ASSESSMENT
17 June 2026

Send Your Feedback

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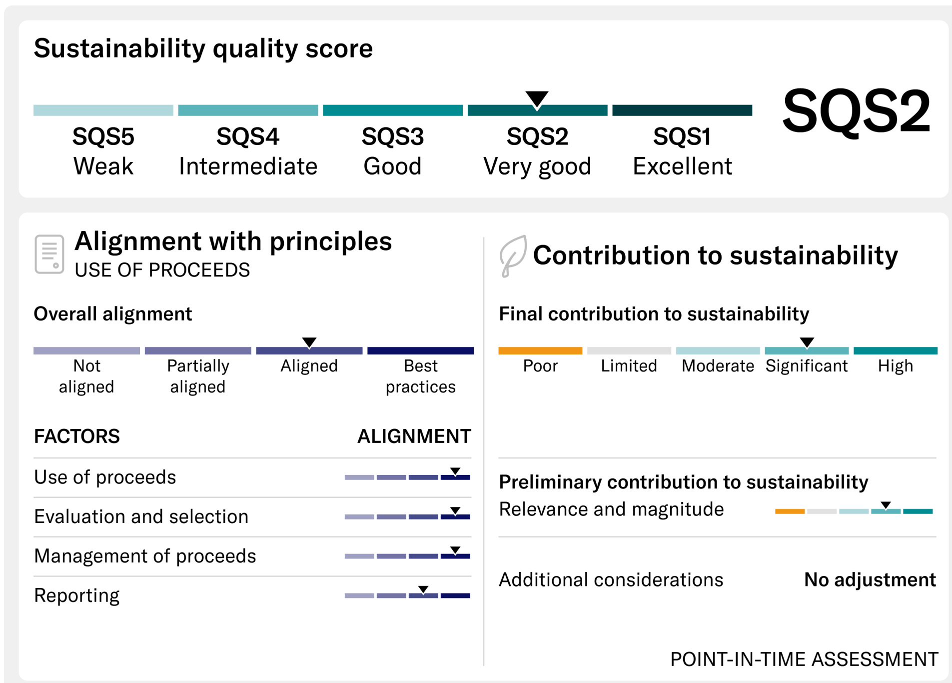
QualityTech, LP

Second Party Opinion – Green Finance Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 sustainability quality score (very good) to QualityTech, LP's (QTS) green finance framework dated June 2026. QTS has established its use-of-proceeds framework to finance three eligible green categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025 and the Loan Market Association, the Asia Pacific Loan Market Association and Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Green Loan Principles (GLP) 2025. The framework demonstrates a significant contribution to sustainability.



Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of QTS's green finance framework, including the framework's alignment with the ICMA's GBP 2025 and the LMA/APLMA/LSTA's GLP 2025. Under its use-of-proceeds framework, the company plans to issue standard green instruments as well as secured green collateral instruments, to finance projects across three eligible green categories, as outlined in Appendix 3 of this report.

Our assessment is based on the last updated version of the framework received on 9 June 2026, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in October 2025.

Issuer profile

Headquartered in Sterling, VA, QTS is a Blackstone portfolio company. QTS is an owner, developer and operator of large-scale data centers, primarily serving hyperscale, cloud, and enterprise customers. The company develops and operates multi-tenant and single-tenant data center campuses designed to support high-density computing workloads, including cloud and artificial intelligence applications. QTS's business model is centered on the long-term ownership and operation of critical digital infrastructure, with facilities typically located in major US metropolitan areas as well as in Europe. Its operations encompass the full lifecycle of data centers, including site selection, design, construction, and ongoing operations. As of March 2026, QTS owns over 90 data centers in operation or under construction primarily in the United States and Europe.

Strengths

- The implementation of waterless cooling technology is expected to effectively mitigate water-related risks in water-stressed locations
- Financing of highly relevant projects that will address the core environmental priorities for the company and sector
- Clear transparency and disclosure regarding the selection and evaluation of projects, as well as the management of proceeds, support the appropriate allocation of funds to eligible projects

Challenges

- Although portfolio related financings are based on a weighted average annualized PUE of 1.4 or below, the approach may potentially include facilities that exceed the PUE threshold on a stand-alone basis
- Virtual power purchase agreements (VPPAs) and unbundled certificates are not expected to improve the location-based environmental footprint of data center operations
- While the issuer may obtain independent verification of environmental metrics, it cannot confirm that such verification will be conducted for all transactions issued under the framework

Alignment with principles

QTS' green finance framework is aligned with the four core components of the ICMA's GBP 2025 and the LMA/APLMA/LSTA's GLP 2025. For a summary alignment with principles scorecard, please see Appendix 1.

- [x] Green Bond Principles (GBP)
- [x] Green Loan Principles (GLP)
- [ ] Social Bond Principles (SBP)
- [ ] Social Loan Principles (SLP)
- [ ] Sustainability-Linked Bond Principles (SLBP)
- [ ] Sustainability Linked Loan Principles (SLLP)

Use of proceeds

Not aligned	Partially aligned	Aligned	Best practices ▼

Clarity of the eligible categories – BEST PRACTICES
QTS has clearly defined and communicated the nature of expenditures and the eligibility criteria for the three green eligible categories. The eligibility criteria set out in the framework are clear for the majority of eligible projects. While the framework does not establish minimum thresholds for the sustainable water category, the company's corporate performance and disclosures regarding relevant corporate targets provide clear visibility into the types of activities the company intends to finance in the sustainable water management category.

Net proceeds from standard green instruments will be allocated, in whole or in part, to finance or refinance new or existing eligible projects in accordance with the framework's eligibility criteria. For secured green collateral instruments, the underlying collateral will consist of eligible projects from the company's existing portfolio. Projects that meet one or more of the defined project category eligibility criteria will be eligible for inclusion as collateral for such instruments. The issuer has indicated that it will implement measures to prevent double counting of underlying assets across multiple thematic transactions. Eligible projects will be located in the United States and Europe.

Clarity of the environmental or social objectives – BEST PRACTICES
The issuer has clearly outlined the environmental objectives associated with the eligible categories. All eligible categories are relevant to the respective objectives to which they aim to contribute. The objectives are coherent with recognized international standards, including the United Nations' (UN) Sustainable Development Goals (SDGs). See Appendix 2 for more details.

Clarity of expected benefits – BEST PRACTICES
The issuer has identified clear expected benefits for all eligible categories, and these are relevant based on the projects likely to be financed under each category. The benefits are measurable for all project categories, and the issuer will quantify them in transaction documentation and in its annual post-issuance reporting, where feasible. The issuer will disclose the share of refinancing to investors prior to issuance, and the maximum lookback period for refinancing is defined in the framework as within two years of the closing date.

Process for project evaluation and selection

Not aligned	Partially aligned	Aligned	Best practices ▼

Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES
The issuer has established a clear and structured decision-making process for the evaluation and selection of projects, which is disclosed in its framework. A cross-functional committee comprising representatives from sustainability, development, finance, and operations is responsible for determining the eligibility of expenditures in line with the eligible project category criteria defined in the framework. The committee will also assess associated environmental and social (E&S) risks and identify appropriate mitigation

measures, including, where relevant, engaging independent technical advisors for new construction projects and confirming compliance with the Equator Principles.

QTS' E&S mitigation process for eligible projects is disclosed in the framework. Ongoing monitoring of projects with the eligibility criteria will be conducted at least annually throughout the life of the instrument. The issuer has also established procedures to address non-compliance, including removal of the sustainability label in accordance with the financing's declassification provisions. Financing agreements will specify the extent to which proceeds may be reallocated or declassified if a project no longer meets the eligibility criteria.

Management of proceeds

Not aligned | Partially aligned | Aligned | Best practices

Allocation and tracking of proceeds – BEST PRACTICES
The issuer has defined a clear process for the management and allocation of proceeds under its framework. For standard green instruments, QTS will maintain a portfolio of eligible projects in an amount not less than the total net proceeds of outstanding instruments. Secured green collateral instruments are allocated to eligible projects on or around the transaction date, while proceeds from standard green instruments are expected to be allocated within two years of disbursement.

Unallocated proceeds will be held in accordance with the issuer's treasury liquidity management practices, including in cash, cash equivalents, or money market funds.

Reporting

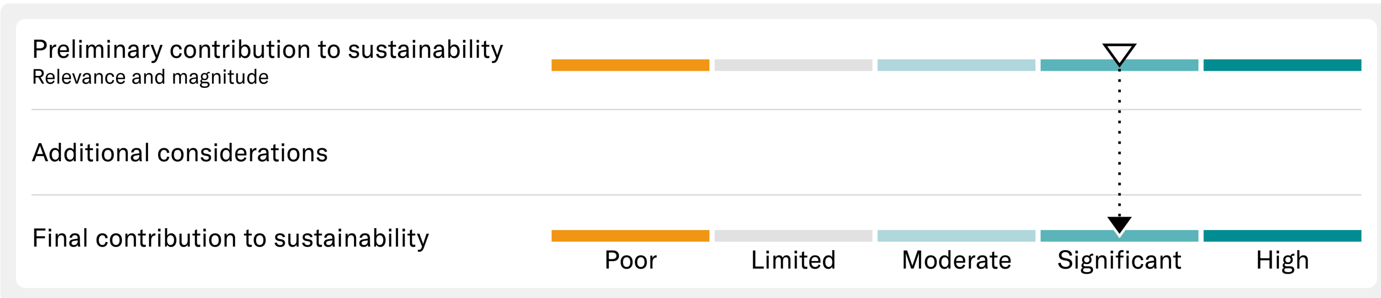
Not aligned | Partially aligned | Aligned | Best practices

Reporting transparency – ALIGNED
The issuer will provide annual allocation reporting to investors until full allocation for standard green instruments, or until maturity for instruments with revolving credit features, as well as in the event of material developments. Impact reporting will be provided through transaction documentation and post-issuance reporting, where feasible. For secured green collateral instruments, where proceeds are expected to be fully allocated on or around the transaction date, similar ongoing allocation reporting is not expected. Nevertheless, relevant financial information and underlying environmental metrics will be disclosed in transaction documentation. Reporting is expected to be comprehensive, including category-level disclosure of expenditures within the eligible projects portfolio, the approximate share of refinancing, and the associated environmental benefits. The indicative list of impact indicators shared by the issuer is clear, relevant and aligned with the expected environmental outcomes across all eligible categories.

Calculation methodologies and assumptions for reported impact metrics will be disclosed to investors, where relevant. For green finance instruments with transaction-level documentation that contractually restricts the use of proceeds to specified eligible projects (e.g., project finance green loans), no additional third-party review of allocation is expected. For instruments without such contractual restrictions (e.g., unsecured green bonds), the issuer commits to obtain external independent verification of the tracking and allocation of proceeds. While the framework does not include a formal commitment to external independent verification of reported environmental benefits, third-party verification of environmental indicators may be conducted on a transaction-specific basis.

Contribution to sustainability

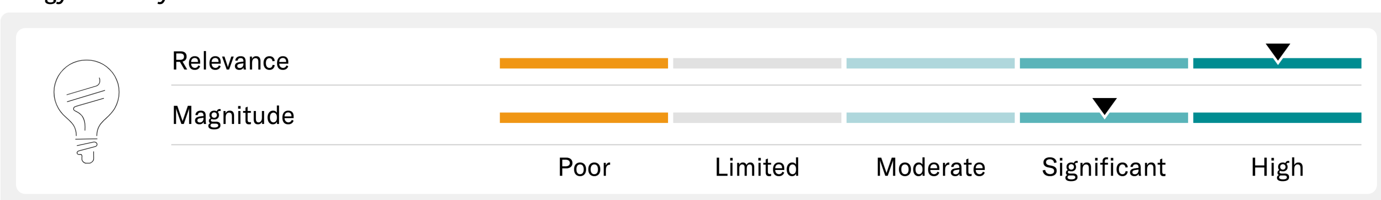
The framework demonstrates a significant overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the eligible project categories. Based on information provided by the issuer, we expect most of the proceeds from forthcoming issuances to be allocated to the energy efficiency category. We have therefore assigned a higher weight to this category in our assessment of the overall framework's contribution to sustainability. A detailed assessment by eligible category has been provided below.

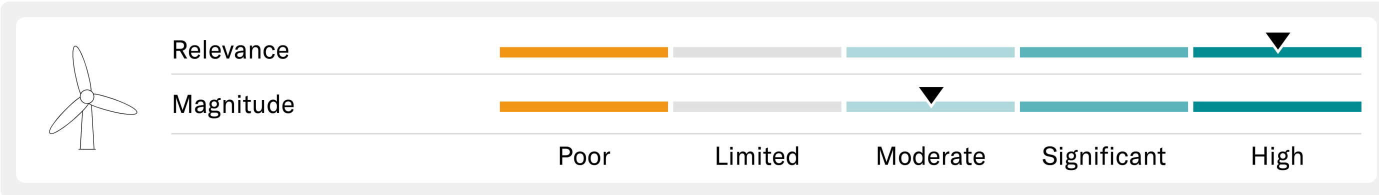
Energy efficiency



Expenditures under the energy efficiency category address climate change mitigation, which is highly relevant for the data center sector and the global context. Data center electricity demand is rising rapidly in both the United States and Europe, driven by cloud computing and artificial intelligence workloads. Globally, data centers consumed approximately 415 TWh of electricity in 2024, representing around 1.5% of global electricity demand, and this is projected to more than double to about 945 TWh by 2030, with the United States accounting for the largest share and Europe representing a material and growing portion.[2] In the US alone, data centers consumed around 176 TWh in 2023, or about 4.4% of total electricity use, more than double the level recorded in 2014.[3] In Europe, data centers are estimated to account for roughly 3% of total electricity consumption,[4] a share expected to increase further. In this context, improving energy efficiency is a critical lever to reduce grid stress and indirect greenhouse gas emissions associated with electricity consumption, while managing the environmental footprint of accelerating capacity growth in a highly energy-intensive sector.

Projects financed under this category are expected to significantly contribute to climate change mitigation. Eligibility criteria include a PUE threshold of 1.4 at full load, which is better than the current market average of 1.54.[5] The framework also allows financing of upgrades in less energy-efficient data centers with PUE above 1.4, provided they demonstrate at least a 2% annual efficiency improvement until the threshold is achieved, supporting incremental performance gains across the portfolio. New and existing assets with achieved or targeted green building certifications as established in the framework are also eligible, provided they meet the designed PUE threshold, ensuring a minimum level of energy efficiency for certified facilities. For portfolio-level financings, eligibility is assessed based on the weighted average annualized PUE of 1.4 or lower in a given portfolio. While this approach may allow the inclusion of individual facilities above the PUE threshold, the risk of portfolio-level dilution is minimized by the company's reported average operating PUE of 1.4 as of 2024, supporting expected energy performance across the portfolio. Finally, the company's commitment to ongoing efficiency improvement and the adoption of waterless cooling technologies across facilities further supports the assessment of overall environmental performance.

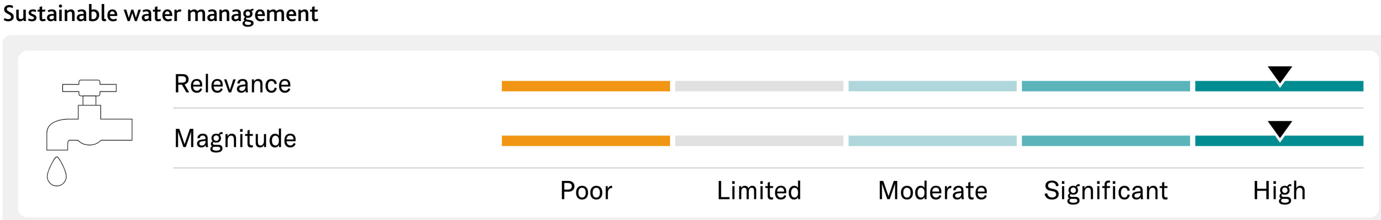
Renewable energy



Expenditures directed toward renewable energy address climate change mitigation, which is highly relevant for the sector development. As referenced in the energy efficiency category, data centers represent one of the fastest-growing sources of electricity demand globally, with consumption particularly concentrated in the United States and Europe. The sector has also emerged as a large driver of corporate renewable energy procurement, accounting for around 40% of all corporate power purchase agreements for renewables signed in 2025,[6] reflecting the need to decarbonize a rapidly expanding electricity footprint. In this context, allocating proceeds to renewable energy procurement supports the decarbonization of data center operations and it can contribute to the development of additional clean generation capacity on the grids where facilities operate, helping to mitigate indirect greenhouse gas emissions associated with electricity use.

Expenditures financed under this category are expected to moderately contribute to climate change mitigation objective. The category encompasses a broad range of procurement instruments, including capex and opex in direct investments in renewable generation, long-term power purchasing agreements (PPA) and VPPA, as well as the use of unbundled certificates, which may differ materially in their potential environmental impact. On-site facilities and physical PPAs are generally considered stronger mitigation strategies, as the procured energy can be directly attributed to the company's location-based emissions. In contrast, renewable energy acquired through VPPAs or unbundled certificates is typically weaker, given the indirect procurement of renewable energy through the open market to abate emissions from company-owned facilities. While the issuer reports that more than 80% of electricity consumption is currently covered by carbon-free sources, including customer usage, we do not have visibility on how future allocations will be distributed across the various procurement options, limiting our view on the expected impact of these expenditures. Additionally, the category includes renewable fuel alternatives for backup generation, which has the potential of reducing the environmental footprint of the company. However, limited information is provided on some sustainability characteristics, including feedstocks, certifications and greenhouse gas emissions thresholds, which constrains the assessment of the expected impact of these projects.

Sustainable water management



Expenditures into sustainable water management address the efficient use and conservation of water resources, which is highly relevant for the issuer and the local context where the issuer operates. Data centers are water-intensive assets, with water primarily used for cooling, and total consumption is increasing rapidly alongside AI-driven demand growth. In the United States, data centers directly consumed an estimated 17.4 billion gallons of water in 2023, with projections indicating a rise to between 38 and 73 billion gallons annually by 2028.[7] At the same time, an important share of existing and planned data center capacity is located in regions already experiencing medium to high water stress,[8] [9] heightening operational, regulatory and community-level risks. In this context, measures that reduce freshwater withdrawals and improve water efficiency are critical to mitigating physical climate risks and supporting the long-term sustainability of data center operations.

Projects financed under this category are expected to highly contribute to improved water resource management. The issuer reports strong baseline performance, with an average water usage effectiveness (WUE) of 0.82 across its operational portfolio. This is coupled with the deployment of water-free cooling technologies in new greenfield facilities, resulting in a WUE of zero once operational. Eligible expenditures are aligned with the issuer's strategy to reduce water consumption by 5% annually and include solutions such as rainwater harvesting and reclaimed water programs, which are expected to reduce reliance on freshwater sources. Although the framework does not define minimum quantitative thresholds for individual projects, the combination of low current WUE, the expansion of waterless cooling designs and the stated reduction targets supports a high expected impact on lowering water intensity and mitigating water-related risks across the portfolio.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

QTS demonstrates a structured approach to managing E&S risks through formal policies, governance mechanisms, and operational controls. Environmental and occupational health and safety risks are governed by the company's EHS policy, which emphasizes regulatory compliance, hazard prevention, and continuous performance improvement across employees, contractors, and vendors. E&S risks are further identified and mitigated through a cross-functional committee responsible for evaluating eligible projects, assessing associated risks, and determining appropriate mitigation measures, including the use of independent technical advisors and alignment with the Equator Principles. The issuer states that proactively manages environmental and social risks through consistent community engagement focused on clear communication and relationship-building. In instances where issues arise, QTS promptly investigates, remediates as needed, and communicates with impacted parties.

The framework is aligned with QTS' broader sustainability strategy, which integrates energy decarbonization, resource efficiency, and community impact into core operations. According to the company, it has achieved 100% carbon free electricity across its operations since 2022 and continues to enhance efficiency through standardized data center designs aimed at reducing energy consumption, minimizing waste, and eliminating water use. These operational measures are supported by long term utility partnerships, renewable energy procurement, and community focused investments. The strategy is underpinned by sustainability reporting aligned with GRI, SASB, and GRESB frameworks, together with ongoing monitoring of environmental performance metrics.

Appendix 1 - Alignment with principles scorecard for QTS' green finance framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	Best practices
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Best practices	Best practices
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	Best practices
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Aligned	Aligned
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	No		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	No		
				Overall alignment with principles score:	**Aligned**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The three eligible categories included in QTS' framework are likely to contribute to four of the United Nations' Sustainable Development Goals, namely:

UN SDG 17 Goals		SDG Targets
GOAL 6: Clean Water and Sanitation	*- Sustainable water management*	6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity
GOAL 7: Affordable and Clean Energy	*- Renewable energy*	7.2: Increase substantially the share of renewable energy in the global energy mix
	- Energy efficiency	7.3: Double the global rate of improvement in energy efficiency
GOAL 9: Industry, Innovation and Infrastructure	*- Energy efficiency* *- Sustainable water management*	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
GOAL 12: Responsible Consumption and Production	*- Sustainable water management*	12.2: Achieve the sustainable management and efficient use of natural resources

The United Nations' SDGs mapping in this SPO considers the eligible project categories and associated sustainability objectives/ benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in QTS' framework

Eligible Categories	Description	Sustainability Objectives	Indicative list of environmental metrics
Energy efficiency	Expenditures and investments related to one of following: - Financing and refinancing of existing data centers designed to achieve an annualized PUE of 1.4 or lower at 100% load. - Design, construction, operation, maintenance and financing or refinancing of new data centers that are designed to achieve an annualized PUE of 1.4 or lower at 100% load. - Upgrades, retrofits or improvements that result in a 2% per annum energy efficiency improvement in a site's power usage by a reduction in losses or improvement in electrical or mechanical plant efficiencies. - Architectural and MEP design elements (e.g. high efficiency cooling systems), energy efficient equipment, controls, and/or other infrastructure that optimizes facility energy use and efficiency. - Design, construction, certification, operation, and maintenance of data center buildings that have or are expected to have relevant green building certification or energy ratings set forth below: • LEED: Silver or Gold; or • BREEAM: Excellent or Outstanding; or • Green Globes: 3 or 4 Globes; or • ENERGY STAR: ENERGY STAR score of 75 or greater for building categories not eligible for ENERGY STAR certification.	Climate change mitigation	- Primary energy use in kWh/sf2 per annum - Observed annual PUE - Observed % energy utilization - Greenhouse gas emissions avoided (in tCO2e)
Renewable energy	Expenditures and investments related to one of the following: - Renewable or carbon-free energy or low-carbon energy procurement including the installation, maintenance, and operation of solar, wind and/or associated battery storage infrastructure - Off-site solar or wind through direct investment, long-term offtake, lease or service agreements (with terms no less than 5-years) including physical or virtual renewable energy power purchase agreements. - Use of renewable fuels (e.g. hydrotreated vegetable oil) in backup power generation systems (e.g. renewable diesel use in generators), including upgrading or upsizing equipment to accommodate a cleaner fuel option. - Purchase of unbundled Renewable Energy Certificates ("RECs") or other EACs (including carbon credits and offsets) associated with specific, identifiable projects or Green-e certified / compliant RECs, in each case with the expectation that such certificates will be retired and not resold or transferred to unaffiliated parties.	Climate change mitigation	- Greenhouse gas emissions avoided - Offsite renewable energy procurement - Onsite clean power generation
Sustainable water management	Expenditures and investments related to one of the following: - On site rainwater harvesting systems. - Reclaimed water systems and associated infrastructure and/or infrastructure to connect to new or existing municipal reclaimed water systems. - Water efficiency upgrades and advanced sub-metering. - Water efficient cooling systems. - Low-impact development and stormwater management infrastructure (such as retention basis, swales, permeable paving, vegetated roofs, and vegetated facades).	Sustainable water use	- Operational water usage effectiveness (WUE) - Potable water usage - Potable water offset or recycled/reclaimed water usage - Onsite stormwater infiltration - Number of community benefit amenity space provided - Area of habitat restored

Endnotes

1 Point-in-time assessment is applicable only on date of assignment or update.

2 International Energy Agency, Energy and AI, accessed May 2026

3 US Department of Energy, Data Center Energy Efficiency, accessed May 2026

4 Datacenters.com, Inside the EU's Crackdown on Data Center Emissions: What It Means Globally, July 2025

5 Uptime Intelligence, Uptime Institute Global Data Center Survey 2025, July 2025

6 International Energy Agency, Data centre electricity use surged in 2025, even with tightening bottlenecks driving a scramble for solutions, April 2026

7 MOST Policy Initiative, Data Center Water Use, April 2026

8 US Data Center Map, Data Center Water Stress: Which Markets Face the Most Pressure?, accessed May 2026

9 CNBC, Thirsty AI mega projects raise alarm in some of Europe's driest regions, October 2025

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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