realty Trust, Inc. Corporate Governance Guidelines, which reflect the Board's commitment to monitoring the effectiveness of decision-making at the Board and management level, and ensuring adherence to good corporate governance principles, all with the goal of enhancing stockholder value over the long term. The Corporate Governance Guidelines address, among other things:

- The responsibilities and qualifications of directors, including director independence;
- The functioning of the Board;
- The responsibilities, composition and functioning of the Board committees;
- The appointment and role of the lead independent director;
- Principles of director compensation; and
- Management succession and review.

Code of Business Conduct

QTS adheres to a Code of Business Conduct and Ethics, which applies to directors, officers, and employees. The Code of Business Conduct and Ethics aims to deter wrongdoing and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable public disclosures; regulatory compliance; and accountability for adherence to this code. We provide our employees with numerous outlets for reporting potential violations of the Code of Business Conduct, including an Ethics Hotline, which grants employees anonymity and confidentiality when they are reporting. More details on the Code of Business Conduct and Ethics can be found at www.qtsdatacenters.com.

Anti-Corruption

All employees, including Executives and all Board members have received information on the company's anti-corruption policies. Mandatory training is required on this topic for all employees, including management. All vendors must acknowledge QTS' anti-corruption policies. The Code of Business Conduct, which covers anti-corruption, can be found on the company's website. Through our Enterprise Risk Management (ERM) program, we have not assessed any risks as significant related to corruption. These risk factors are reported annually as part of our SEC reporting. Please refer to our 10-K filing for 2020.

Compliance Reporting

QTS Ethics Hotline – Employees are subject to mandatory training on ethics, anti-bribery and anti-corruption in order to familiarize them with the law and to help employees recognize and mitigate associated risks. Our Ethics Hotline can be used by employees or outside parties to report ethics allegations. It is hosted by Navex Global, an independent third-party provider and can be accessed by either calling 855.636.2632 or by creating a report at qtshotline.ethicspoint.com. All concerns can be made anonymously and are routed to the Compliance Officer and the Audit Committee Chairperson. The Compliance Officer involves appropriate resources to investigate the matter in a timely and thorough manner. Reports to the Audit Committee include a summary of actions to date and proposed actions to follow as necessary.



11 Risk and Resilience

Continuous uptime and performance of our data centers is a critical element of our business and ongoing operations. Site location is an integral aspect of this, as it allows us to avoid any expected natural and foreseeable man-made risks to our data center operations.

We take great care in selecting sites for future QTS Data Centers, taking into special consideration the ever-changing extremity of weather patterns. Prior to moving forward with a site, we evaluate not only feasibility of cost and timing, but hundreds of other issues including internal and external diligence, land zoning and entitlements, power sources, water and other utilities, construction and master planning, and connectivity. Each question with regards to the topics above are given a score, and only sites with the highest scores across all categories are pursued.

Our facilities are designed to withstand hurricanes, tornadoes, earthquakes and other natural disasters. We evaluate the risk of nearby airports, surrounding businesses, weather and seismic activity, proximity to high value terrorism targets, and nuclear power plants. We design our facilities with redundant utility feeds and 100% UPS and generator backup. We procure multiple fuel contracts and adhere to strict maintenance procedures throughout the lifetime of the facility to ensure consistent and reliable performance of our data center infrastructure. At QTS, we can proudly say that we build, own, and operate some of the most advanced and resilient facilities in the world, and this is backed up by a track record of more than 10 years of 99.999% or higher infrastructure data center uptime.

Security, Compliance and Privacy

Physical Security

Customers expect strong physical security controls to protect their information technology and the data center infrastructure that ensures continuous availability of power and environmental control. Our on-site experts focus on physical security to ensure an uncompromising level of security 24x7x365 from the property perimeter to the data center floor. Physical security controls include setbacks, fencing, active guard patrols, ID checks, visitor screening, active video monitoring, proximity card readers and biometric access controls. QTS Facilities are built and operated to meet or exceed FISMA High physical security and environmental control requirements. These controls

are implemented to ensure that only authorized personnel have access to customer information technology and data center infrastructure. Additionally, QTS has implemented an extensive training program for our security staff to ensure that our employees are prepared to respond to a wide range of emergency events to keep our customers and their information technology assets safe. QTS also has digitized physical security through the QTS Service Delivery Platform (SDP) which provides near real-time access to physical security activity, granting customers unprecedented access to physical security event data available both through the SDP web application user interface as well as the API.

Cyber Security

Today's cyber threat landscape is very dynamic, and organizations must adapt to an increasing volume and sophistication of cyber threat actors. QTS has built a risk-based cyber security program that focuses on continuous identification and assessment of risks to QTS assets, including the critical information technology systems that are needed to deliver data center colocation services. The QTS cyber security program is led by the QTS Chief Information Security Officer, who ensures recurring communication on the state of the program to executive leadership and the QTS Board of Directors. The program is based upon a risk-based and balanced approach to prevention and detection of, as well as response to, cyber threats.

QTS has a documented cyber security incident response program to manage the QTS response to incidents. The program addresses each of the following phases to manage incidents: preparation, detection and analysis, containment, eradication, recovery, and lessons learned. Communications, both internal and external, are an essential part of the QTS incident response program.

QTS understands that every member of the organization has an important role in safeguarding the confidentiality, integrity, and availability of QTS and stakeholder assets. All QTS staff receive annual security awareness training that includes cyber threat overview, cyber policies, and reporting procedures. Recognizing the severity and prevalence of email threats, QTS runs multiple phishing simulation training exercises for all employees each year to ensure staff understand how to recognize and report email threats.



Compliance

QTS understands that all organizations must manage third party risk, and in response QTS has implemented an extensive compliance program to provide customers with independent third-party reports and certifications for leading compliance programs such as SOC 1, SOC 2, ISO-27001, HITRUST, and PCI-DSS. These compliance reports and certifications enable customers to have independent confirmation about the policies, procedures and controls that QTS has implemented. Customers can use these compliance reports and certifications to meet the requirements of their third-party risk management program and as a foundation for their own compliance programs.

Privacy

QTS has a privacy program, and the privacy policies are available on the QTS website. QTS participates in the Privacy Shield program and is GDPR & CCPA compliant.

Security Committee

The main purpose of the Security Committee of the Board is to provide oversight and leadership for the company's information technology security framework. The Committee helps to identify, manage and mitigate risk related to cybersecurity privacy and disaster recovery.

Climate Impact

We identify climate impact as a risk to our business and an opportunity for long-term value creation and a key driver in long-term strategic business decisions.

Potential risks associated with climate impact that might impact our business (as described in our 2020 annual report), include:

- Laws and regulations could limit our ability to develop new facilities or result in substantial costs, including compliance costs, retrofit costs and construction costs, monitoring and reporting costs and capital expenditures for environmental control facilities and other new equipment.
- Laws and regulations could lead to increased costs for the electricity that we require to conduct our operations.
- Potential physical impacts of climate impact on our operations, which might include changes in rainfall and storm patterns and intensities, water shortages, which may result in water use restrictions and water efficiency mandates, changing sea levels and changing temperatures.

Ways we address these risks include:

- Robust enterprise risk management and strategic planning.

Our governance structure provides the necessary opportunities for the Board of Directors and executive leadership to exercise their oversight responsibilities with respect to strategy and risk, including the impact of climate impact on our business.

Our Enterprise Risk Management team, which reports into our Audit Committee comprised of members of our Board of Directors, is responsible for managing operational risk for our business, while our Chief Financial Officer is the executive responsible for overall enterprise risk management and oversight.

- Site assessment and selection. When we build an asset that is intended to be in operation for 30+ years, we have to build it to withstand the conditions that will be in place not just today, but in the future as well. Therefore, we assess the climate related risk to our assets before development of the asset even begins. The site selection process used to find new property includes a multidisciplinary team that carefully reviews and scores hundreds of line items that include but are not limited to wetland interference, weather patterns, utility infrastructure, risk of floods, earthquakes, tornados, hurricanes, landslides, and wildfires. We review the access to renewable power, the relationship with state and local government groups, any special environmental requirements, and animal habitats.

- Site level planning and preparedness, including:

24x7x365 Operations – QTS data centers are staffed 24x7x365 by skilled data center engineers and technicians. QTS sites also feature numerous physical security measures.

Geographically Diverse Footprint – QTS has facilities across North America and Europe, and mega data centers located in geographically stable FEMA zones, providing an extra layer of protection against the threat of natural disasters.

- *Environmental initiatives to reduce our contribution to global carbon emissions that potentially exacerbate climate-related risks.* These efforts include, but are not limited to, supporting the development of new renewable energy supplies, designing and constructing environmentally friendly data centers that use less water and energy to operate, and improving energy and water efficiency for operating data center sites.
- *Policy engagement and industry collaboration.* QTS takes a strong leadership role in advancing energy policy. We are members of the policy committee for REBA, we sit on the energy committee for the Data Center Coalition, and our Vice President of Energy and Sustainability regularly speaks at utility conferences. Three recent examples are the EUCI Utilities and Data Centers conference, the Mountain West Renewables Conference, and the CES Europe conference. QTS has joined RE100 with a commitment to procure 100% of our energy from renewable sources by 2025.

We track and report various metrics to ensure our efforts are effective, including greenhouse gas emissions (scope 1, scope 2, and scope 3) and emissions intensity, energy intensity, and green power usage. We have established relevant renewable energy and resource efficiency targets (see the Environmental and Data Index sections of this report for more details).

SASB Accounting Code and Metric	Disclosure and Additional Information
Climate Change Adaptation	
IF-RE-450a.1	
Area of properties located in 100-year flood zones, by property subsector	0 sq. ft.
IF-RE-450a.2	
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Pg. 38, Climate Impact

QTS Compliance Matrix

	SOC 1	SOC 2	PCI	ISO 27001	FISMA HIGH	HITRUST
Ashburn-Broderick	✓	✓	✓	✓	✓	✓
Ashburn-Moran	✓	✓	✓	✓	✓	✓
Ashburn-Shellhorn	Planned 2021	Planned 2021	Planned 2022	Planned 2022		Planned 2021
Atlanta	✓	✓	✓	✓	✓	✓
Chicago	✓	✓	✓	✓	✓	✓
Eemshaven			✓			
Fort Worth	✓	✓	✓	✓		✓
Groningen			✓	✓		
Hillsboro	Planned ~ November 2021	Planned ~ November 2021	Planned ~ April 2021	✓		Planned ~ November 2021
Irving	✓	✓	✓	✓	✓	✓
Jersey City	✓	✓	✓	✓		✓
Manassas	✓	✓	✓	✓		
Miami	✓	✓	✓	✓		✓
Overland Park	✓	✓	✓	✓		✓
Piscataway	✓	✓	✓	✓		✓
Richmond	✓	✓	✓	✓	✓	✓
Sacramento	✓	✓	✓	✓		✓
Santa Clara	✓	✓	✓	✓	✓	✓
Suwanee	✓	✓	✓	✓		✓

*Includes Security, Availability & Confidentiality Trust Services Criteria



12 Looking Ahead

Corporate sustainability has grown in importance and gained more worldwide awareness in recent years. With each year that passes, our ESG program has continued to expand and prove to be a powerful differentiator for QTS. In addition to our ongoing sustainability initiatives, like supporting cost-effective and impactful renewable energy and water conservation, we stay informed on the global issues that will impact our customers, communities, industry and the environment. We do this by contributing as thought leaders constantly exploring new sustainable solutions, through engagement of our peers, global sustainability leaders, competitors and customers. We publish whitepapers, host webinars, and attend conferences and events on topics that we believe are important to longer-term.

In 2021, we seek to make great strides in energy conservation by continuing to evaluate our carbon impact and grow green building certifications through the Energy Star partnership and Energy Star certification at our US facilities. We continue our commitment toward 100% renewable energy, expanding our program to additional

sites in 2021 and beyond. QTS also hopes to continue to build on the great work our team has accomplished in supporting our people and local communities. We will not only continue our reforestation efforts with American Forests and our clean drinking water program with World Vision, but we plan to explore further community partnerships, including supporting at-risk youth through the US Dream Academy. As highlighted by the [United Nations Report](#), we understand that water scarcity is becoming an increasing global issue, and we have taken a leadership role in reducing water use within our sites. We have developed a true zero water data center design called Water FREEdom. With this design, QTS plans to standardize new builds with zero-water cooling systems paired with wind or solar PPA's, which results in a 100% scope 1 and scope 2 water-free solution. Now and into the future, we will push toward more sustainable solutions and build facilities that are among the most energy and water efficient in the world. We will embrace transparency of operational data, and we will accelerate our support of the communities in which we operate.



Data Index

Energy

Energy Intensity

2020 Energy Intensity Ratio	2.48
2020 Energy Intensity Ratio	$1,338,122,113 / \$ 539,400,000 = 2.48$
Calculation	$\text{kWh hrs} / \text{Total Annual Revenue} = \text{Energy Intensity}$
The energy represented above substantially covers all of the energy used within the organization	

2020 Energy Reductions

Energy reductions due to conservation and efficiency initiatives	9,812,895 kWh
Types of energy included in reductions	Electricity
Basis for calculating reductions	Year over Year corporate wide PUE improvement
Standards Methodologies	<ul style="list-style-type: none"> QTS has added more than 211,000 blanking panels to server racks, which saves more than 6.1 Million kWh of electricity every year. The installation and use of blanking panels is part of a broader QTS effort to reduce environmental impact, increase energy efficiency, and maintain compliance with our PUE (power utilization effectiveness) requirements. Customer compliance has been mandated as being required. QTS Green blanking panels are single rack unit (RU) metal plates that secure, without the use of tools, to the cold aisle-facing front of an open four-post rack or cabinet. These panels improve the equipment performance and efficiency, prevent possible overheating, extend the life span of equipment, and decrease energy consumptions due to the fact less power is used when equipment runs cooler.
Green Power Usage 2018–2020	<p>2018 – 161,700,000 2019 – 324,397,000 2020 – 412,400,000</p> <ul style="list-style-type: none"> Green power is defined as a subset of renewable energy and represents renewable energy sources and technologies that provide the highest environmental benefit. The purchasing of green power allows us to positively impact our overall emission profile and carbon footprint. Wind Project: Bearkat II Wind, Radford's Run installed in 2019. This project is projected to provide approximately 87,600,000 kWh per year of windpower RECs to our data center located in Richmond, VA. On-site solar photovoltaic generation at our Piscataway and Princeton mega data center campuses.

Emissions

Emissions Intensity

2020 Emissions Intensity Ratio	772
Calculation	Scope 1 + Scope 2 emissions in MT)/Total annual revenue in Millions (2,761+413,581)/539.4
Gasses Included: CO ₂ , CH ₄ , N ₂ O, CO ₂ e, NOX	

Direct Scope 1 GHG emissions and Energy indirect (scope 2) GHG emissions

Even as our business grows, our carbon footprint has declined since 2018 when we began our program to procure 100% renewable energy. In 2018, QTS saved 78,835 MT of CO₂ emissions through procurement of carbon free renewable energy, whereas in 2019 we saved 137,907 MT of CO₂ emissions, and in 2020 we saved 180,570 Metric Tons. QTS follows the eGrid approach to calculating Scope 1 and 2 emissions, which includes emissions of CO₂, CH₄, N₂O, CO₂e, NOX, and SO₂ gasses in the makeup of CO₂e. QTS' consolidation approach for emissions includes all sites that are under our operational control.

Emissions – CO₂e – Metric Tons

	2017	2018	2019	2020
Scope 1	725	620	1,544	2,761
Scope 2	412,757	409,569	391,210	413,581
Scope 3			381,865	702,858
Gasses Included: CO ₂ , CH ₄ , N ₂ O, CO ₂ e, NOX				
Method: eGRID https://www.epa.gov/energy/emissions-generation-resource-integrated-database-egrid				

Scope 3 Emissions by Source

Purchased goods and services	123,085,281.3 kg CO ₂ e
Capital Goods	486,536,638.2 kg CO ₂ e
Fuel and Energy-Related Activities	83,406,450 kg CO ₂ e
Upstream Transportation	180,193.39 kg CO ₂ e
Waste Generated in Operations	6,096,120.84 kg CO ₂ e
Business Travel	2,533,476.46 kg CO ₂ e
Employee Commuting	1,020,000 kg CO ₂ e

Employment

Employee and Worker Information

Number of Employees			634
Percent of Employees with tenure of 5+ years			40%
Percent of Employees Who Identify as a Protected Veteran			8.8%
Number of Employees by Gender	Male		492
	Female		142
Number of Full Time Employees by Gender	Male		492
	Female		141
Number of Part-Time Employees by Gender	Male		0
	Female		1
Number of Temporary (Seasonal/Contract) Employees by Gender	Male		0
	Female		0
Number of Employees by Region	North America	Permanent	633
		Temporary	0
	EMEA	Permanent	1
		Temporary	0

Assumptions:

- A significant portion of the organization's activities are not performed by workers who are not employees.
- QTS employees are not covered by Collective Bargaining Agreements. Supporting the QTS Core Values, the company supports dialogue on changes impacting our current and future employees even where there is no obligation to do so.
- QTS "Full-Time" (FTE) employees represent at-will employees who are not in a temporary/seasonal status and are regularly scheduled to work the company's full-time schedule of thirty (30) or more hours per week.
 - a. QTS "Part-Time" employees represent at-will part-time employees who are not in a temporary/seasonal status and are regularly scheduled to work less than thirty (30) hours per week.
 - b. QTS "Temporary/Seasonal" employees represent at-will employees who are hired temporarily for a pre-established, limited/finite period or for a specific task. These workers are notified of the temporary nature of their work assignments, although they may work a full-time or part-time schedule.

New Employee Hires and Turnover

New Hires and Hire Percentage Rate			15.1%
New Hires by Gender	Male		81
	Female		15
New Hires by Age Group	<30 years old		25
	30-50 years old		54
	>50 years old		17
New Hires by Region	North America		96
	EMEA		0
Employee Turnover and Turnover Percentage Rate			14.1%
Employee Turnover by Gender	Male		68
	Female		19
Employee Turnover by Age Group	<30 years old		11
	30-50 years old		53
	>50 years old		23
Employee Turnover by Region	North America		87
	EMEA		0

Diversity & Inclusion

Diversity of Governance Bodies and Employees

Diversity of Governance Body (as of publication date)

Gender	Male	80%
	Female	20%
Race	White	10%
	Did Not Disclose	90%
Age Group	30–50 years old	10%
	>50 years old	90%

Diversity of Employees*

Number of Employees		634	
Percent of Employees by Gender	Male	77.6%	
	Female	22.4%	
Percent of Employees by Race	White	65.5%	
	African American	12.9%	
	Hispanic	10.1%	
	Asian	6.3%	
	Did not disclose	2.8%	
	2 or More Races	1.7%	
	Hawaiian (NHOP)	0.5%	
	Native American	0.2%	
Number of Employees by Management Level, By Gender	SVP/VP & Above	Male	38
		Female	9
	Director/Manager	Male	91
		Female	43
	Non-Management	Male	363
		Female	90

*As of 12.31.21

SASB Index

Topic	SASB Code	Accounting Metric	Category	Response
Energy Management	IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Quantitative	100% – Property subsector FTSE Nareit Data Centers
	IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	Quantitative	(1) 1,338,122 MWh (2) 98.5% Grid Electricity (3) 35.7%
	IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Quantitative	+12.8%
	IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Quantitative	(1) 72% (2) 44%
	IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Description and Analysis	Pg. 18, Energy and Greenhouse Gas Emissions Reduction
Water Management	IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	(1) 100% (2) 0%
	IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Quantitative	(1) 1,439,814 m3 (2) 0%
	IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Quantitative	+12.6%
	IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Description and Analysis	Pg. 21, Water
Management of Tenant Sustainability Impacts	IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Quantitative	(1) 93% (2) Subsector FTSE Nareit Data Centers – N/A
	IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Quantitative	(1) 100% (2) 0%
	IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Description and Analysis	Pg. 13, Customer Commitment
Climate Change Adaptation	IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Quantitative	0 sq. ft.
	IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Description and Analysis	Pg. 38, Climate Impact
Activity Metrics	IF-RE-000.A	Number of assets, by property subsector	Quantitative	Property subsector: FTSE Nareit Data Centers – 28
	IF-RE-000.B	Leasable floor area, by property subsector	Quantitative	1.6M sq. ft.
	IF-RE-000.C	Percentage of indirectly managed assets, by property subsector	Quantitative	0%
	IF-RE-000.D	Average occupancy rate, by property subsector	Quantitative	92.6%

Footnotes:

- Like-for-like percentage change in energy consumption: "Even as our business grows and like-for-like energy consumption has increased, our carbon intensity has declined since 2018 when we began our program to procure 100% renewable energy. As of 2020, 36% of our power was sourced from renewables."
- Like-for-like percentage change in water withdrawal: "Even as our business grows and like-for-like water withdrawal has increased, in the last year we saw a 1.2% increase in overall water use effectiveness (WUE). WUE is a metric developed by The Green Grid to help data centers measure how much water a facility uses for cooling and other building needs. Since 2015, QTS has recycled and conserved 112,193,549 gallons of water."

GRI Index

General Disclosures

GRI Standard	Location
102-1 Name of the organization	Pg. 4; About QTS; QTS Realty Trust, Inc. (NYSE: QTS)
102-2 Activities, brands, products, and services	Pg. 4; About QTS; QTS is able to deliver secure, compliant infrastructure solutions, robust connectivity and premium customer service to leading hyperscale technology companies, enterprises and government entities.
102-3 Location of headquarters	Pg. 4; About QTS; Overland Park, Kansas
102-5 Ownership and legal form	2020 10k; http://investors.qtsdatacenters.com/annual-report-proxy
102-6 Markets served	Pg. 4; About QTS; The QTS customer base is comprised of more than 1,200 different companies that range in size and represent an array of industries with unique and varied business models and needs. We serve Fortune 1000 companies as well as small and medium-sized businesses which include financial institutions, healthcare companies, retail companies, government agencies, communications service providers, software companies and global Internet companies.
102-7 Scale of the organization	Pg. 4; About QTS; 2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-8 Information on employees and other workers	Pg. 42; Appendix: Data Index
102-9 Supply chain	<p>The QTS supply chain remained substantially unchanged and primarily includes our energy and water utilities, all of our hard-working contractors, the data center equipment manufacturers we have developed long-standing relationships with and our building materials suppliers.</p> <p>QTS Sustainable Procurement Policy: https://www.qtsdatacenters.com/why-qts/corporate-sustainability</p>
102-10 Significant changes to the organization and its supply chain	<p>Pg. 4; About QTS; 2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy</p> <p>The QTS supply chain remained substantially unchanged.</p>
102-11 Precautionary Principle or approach	QTS does not specifically apply the precautionary principle; the company strives to exceed local, regional, and federal laws and regulations. We strive to act in accordance with the QTS Core Values, operating with the highest levels of integrity and accountability and respect for our customers, community and all stakeholders. In conjunction with our highest governing body and Governance Committee, we implement initiatives using a risk-based approach to ensure that we meet or exceed industry standards in environmental, social and governance initiatives.
102-12 External initiatives	Pg. 6; External Initiatives & Voluntary Disclosure Frameworks; GRESB, CDP, ECOVadis, RE100, SASB, EPA Green Power Partnership, TCFD
102-13 Membership of associations	Organization Associations; Renewable Energy Buyers Alliance (REBA), RE100, Data Center Coalition, CERES, U.S. Dream Academy, Veteran's Advantage
102-14 Statement from senior decision-maker	Pg. 2; Letter from the CEO
102-15 Key impacts, risks, and opportunities	Pg. 2; Letter from the CEO
102-16 Values, principles, standards, and norms of behavior	Pg. 5; Core Values
102-17 Mechanisms for advice and concerns about ethics	Pg. 36; QTS adheres to a Code of Business Conduct and Ethics, which applies to directors, officers, and employees. The Code of Business Conduct and Ethics aims to deter wrongdoing and promote honest and ethical conduct; full, fair, accurate, timely and understandable public disclosures; regulatory compliance; and accountability for adherence to this code. We provide our employees with numerous outlets for reporting potential violations of the Code of Business Conduct, including an Ethics Hotline, which grants employees anonymity and confidentiality when they are reporting. More details on the Code of Business Conduct and Ethics can be found at www.qtsdatacenters.com

General Disclosures (continued)

GRI Standard		Location
102-18	Governance structure	Pg. 35; Governance and Ethics; 2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-19	Delegating authority	Pg. 8; QTS Sustainability Leadership Team; QTS is committed to developing a company-wide approach that demonstrates a commitment to the future of our environment, drives data center efficiency, and encourages employee engagement. We believe that the QTS Sustainability Leadership Team is a direct embodiment of this commitment. The Team is responsible for leading and implementing ESG initiatives across the company, reporting directly to the CEO, Chad Williams, and is led by the VP of Energy and Sustainability Travis Wright. Executive sponsorship of this Team and its initiatives demonstrates the high level of dedication to environmental and social responsibility at QTS. ESG team members bring expertise from a variety of departments spanning the organization, including people services, finance, product management, stakeholder marketing and communications, and operations. The varied composition of the Team reflects QTS' understanding that ESG initiatives provide intersectional opportunities for company-wide improvements.
102-20	Executive-level responsibility for economic, environmental, and social topics	Pg. 8; QTS Sustainability Leadership Team; The Sustainability Leadership Team is responsible for leading and implementing ESG initiatives across the company, reporting directly to the CEO, Chad Williams, and is led by the VP of Energy and Sustainability Travis Wright. Executive sponsorship of this Team and its initiatives demonstrate the high level of dedication to environmental and social responsibility at QTS. Also, refer to Disclosure 102-33.
102-22	Composition of the highest governance body and its committees	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-23	Chair of the highest governance body	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-24	Nominating and selecting the highest governance body	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-25	Conflicts of interest	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-26	Role of highest governance body in setting purpose, values, and strategy	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-27	Collective knowledge of highest governance body	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-28	Evaluating the highest governance body's performance	2020 Proxy Statement; http://investors.qtsdatacenters.com/annual-report-proxy
102-32	Highest governance body's role in sustainability reporting	Pg. 6; About this Report; This report was formally reviewed and approved by the CEO and Board of Directors, in collaboration with the Sustainability Leadership Team.
102-33	Communicating critical concerns	The Board of Directors receives formal quarterly updates. The Sustainability Leadership Team reports directly to the CEO and Governance Committee and updates them regularly through informal meetings, emails and instant message communications.
102-40	List of stakeholder groups	Pg. 9; Key Stakeholders and Engagement
102-41	Collective bargaining agreements	Refer to Disclosure 102-8
102-42	Identifying and selecting stakeholders	Pg. 8; Material Topics & Topic Boundaries
102-43	Approach to stakeholder engagement	Pg. 9; Key Stakeholders and Engagement
102-44	Key topics and concerns raised	Pg. 9; Key Stakeholders and Engagement
102-45	Entities included in the consolidated financial statements	2020 10k; http://investors.qtsdatacenters.com/annual-report-proxy

General Disclosures (continued)

GRI Standard	Location
102-46 Defining report content and topic Boundaries	Pg. 8; Material Topics & Topic Boundaries 2019 ESG Initiatives Report: https://www.qtsdatacenters.com/resources/brochures/esg-initiatives-2019
102-47 List of material topics	Pg. 8; Material Topics & Topic Boundaries
102-48 Restatements of information	N/A
102-49 Changes in reporting	N/A
102-50 Reporting period	Pg. 6; About this Report; This document reports on the highest priority ESG data and initiatives for the 2020 calendar year, including projects that were initiated before the reporting period but continued into 2020, as well as forward-thinking goals developed in 2020 for projects that are yet to begin.
102-51 Date of most recent report	June 2021
102-52 Reporting cycle	Pg. 6; About this Report; Annual Report; http://investors.qtsdatacenters.com/annual-report-proxy
102-53 Contact point for questions regarding the report	Travis Wright, VP of Energy and Sustainability, sustainability@qtsdatacenters.com
102-54 Claims of reporting in accordance with the GRI Standards	Pg. 6; About this Report; The current report has been prepared in accordance with the GRI Standards: Core option.
102-55 GRI content index	Pg. 47; GRI Index
102-56 External assurance	We plan to have external assurance conducted in 2021.

Economic

GRI Standard	Location
103-1 Explanation of the material topic and its Boundary	2020 10k; http://investors.qtsdatacenters.com/annual-report-proxy
103-2 The management approach and its components	2020 10k; http://investors.qtsdatacenters.com/annual-report-proxy
103-3 Evaluation of the management approach	2020 10k; http://investors.qtsdatacenters.com/annual-report-proxy
201-1 Direct economic value generated and distributed	2020 10k; http://investors.qtsdatacenters.com/annual-report-proxy

Energy

GRI Standard	Location
103-1 Explanation of the material topic and its Boundary	Pg. 18; Energy Pg. 8; Material Topics & Topic Boundaries
103-2 The management approach and its components	Pg. 18; Energy
103-3 Evaluation of the management approach	Pg. 18; Energy
302-1 Energy consumption within the organization	Pg. 18; Energy 2020 Energy Consumption 1,338,122,113 kWh Total Electricity consumption └ 925,722,113 kWh of Non-Renewable Electricity └ 412,400,000 kWh of Renewable Electricity 2,451,617 kWh of Natural Gas 9,236,247 kWh of Diesel Fuel Total = 1,349,809,977 kWh from all fuel sources

Energy (continued)

GRI Standard	Location
302-3 Energy intensity	Pg. 18; Energy Pg. 42; Data Index
302-4 Reduction of energy consumption	Pg. 18; Energy Pg. 42; Data Index

Emissions

GRI Standard	Location
103-1 Explanation of the material topic and its Boundary	Pg. 18; Greenhouse Gas Emissions Reduction Pg. 8; Material Topics & Topic Boundaries
103-2 The management approach and its components	Pg. 18; Greenhouse Gas Emissions Reduction
103-3 Evaluation of the management approach	Pg. 18; Greenhouse Gas Emissions Reduction
305-1 Direct (Scope 1) GHG emissions	Pg. 18; Greenhouse Gas Emissions Reduction Pg. 42; Data Index
305-2 Energy indirect (Scope 2) GHG emissions	Pg. 18; Greenhouse Gas Emissions Reduction Pg. 42; Data Index In 2020 we saved 180,570 MT of CO ₂ e from being generated through our use of renewable energy. Our gross emissions increased from 391,210 to 413,581, but our emissions intensity ratio dropped from 815 to 772.
305-3 Other Indirect (Scope 3) GHG emissions	Pg. 18; Greenhouse Gas Emissions Reduction Pg. 42; Data Index QTS' emission figures are calculated in accordance with the WRI GHG Protocol. Scope 3 emissions come from business air travel, business car rentals, business hotel stays, employee commuting, and upstream fuel-related activities, and energy and fuel-related activities not covered in Scope 1 or Scope 2.
305-4 GHG emissions intensity	Pg. 18; Greenhouse Gas Emissions Reduction Pg. 42; Data Index We have seen a consistent year over year decrease in greenhouse gas emissions intensity. In 2018, QTS saved 78,835 MT of CO ₂ emissions through procurement of carbon free renewable energy, whereas in 2019 we saved 137,907 MT of CO ₂ emissions, and in 2020 we saved 180,570 Metric Tons. QTS follows the eGrid approach to calculating Scope 1 and 2 emissions, which includes emissions of CO ₂ , CH ₄ , N ₂ O, CO ₂ e, NOX, and SO ₂ gasses in the makeup of CO ₂ e. QTS' consolidation approach for emissions includes all sites that are under our operational control.
305-5 Reduction of GHG emissions	Pg. 18; Greenhouse Gas Emissions Reduction Pg. 42; Data Index
305-6 Emissions of ozone-depleting substances (ODS)	Pg. 18; Greenhouse Gas Emissions Reduction; Does not apply to QTS' operations
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Pg. 18; Greenhouse Gas Emissions Reduction; Does not apply to QTS' operations

Water & Effluents

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 21; Water Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 21; Water
103-3	Evaluation of the management approach	Pg. 21; Water
303-5	Water consumption	Pg. 21; Water

Effluents & Waste

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 22; Waste Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 22; Waste
103-3	Evaluation of the management approach	Pg. 22; Waste
306-2	Waste by type and disposal method	Pg. 22; Waste

Environmental Compliance

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 37; Risk & Resilience
103-3	Evaluation of the management approach	Pg. 37; Risk & Resilience
307-1	Non-compliance with environmental laws and regulations	Pg. 15; Environment QTS did not identify any significant non-compliance with environmental laws and/or regulations during the 2020 reporting year.

Employment

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 25; Our Team Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 25; Our Team
103-3	Evaluation of the management approach	Pg. 25; Our Team
401-1	New employee hires and employee turnover	Pg. 25; Our Team
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 25; Our Team
401-3	Parental leave	Pg. 25; Our Team

Occupational Health and Safety

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 23; Occupational Health & Safety Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 23; Occupational Health & Safety
103-3	Evaluation of the management approach	Pg. 23; Occupational Health & Safety
403-1	Occupational health and safety management system	Pg. 23; Occupational Health & Safety
403-2	Hazard identification, risk assessment, and incident investigation	Pg. 23; Occupational Health & Safety
403-3	Occupational health services	Pg. 23; Occupational Health & Safety
403-5	Worker training on occupational health and safety	Pg. 23; Occupational Health & Safety
403-8	Workers covered by an occupational health and safety management system	Pg. 23; Occupational Health & Safety
403-9	Work-related injuries	Pg. 23; Occupational Health & Safety
403-10	Work-related ill health	Pg. 23; Occupational Health & Safety QTS had no fatalities as a result of work-related ill health.

Training & Education

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 25; Our Team Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 25; Our Team
103-3	Evaluation of the management approach	Pg. 25; Our Team
404-1	Average hours of training per year per employee	Pg. 25; Our Team Pg. 42; Data Index
404-2	Programs for upgrading employee skills and transition assistance programs	Pg. 25; Our Team

Diversity & Inclusion

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 25; Our Team Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 25; Our Team
103-3	Evaluation of the management approach	Pg. 25; Our Team
405-1	Diversity of governance bodies and employees	Pg. 42; Data Index

Security Practices

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 37; Risk & Resilience Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 37; Risk & Resilience
103-3	Evaluation of the management approach	Pg. 37; Risk & Resilience
410-1	Security personnel trained in human rights policies or procedures	Pg. 37; Risk & Resilience

Local Communities

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 33; Community Impact Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 33; Community Impact
103-3	Evaluation of the management approach	Pg. 33; Community Impact
413-1	Operations with local community engagement, impact assessments, and development programs	Pg. 33; Community Impact

Anti-Corruption

GRI Standard		Location
103-1	Explanation of the material topic and its Boundary	Pg. 8; Material Topics & Topic Boundaries
103-2	The management approach and its components	Pg. 35; QTS' Governance and Ethics Efforts can be found in Governance & Ethics or on our website http://investors.qtsdatacenters.com/governance-documents
103-3	Evaluation of the management approach	Pg. 35; QTS' Governance and Ethics Efforts can be found in Governance & Ethics or on our website http://investors.qtsdatacenters.com/governance-documents
205-1	Operations assessed for risks related to corruption	Through our ERM program, we have not assessed any risks as significant related to corruption. During 2020, the company received one report into the ethics hotline; however, after a thorough investigation it was found to be un-substantiated. These risk factors are reported annually as part of our SEC reporting. Please refer to our 10-K filing for 2020 https://investors.qtsdatacenters.com/sec-filings .
205-2	Communication and training about anti-corruption policies and procedures	All employees, including executives and all board members have received information on the company's anti-corruption policies. Mandatory training is required on this topic of all employees. All vendors must acknowledge QTS' anti-corruption policies. The Corporate Governance Guidelines and Code of Business Conduct, both of which cover anti-corruption, can be found on the company's website.
205-3	Confirmed incidents of corruption and actions taken	During the relevant period, there were zero confirmed incidents of corruption.



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