

# Green Bond Framework

Digital Realty

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## Overview of the Company

Digital Realty Trust, Inc. (the “Company”, and together with its subsidiaries, including its operating partnership Digital Realty Trust, L.P., “Digital Realty”) is a leading global real estate investment trust (REIT) that supports the data center, colocation and interconnection strategies of more than 2,300 firms across its secure, network-rich portfolio of approximately 203 data centers located throughout North America, Europe, Asia and Australia. Digital Realty's clients include domestic and international companies of all sizes, ranging from cloud and information technology services, communications and social networking to financial services, manufacturing, energy, gaming, life sciences, and consumer products.

Data centers are unique among real estate asset classes because of their energy intensity. Data centers operate 24/7, and their "occupants" are predominantly racks of IT equipment rather than people. They are designed from the ground-up to have stable and redundant power and cooling systems to ensure exceedingly high levels of up-time.

Digital Realty recognizes the importance of operating its data centers in an environmentally responsible manner that supports sustainability, effectively manages the use of natural resources, and minimizes its contribution to climate change.

Digital Realty is committed to proactively seeking and implementing solutions to manage and reduce the environmental footprint of its data center portfolio. In addition, the company believes that investments in renewable energy, green-certified construction, and energy-efficient building operations and other long-duration assets provide a good economic fit for its real estate portfolio, where it seeks to provide a durable, long-term value for its customers and investors. Digital Realty believes that asset ownership that adheres to strong governance, environmental, health, safety, and social practices can help to reduce risks and improve financial performance.

This Green Bond Framework (GBF) further aligns our financing and investment activities to help us continue supporting a low-carbon, climate-resilient future.

The GBF applies to green bonds issued by Digital Realty on or after May 2018 (“Green Bonds”). It sets out the guidelines for Digital Realty’s green bond issuances in accordance with the four core components of the International Capital Markets Association’s Green Bond Principles<sup>1</sup>: (i) use of proceeds; (ii) process for project evaluation and selection; (iii) management of proceeds; and (iv) reporting. Digital Realty’s GBF may be modified or amended from time to time at the company’s discretion.

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<sup>1</sup> International Capital Markets Association, “Green Bond Principles 2017”, published on June 2, 2017. <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdf>

## Environmental, Social, and Governance (ESG) Strategy

Digital Realty is committed to sustainably managing its environmental impact and optimizing our use of energy and natural resources. We recognize that it's our responsibility to create green, energy-efficient data centers that improve environmental performance.

Sustainability work is coordinated across the business to inform our strategy, engage stakeholders, and communicate our efforts. We are focused on delivering on the following objectives:

- Management and organizational commitment to comply with environmental regulations and industry standards
- Focus on best practices and certification to sustainable standards
- Continuous improvement in energy, resource conservation and greenhouse gas emission reductions
- Expanding customer access to clean energy
- Thought leadership and industry engagement on key sustainability issues
- Award-winning, innovative data center designs
- Public disclosure of sustainability goals and performance

### Sustainability Team

Our dedicated and experienced sustainability team provides regular updates to senior management on key performance metrics and oversees the global Sustainability Committee, comprised of representatives from across the company. The Sustainability Committee engages across business lines to set priorities, coordinate efforts and ensure Digital Realty is achieving its sustainability goals.

## Green Bond Framework

### Use of Proceeds

A Green Bond is a fixed income instrument, where the proceeds are allocated towards green assets. An amount equal to the net proceeds from a Green Bond issuance will be used to finance or re-finance, in part or in full, new and/or existing green assets that meet the Eligibility Criteria described in the "Eligible Green Projects" subsection below.

We commit to not knowingly allocate the proceeds of any Green Bond issue to directly support any of the following excluded activities:

- Gambling
- Tobacco

- Alcohol
- Weapons
- Adult entertainment
- Nuclear energy

“Eligible Green Projects” means projects as defined in the following categories:

### Green Buildings

Any of the following projects which have received, or are expected to receive, certification according to the standards of one or more of the following internationally-recognized, third-party verified “green building” certification standards at one of the specified certification levels:

- LEED: Silver, Gold or Platinum
- BREEAM: Very Good, Excellent or Outstanding
- BCA Green Mark: Gold, GoldPlus or Platinum
- Green Globes: 3 Globes or 4 Globes
- CEEDA: Silver or Gold
- CASBEE: B+, A or S
- DGNB: Silver, Gold, or Platinum

These projects that result in the certification of buildings may consist of one or more of the following:

- New or ongoing building developments and redevelopments
- New or ongoing renovations in existing buildings
- New or ongoing tenant improvements

### Energy and Resource Efficiency

New and ongoing capital projects and refurbishments at buildings which improve the energy, or water efficiency of a building, a building subsystem, or land by at least 15 percent as determined based on an engineering study and/or utility-reviewed audit or energy or water savings analysis. Water projects may also include projects to convert systems or sub-systems to enable the use of non-potable or reclaimed water (e.g., greywater) in lieu of potable water.

### Renewable Energy

Renewable energy and low carbon energy supply solutions, such as:

- On-site renewable energy and low carbon energy projects
- Renewable energy power purchase agreements
- Energy storage systems

Eligible Green Projects are expected to be located in countries where we operate or plan to operate. These countries include, but are not limited to: The U.S., Canada, The United Kingdom, Ireland, France, The Netherlands, Germany, Australia, Singapore, Hong Kong, and Japan.

## Process for Project Evaluation and Selection

Digital Realty has established the following process for selecting and evaluating projects.

- The Sustainability team will identify potential green projects. Projects will be evaluated and based on their conformance to the criteria set forth in the Eligible Green Projects section of the GBF. Once a project has been reviewed through this process, the recommendation will be made to applicable members of the senior management team.
- Senior management of Digital Realty, including the Chief Financial Officer, General Counsel, and others as applicable, are responsible for the ultimate review and selection of the projects that will qualify as Eligible Assets, to which the net proceeds of a Green Bond issuance will be allocated.

The eligible project review will occur on an annual basis or as required, inclusive of the allocation of proceeds to Eligible Green Projects, and review of annual reporting documents and disclosures.

## Management of Proceeds

Pending the allocation of the net proceeds of the notes to Eligible Green Projects, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

Digital Realty will track the use of the net proceeds and will monitor the allocation to eligible projects. An external auditor appointed by Digital Realty will verify the proceeds allocated to Eligible Green Projects and the remaining balance of unallocated proceeds on an annual basis until the net proceeds have been fully allocated (see “Reporting” below).

## Reporting

Digital Realty commits to transparent reporting, on an annual basis, until allocation has been fully completed, including the following elements, as applicable to the Category:

- Reporting on the list of the projects financed
- Reporting on the allocation of the proceeds, including the amounts disbursed at Category level
- Compliance of the selected projects with the eligibility criteria

- Reporting on the levels of certification attained, climate and environmental benefits recognized by the projects, at a category or project level.

Reporting will be available on Digital Realty's website at: <https://www.digitalrealty.com/data-center-solutions/sustainability/green-bond/>

## External Review

### Second Opinion

Sustainalytics has been engaged to assess the sustainability, transparency and governance of Digital Realty's Green Bond Framework and its alignment with the ICMA Green Bond Principles 2017. Sustainalytics is expected to provide a second opinion which will be available on Digital Realty's website at <https://www.digitalrealty.com/data-center-solutions/sustainability/green-bond/>

### External Verification

Auditors appointed by Digital Realty will verify, on an annual basis and until the proceeds of Green Bonds are fully allocated:

- Proceeds allocated to Eligible Green Projects and the remaining balance of unallocated proceeds
- Conformity of the Eligible Green Projects with the eligibility criteria defined in this document

A Statement on the Use of Proceeds under the Green Bond will be made available on Digital Realty's website at: <https://www.digitalrealty.com/data-center-solutions/sustainability/green-bond/>

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