CORPORATE SUSTAINABILITY REPORT 2018

Another year into our journey

CUSTOMERS

COLLEAGUES

COMMUNITIES

CoreSite

ONE DATA CENTER PROVIDER.
EVERYTHING YOU NEED.

CONTENTS

A MESSAGE FROM OUR CEO

PAUL E. SZUREK
President, CEO and Director

CUSTOMERS. COLLEAGUES. COMMUNITIES.

These three words describe how our business strategy intertwines with our sustainability practices. Since 2001, CoreSite has been committed to best-in-class customer experience and value, an engaging, attractive and diverse employment environment, and practices that help our customer communities thrive sustainably. Today, more than 1,350 customers rely on us to efficiently power, protect, and interconnect the servers that drive their performance-sensitive data applications and computing workloads and deliver their data products to customers.

In 2018, we began to more systematically track and report key sustainability markers. To guide this effort, we identified the issues that matter most to us and our stakeholders. Here, in our second Corporate Sustainability Report, we summarize our ongoing journey of being a responsible steward of our business for all our stakeholders.

For CoreSite, corporate sustainability includes building and maintaining these cornerstones:

1. **Energy efficient data centers** with high uptime and high-performance connectivity to enable customers to significantly reduce their overall data center footprint and dramatically lower their costs and energy consumption;

2. **A culture of responsibility, transparency, innovation and operational excellence** in which all CoreSite colleagues can experience success and career growth; and

3. **Communities of customers that work seamlessly with each other** to be more effective, efficient, and successful in creating value for their customers in a sustainable manner.

With these thoughts in mind, we strive continuously to be a reliable partner, people centered, and efficiency focused.

Reliable Partner

We operate in a rapidly expanding industry. In the almost 20 years since the company was founded, connected devices worldwide have increased dramatically, to now over 23 billion. Rapid innovation in the technology sector is making this digital revolution possible, yet consumer expectations adapt just as quickly, if not faster. The norm and expectation today is on-demand, real-time delivery of content. Increased latency, lost power, or a decrease in performance translates into lost business opportunities for our customers and inconvenience or poor service for their customers. They count on us to provide industry-leading reliability and security 24 hours a day, 365 days a year at the network edge in almost all of the most populous cities in the U.S. We offer the flexibility of space size and density to accommodate a broad community of interacting customers. Accountability, integrity, flexibility, and creativity drive our ability

to deliver a world class customer experience. In addition, the direct connections to the cloud in all eight of our markets that we provide our customers enable the most secure and cost-effective solution for high volume interactions among our customers. Our offering enables customers to work intensively with cloud providers utilizing significantly fewer servers resulting in lowering power utilization.

People Centered

When working with us, our customers experience highly capable, customer-focused colleagues and an outstanding culture in which operational excellence prevails. One of our Guiding Principles is fair and equal treatment of all employees. CoreSite is proud to promote a culture of mutual respect and decency, where the rules of behavior apply equally to everyone at all levels of the organization. We are particularly invested in providing opportunities for growth (manifested by our strong track record of promoting from within), ensuring equality of opportunities and compensation, and providing a safe and harassment-free workplace, where employees can openly share their ideas and perspectives, and feel part of a customer-centered team. We measure success through indicators such as our strong employee tenure, engagement, and feedback and recognition as a "Top Place to Work."

We value diversity at CoreSite, including the women, minority and veteran representation we've achieved on our team. We also celebrate two outstanding women leaders and the diversity of thought, experience and background they provide our Board of Directors. They were recognized by "2020 Women on Boards" for helping CoreSite achieve 20% representation by female directors.

Efficiency Focused

Data centers are an inherently energy-intensive business, and continuously improving power efficiency is necessary to offset the growth in demand. We are committed to deploying efficient practices for power and cooling throughout our portfolio. For us, this starts with building efficiency into our new construction projects, constantly evaluating more energy efficient equipment options and designs, and carefully monitoring and improving the energy efficiency of our data centers. We utilize techniques and practices that minimize energy demands without compromising reliability. We also seek the least carbon-intensive generation sources consistent with our customers' economic goals and the options permitted in our markets. In addition, we completed a successful chiller replacement project and received recognition for our energy savings by the Los Angeles Department of Water and Power, including a nearly $3 million award.

The introspection and review of our progress required to develop this report confirms to me that we are pursuing business success in a responsible and sustainable manner here at CoreSite. A formal Corporate Sustainability program is a continuous quest. I look forward to the road ahead, as we persist in focusing holistically on a broad range of success measures that take into account all our stakeholders.

Sincerely,

Paul E. Szurek

ABOUT CORESITE

CoreSite delivers secure, reliable, high-performance data center and interconnection solutions to a growing customer ecosystem in eight major communications markets across the United States. More than 1,350 of the world's leading enterprises, network operators, cloud providers, and supporting service providers choose CoreSite to connect, protect and optimize their performance-sensitive data, applications and computing workloads. Our scalable, flexible solutions and 450+ dedicated employees consistently deliver quality data center experiences and create best-in-class lasting relationships.

Our Data Center Focus

CoreSite operates in a highly dynamic environment, serving edge markets with an ever-increasing need for performance. This spurs our innovation and drive to deliver optimal solutions. Our services are designed to meet the demands of our customers and their end users such as always-on availability, rapid go-to-market, and secure, high-performance interoperability among companies. Our customers build their digital infrastructure to meet today's needs, while accommodating tomorrow's demands. We help enterprises minimize resource use in their IT journey, addressing their hybrid cloud solutions and providing the opportunity to engage with CoreSite's Solution Partners to design and plan efficiently.

> Our customers build their digital infrastructure to meet today's needs while anticipating tomorrow's demands.

22 OPERATIONAL DATA CENTERS

8 MAJOR U.S. METROPOLITAN MARKETS

27,000+ INTERCONNECTIONS

4.6M GROSS SQUARE FEET

ABILITY TO COVER **>75%** OF U.S. BUSINESSES WITHIN **5 ms**

SILICON VALLEY
SV1 SV2 SV3
SV4 SV5 SV6
SV7 SV8

CHICAGO
CH1 CH2

BOSTON
BO1

DENVER
HQ DE1 DE2

NEW YORK
NY1 NY2

LOS ANGELES
LA1 LA2 LA3
LA4

N VIRGINIA/DC
VA1 VA2 VA3
DC1 DC2

MIAMI
MI1

1,350+ customers

525+ enterprise and digital content providers

450+ network service providers

325+ cloud and IT service providers

100% UPTIME SERVICE LEVEL AGREEMENT

CoreSite Any2 Exchange®
The largest internet exchange on the West Coast

CoreSite Open Cloud Exchange®
Direct, secure, virtual connections enabling more control, reliability, and security for data

Cloud direct connections
Available in all 8 markets

Solutions, Locations & Capabilities

We offer cloud-enabled, network-rich data center campuses with over 27,000 interconnections across our portfolio. Our campuses are connected by high count dark fiber, enabling scalable growth within our U.S. markets and beyond. CoreSite can provide access to 75% of U.S. businesses within 5 milliseconds. Our campus communities provide the optionality to connect to over 775 network, Internet, cloud and IT service providers, which empowers businesses to operate a streamlined, holistic IT environment as well as connectivity to 525+ enterprises and digital content providers delivering a rich eco-system. By enabling customers to interoperate securely and reliably, we promote and enable their use of shared infrastructure, which reduces their collective data center footprint.
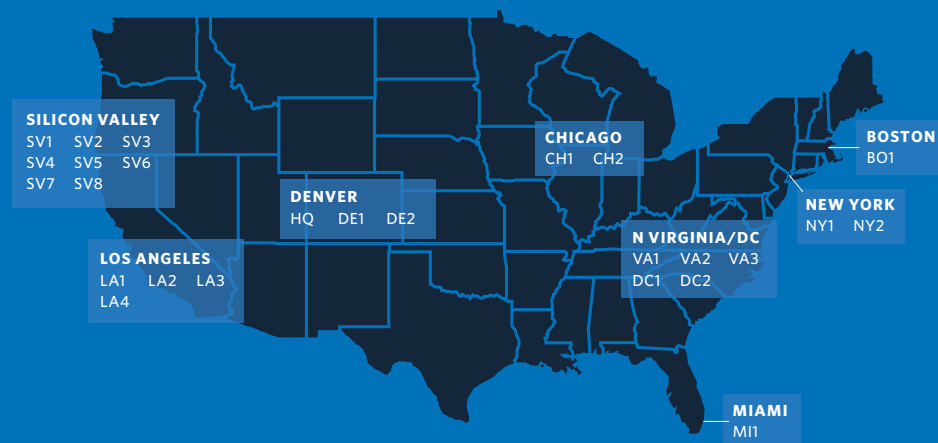
For more information about our services visit our website.

CoreSite's Values and Mission

Our mission is to enable businesses to connect, protect, and maintain optimal performance and continued operation of mission critical data and connectivity infrastructure. Our vision is to be the preferred data center company for customers in our markets.

We focus our investments in our data centers, people, training and processes to drive exceptional customer service and operational resilience for secure, high-performance solutions.

To do this, we carefully manage the aspects of our business that are most relevant to our stakeholders and to our ability to create long-term value. We recognize our role in the success of our customers, investors, and vendors, and our impacts on the communities in which we operate.

We are committed to taking all of our stakeholders' needs and perspectives into account. By consistently employing our Guiding Principles, or core values, we position ourselves to achieve our strategic objectives and aspirations.

CoreSite's Guiding Principles

HAVE FUN!

HARD WORK

ACCOUNTABILITY & INTEGRITY

COMMITMENT TO EACH OTHER

COMMITMENT TO THE CUSTOMER

INNOVATION FOR IMPROVEMENT

PROFESSIONALISM & TEAMWORK

FAIR & EQUAL TREATMENT

Board Recognition

"CoreSite was recognized by *2020 Women on Boards* for having 20% of our Board members represented by women, including Jean Bua and Kelly Chambliss. Jean and Kelly are important members of our Board, and we thank them for their unique, valuable, and well-informed perspectives, expertise and experience that they bring to the CoreSite Board of Directors."

—Paul Szurek, President and Chief Executive Officer

JEAN A. BUA
Executive Vice President and Chief Financial Officer, NETSCOUT

Chair, Audit Committee

Member, Nominating and Governance Committee

KELLY C. CHAMBLISS
General Manager and Managing Partner, IBM Global Business Services in North America

Member, Nominating and Corporate Governance Committee

Member, Compensations Committees

Excerpt from the *2020 Women on Boards* Award Letter

CONGRATULATIONS! *2020 Women on Boards* is pleased to honor CORESITE REALTY as a Winning "W" Company for having at least 20% women on your board of directors…

…*Last year in 2018, only 17.7% of board seats were held by women, up from 16.0% in 2017. Still, nearly one-fourth of public companies in the U.S. have NO women directors on their boards. You are a positive example to all corporations who aspire to follow your lead.*

Our Leadership & Governance

LEADERSHIP

Our Board of Directors and senior leadership oversee and guide our organization from a governance, operational and financial perspective. Our Board consists of eight directors, all of which are independent under applicable New York Stock Exchange rules, with the exception of Paul Szurek, our President and Chief Executive Officer. Our directors are serving a one-year term until our 2020 Annual Meeting of Stockholders. For further details regarding our Board's Qualifications and Expertise, see page 11 of our 2019 Proxy Statement. See further details of the Company's 2018 Performance and Highlights starting on page 29 of our 2019 Proxy Statement.

GOVERNANCE

Strong, ethical governance is an essential component of the value proposition we offer to our stakeholders. Our leadership sets the tone for the entire organization, which is then reflected in our day-to-day work.

This culture starts at the top with our Board of Directors. Our Corporate Governance Guidelines detail our Board roles and expectations. These include:

- Board size and responsibilities

- Separation of the Chairman and Chief Executive Officer roles

- Board independence and selection of a Lead Independent Director

- Qualifications for directors and the director selection process

- Compensation and stock ownership

- Careful restrictions on conflicts of interest

- Board meeting and attendance policies

- Director orientation and continuing education

- Board committees

- Director access to management and independent advisors

- Management evaluation and succession planning

- Annual performance evaluation of the Board

- Board interaction with institutional investors, the press, customers, and others, when requested

Our Board of Directors has three standing committees:

- Audit Committee

- Compensation Committee*

- Nominating/Corporate Governance Committee

CoreSite's governance is also guided by key policies, such as our Corporate Governance Guidelines, Insider Trading Policy, a Whistleblower Policy, and a Fair Disclosure Policy.

We are committed to the highest ethical standards. Our Code of Business Conduct and Ethics sets forth legal and ethical standards of conduct for directors, officers, and employees of the company, including our Chief Executive Officer and senior executive leadership. This Code, on which employees receive annual training, is designed to deter wrongdoing and promote business conduct that aligns with high standards of integrity and compliance with all applicable laws and regulations. Our Core Values work in conjunction with the principles outlined in the Code, and ultimately foster a corporate culture with a strong commitment to diligent work and high ethical standards.

*For our Highlights of our Compensation Practices, see page 29 of our 2019 Proxy Statement.

We are committed to the highest ethical standards.

SUSTAINABILITY
AT CORESITE

Our Approach to Sustainability

We are committed to creating sustainable value by supporting our customers, colleagues, and communities. Our approach is pragmatic, market-based and responsive.

Our sustainability approach is built on the following three pillars:

- **Customers:** Being a reliable partner by managing risk, providing resiliency, operating efficiently, and providing a strong overall customer experience
- **Colleagues:** Following our commitment to ethics, investing in our employees through training, and promoting from within
- **Communities:** Creating strong data center ecosystems to provide our community of customers' collaborative optionality in their IT journeys while engaging with our local communities

We measure our performance through a variety of factors. The metrics we consider most central to our success are data center reliability, or uptime, and PUE (Power Utilization Effectiveness, a measure of the efficiency of power utilization).

We recognize that energy consumption is one of the most significant impacts of our industry and one of

CUSTOMERS   COLLEAGUES   COMMUNITIES

Sustainable Support

RELIABLE PARTNER	**PEOPLE CENTERED**	**EFFICIENCY FOCUSED**
SOUND BUSINESS PRACTICES SAFETY AND OPERATIONAL EXCELLENCE CUSTOMER SERVICE	RECRUIT THE BEST INVEST IN THEIR SUCCESS GIVE BACK TO OUR COMMUNITIES	PURPOSEFUL DESIGN AND CONSTRUCTION MONITOR EFFICIENCY CONTINUOUS IMPROVEMENT

the primary cost drivers for our customers. Merely transferring workloads to our efficient campuses improves their energy efficiency. We incorporate state-of-the-art design and technology in our data centers to maximize energy efficiency in ways that are economically and operationally advantageous. Once a site is operational, we continually monitor energy efficiency, implement management practices and evaluate equipment options in order to minimize energy use. Where available, and customer demand warrants, we seek the least carbon-intensive energy generation sources consistent with both our customers' economic goals and the options permitted and available in the market.

These pillars guide us to where we need to invest our time and energy to deliver on the promises we make to our customers.

Stakeholders

We operate daily with our all of our stakeholders in mind, especially our Customers, Colleagues and Communities. Other important stakeholder groups include our investors, vendors, solution partners, and local governments and communities.

To satisfy our customers' needs, support our colleagues' professional development, and engage with

the communities in which we work, we facilitate and encourage a constant stream of dialogue.

- **Customer Feedback:** We regularly seek customer feedback on our services through surveys and quarterly business reviews.

- **Employee Feedback:** We gather feedback from our employees through regular meetings, feedback surveys, and engagement surveys and foster a culture where feedback is valued and addressed.

- **Vendors and Solution Partners Interaction:** We have an ongoing dialogue with our vendors and solution partners on how to best meet our customers' needs, with quality solutions that are efficient, effective, and responsive.

- **Investor Interaction and Feedback:** We meet regularly with our investors and analysts, participate in conferences and engage in quarterly conference calls to deliver our financial and operational results, with a significant amount of Q&A.

- **Local Community Involvement:** We pursue opportunities to engage with our local markets and communities, including participating in local charitable events and regular interactions with local governments.

We understand that our stakeholders influence our financial, social, and environmental performance and we're dedicated to maintaining open lines of communication to be informed of all concerns.

We operate daily with our stakeholders' best interests in mind.

Our Stakeholders

COLLEAGUES

VENDORS

COMMUNITIES

PARTNERS

INVESTORS

CUSTOMERS

Financial Performance

We believe that financial stability and disclosures of our performance instill trust and confidence with our customers. Selected financial data from the year 2018 can be found beginning on page 41 in our Annual Report.

Material Topics

We identified the topics that form the basis of our ability to create long-term value, hold the greatest interest for our stakeholders, and represent our highest-potential areas for impact in a formal materiality assessment in 2017. Those topics continue to reflect our key business objectives and sustainability goals and guided our sustainability efforts in 2018. In addition, we report on our Communities initiatives, including the work we do to foster prosperous customer ecosystems and our engagement with our local communities.

	Customers	Colleagues	Communities
ENVIRONMENTAL (E)	• Efficient building infrastructure and construction • Energy and greenhouse gas emissions • Water use		

SOCIAL (S)	• Customer experience	• Employees
		  – Recruitment and retention
		  – Development and training
		  – Diversity and equal opportunity
		  – Workplace safety
			• Local markets and communities – giving back

GOVERNANCE (G)	• Risk, operational resilience, and business continuity
	  – Risk assessment
	  – Business continuity and planning
	  – Operational resilience
	  – Physical and IT security
	• Financial performance
		• Business ethics	• Building customer communities – our ecosystem

CoreSite

Earnings Release and Supplemental Information

Quarter Ended **December 31, 2018**

CUSTOMERS

Reliability is the backbone of all we do. Our risk management processes and business continuity plans are designed to ensure that CoreSite is performing effectively now and in the future.

Our customers depend on us to safeguard their IT equipment and to protect against incidents that could impair their operations from power outages, weather catastrophes, and physical security breaches. We are committed to the highest standards of business ethics.

Customer Experience

Operational excellence and delivering network dense, edge-market data centers, with rich ecosystems that support scalability and growth, are all key to the value that we offer our customers. We believe that the key attribute that differentiates us, however, is our customer service.

Our purpose-built solutions adapt to any business need and are highly scalable. Our teams consider all aspects of our customers' planning, implementation, and operating requirements in order to provide the best experience possible. We provide dedicated resources to facilitate customer onboarding, and our highly skilled operations and facilities personnel provide extensive operational support.

We focus on being proactive, responsive, and trustworthy.

Our customer service priorities are:

- **Ensuring strong business practices, including our focus on reliability and "uptime" performance, a critical measure of data centers**

  In 2018, we achieved 99.99999%, or "Seven 9s" of reliability across our platform of data center facilities, exceeding the "Six 9s" we attained in 2017, resulting in high satisfaction from our customers for our reliability.

- **Supporting our customers' move-in experience**

  In 2018, our internal tracking system scored on-time move-in delivery of 95%, reflecting our focus on this critical area. Our customers rated us on their move-in experience on a scale of a 1 to 5 (lowest to highest) at 4.5+ for 2018 and 4.7+ for 2017.

- **Serving customers well as they grow in our data center**

  In 2018, three key transactional surveys were rated by customers on a scale of a 1 to 5 including: Data Center Visits, Support Requests/Trouble Tickets, and Work Orders. Our annual results for each of the three surveys scored greater than a 4.0 rating, ranging from 4.4 to 4.6 in 2018, and 4.1 to 4.7 in 2017.

In 2018, our customers rated us

★★★★⯪

on their move-in experience.

MANAGEMENT OF CUSTOMER EXPERIENCE

The Vice Presidents of Client Services, Marketing, and Data Center Operations oversee the management of CoreSite's Customer Experience. Their teams collaborate with the Sales and Sales Engineering departments to provide best-in-class customer service. We conduct customer surveys and hold customer advisory meetings to discuss strategy and areas for improvement.

Risk Management

At the core of our risk management process is a commitment to identifying risks before they occur. Our comprehensive Enterprise Risk Management system involves an annual risk assessment exercise by a cross section of our colleagues, a Risk Intelligence Steering Committee, and oversight by the Senior Leadership Team and the Audit Committee. Additional risk assessment processes cover various topics, including:

• Internal controls and compliance

• Sarbanes-Oxley

• IT Information Security

• Certifications and attestations including: ISO 27001, SOC1 Type 2, SOC2 Type 2, PCI DSS, and HIPPA, and beginning in 2019, NIST 800-53

• Regular management reviews

• Teamwork and collaboration between departments

• Internal audits of data centers and business operations

• Tracking of operational key performance indicators

Our annual Enterprise Risk Management process is managed by the Vice President of Internal Audit, Risk, and Compliance with support from the Risk Intelligence Steering Committee. This monitoring has provided us with a good baseline from which to assess risks and a deeper understanding of our risk landscape. The Vice President reports to the Audit committee on a regular basis. We also track risk through Responsible, Accountable, Consulted, Informed) charts and risk and performance metrics, and are working to further increase efficiency through automation and predictive analytics.

MANAGEMENT OF RISK ASSESSMENT

At the core of our risk management process is a commitment to identifying risks before they occur.

Business Continuity Planning

We provide a 100% uptime Service Level Agreement. We recognize the importance of being prepared for the unforeseen, including both man-made and natural disasters. We have a comprehensive Business Continuity Plan (BCP) covering our corporate operations and unique Disaster Recovery Plans (DRPs) for each of our data centers, with guidance for employees and customers specific to each location. Our Information Technology systems are designed so that individual data centers can continue to operate independently, regardless of an interruption of services at our CoreSite headquarters or other individual locations.

At CoreSite, we are committed to operational excellence in everything that we do. Our employees in the field treat each task with exceptional focus and ownership. They follow specific procedures with careful oversight to ensure tasks are performed safely and correctly.

The BCP and DRPs are overseen by the Crisis Management Team (CMT), which is responsible for the operation of the plans, including notification of employees and external parties. Functional team leads monitor business units and assist the CMT. CoreSite updates and tests these plans on at least an annual basis. The BCP is part of our ISO 27001 certification, which requires annual validation of our BCP and DRP processes.

MANAGEMENT OF BUSINESS CONTINUITY

CoreSite's guarantee:

100%

SLA UPTIME AVAILABILITY

Operational Resilience

We invest in appropriate data center technologies and systems, and recruit and train a highly professional workforce. Operational resilience ultimately translates into data center reliability, or uptime, a crucial performance indicator that directly affects our customers' bottom line. Our clear procedures and rigorous training approach are the foundation of our operational excellence.

OPERATIONAL EXCELLENCE AND CONTINUOUS IMPROVEMENT

New CoreSite facilities are purpose-built with the features and capacity required of our customers. We meticulously maintain and upgrade our existing buildings to enable them to run at their peak efficiency. We continuously track performance information and maintenance data, which we leverage to improve resource utilization and overall operating efficiency across each data center. Our team members are empowered to maintain, update, and upgrade schedules and proactively identify potential areas of concern to keep operations running smoothly and at peak performance.

In 2018, we expanded and refined our Deficiency Log Work Order (DLWO) process, which prioritizes important issues to support and maintain our uptime performance.

The Data Center Operations department is responsible for managing operational resilience. They continually review and add to our DLWO process. They also conduct quarterly physical maintenance and safety exercises and monthly "table top" exercises. Our maintenance Standard Operating Procedures are reviewed annually, and we have developed a risk matrix that guides our regular drill programs. All incidents are analyzed to ensure continuous improvement of our management approach.

MANAGEMENT OF OPERATIONAL RESILIENCE

Our team members are empowered to maintain, update, and upgrade schedules and proactively identify potential areas of concern to keep operations running smoothly and at peak performance.

2018 Performance

One of the main reasons customers choose CoreSite is for our uptime track record. As noted above, in 2018 we achieved "Seven 9s" or 99.99999% of reliability across our platform of data center facilities, and "Six 9s" in 2017, exceeding the industry standard of "Five 9s", resulting in high satisfaction from our customers for our reliability and ease of doing business.

2017 CUSTOMER UPTIME AVAILABILITY

99.9999%

2018 CUSTOMER UPTIME AVAILABILITY

99.99999%

2018 Facility Upgrades

We continuously monitor our facilities to ensure our data centers operate at optimal efficiency and resilience. Examples of facility upgrades we undertook in 2018 include:

NEW YORK

VIRGINIA

MIAMI

Piping Project

Completed piping project at NY1, which eliminated risk of pipe failure due to corrosion and other elements.

Chiller Plant Controls

In addition to the increased controller redundancy in 2017, the VA1 Phase III chiller plant controls were enhanced in 2018, eliminating all single points of failure, controlling deficiencies, and mitigating risk related to chiller restart time upon transfer to emergency power.

Miami Data Center Upgrades

Our teams installed new generators, paralleling switch gear, fuel system, pumps, and fuel polisher at this site, greatly improving the resilience of this high-performance data center.

Dedicated professionals
are on site

24
HOURS A DAY

7
DAYS A WEEK

365
DAYS A YEAR

to maintain quality
performance and security.

Security is an absolute
necessity for us, our
colleagues and our clients.

Physical and Information Security

Security is an absolute necessity for us, our colleagues and our customers. While we do not have access to the data on our customers' servers, systems, or networks, we focus on physically securing their data, equipment, and interconnections at each data center. To protect our own internal systems, we use a layered approach, which utilizes both critical security controls and National Institute of Standards and Technology ("NIST") best practices.

PHYSICAL SECURITY
Each data center is equipped with access trap entries, IP-DVR cameras, biometrics, and keycard scanners. While most colocation providers outsource their security personnel, we directly employ our personnel who receive rigorous training to pass certification. These dedicated professionals are on site 24/7/365 to maintain quality performance and security. Our operations team makes significant efforts to

ensure that our infrastructure is resilient and able to withstand various contingencies, such as severe weather events.

SYSTEMS PROTECTION
Ensuring that our internal infrastructure is secure helps to protect us from undue exposure and potential operational interruption. We use Center for Internet Security critical security controls as a framework and follow NIST best practices to identify risks and implement controls. This includes external and internal scanning, network and system segregation, and 24/7 monitoring for threats that require escalation to our Data Center Operations team. Attempted intrusions, malware, or other security issues are dealt with quickly through our InfoSec program or Crisis Management Team. We conduct annual computer security incident tabletop exercises to test, validate, and update our incident procedures, and engage with auditors and third-party risk assessors to validate and improve controls.

Click here for more information on our data center certifications.

DATA CENTER CERTIFICATIONS AND ATTESTATIONS

In 2018, CoreSite successfully achieved the annual certifications and attestations maintained at our operating multi-tenant data centers. CoreSite's certifications and attestations include industry best practices, such as ISO 27001, SOC1 Type 2, SOC2 Type 2, PCI DSS, and HIPPA.

A Privacy and Information Security course is part of our onboarding training and is retaken annually by every employee.

Our operations team ensures that our infrastructure is resilient and able to withstand various contingencies, such as severe weather events.

Physical Security is managed by the Senior Vice President of Data Center Operations. Information Security is overseen by our Vice President of Information Technology and Digitization, reporting directly to our Chief Executive Officer. Information Security is managed by the Director of Information Security and IT Operations, the Vice President of Internal Audit, Risk and Compliance, and the Crisis Management Team. CoreSite's Senior Leadership Team participates in a quarterly Information Security Steering Committee meeting. Information Technology leadership annually updates the Board of Directors' Audit Committee on the current risk assessment, controls, information security priorities, and future landscape.

MANAGEMENT OF PHYSICAL AND INFORMATION SECURITY

We continuously monitor and evaluate upgrades to our facilities to maximize their efficiency.

Efficiency Focused

Total resource efficiency is a key focus in CoreSite's high-performance data centers. Improving the total cost of ownership for our customers is an important competitive differentiator for us. Our focus on energy-efficient design and construction, efficiency projects, and the use of renewable and alternative energy make CoreSite more competitive, while reducing environmental impact for all of our communities.

EFFICIENT BUILDING DESIGN AND CONSTRUCTION

Our state-of-the-art, energy-efficient data centers, include aspects of certified Leadership in Energy and Environmental Design (LEED) standards.

We continuously monitor and evaluate upgrades to our facilities to maximize their efficiency. In 2018, we adopted a new design for our backup power supplies. Utilizing a more efficient UPS system eliminates extra equipment, decreases system losses, and reduces the quantity of batteries required to support the system. Additionally, when allowed by local codes, we are moving away from lead-acid batteries to lithium ion batteries, which are more efficient and safer for the environment.

Our Engineering and Construction departments are responsible for managing this important topic and regularly seek economically feasible and resource-efficient designs that increase our overall competitiveness. The success of these initiatives is evaluated through the tracking of total resource usage and achieved PUE of our facilities.

MANAGEMENT OF EFFICIENT BUILDING DESIGN AND CONSTRUCTION

In 2018, our energy savings improved our Power Utilization Effectiveness by **7%**

ENERGY EFFICIENCY

Our energy consumption is primarily driven by the power demand of our customers' IT equipment and the cooling systems we control. We incorporate best practices for our overall data center power design, which includes building automation systems, air-side economization, water-side economizers, and hot/cold aisle containment. We continuously maintain and upgrade our facilities as needed. Overall, we improved our PUE by about 7% in 2018 on a same-store basis as compared to 2017 PUE, with the corresponding energy savings.

For more information on energy-efficient power and cooling at CoreSite, please visit our website.

Energy-Efficiency Upgrades in 2018:

- Updated and optimized the air handler and chiller plant at our SV3 site: 7,400 MWh savings. Changes to the Building Automation Systems include: optimized chiller staging, dynamic chilled water pressure and temperature controls

- Optimized tile perforation in five computer rooms at our LA2 site. The new tiles reduce fan speeds by up to 47% in certain computer rooms. In addition, the air handling controls were reconfigured to adjust based on underfloor pressure: 4,900 MWh projected annual reductions

- Optimizing HVAC systems at our NY1 site, which resulted in lowered compressor pressures and fan speeds: 8% reduction in PUE at NY1

RENEWABLE AND ALTERNATIVE ENERGY
CoreSite Projects for Renewable and Alternative Energy

- **NY2 Data Center**
  CoreSite understands the need to actively explore the sourcing of renewable energy for our facilities, where permitted by state or local rules. Our NY2 data center utilizes 100% renewable energy as a result of our procurement of 100% wind-sourced Renewable Energy Credits (RECs), which cover all of the site's usage, approximately 37,000 MWh in 2018.

MWH POWERED BY
100% WIND
MWh

	18,942	37,056
	2017	2018
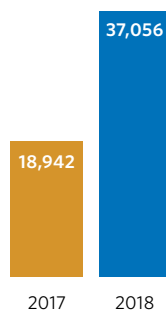
- **SV2 Data Center**
  In 2018, we also installed a 1.15 MW on-site fuel cell at our SV2 facility, which has been operational since January 2019, and we expect it will lower our CO_2 emissions by 800 metric tons annually.

Awards

We are proud of our first-place award in the "2018 Energy Management Top Savings" category by the Los Angeles Department of Water & Power for our efforts in improving the energy efficiency at both our LA1 and LA2 facilities in Los Angeles.

In total, we saved 5,600 MWh annually in Los Angeles from several projects, which included new sequencing operations, chiller water set point optimizations, condenser pump rebalancing, and incremental and more efficient cooling capacity from a new cooling tower.

As part of the chiller replacement project started in 2017 and completed in 2018, CoreSite was awarded nearly $3 million by LADWP through its Customer Performance Program for the more than 9800 MWh of energy savings achieved in 2018 at the LA2 data center.


PHOTO: LADWP

EMISSIONS

For 2018 we expanded some of our data centers, and our customers grew within our facilities. While the uptake in business activity and additional operational data center footprint lead to an increase in electricity consumption and slightly higher associated location-based emissions, thanks to our focus on efficiency we were able to stabilize, or even decrease, our emissions intensity across various metrics.

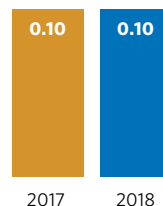**ABSOLUTE EMISSIONS (LOCATION-BASED)***
1000 metric tons of CO_2 e

2017	2018
220	244

Emissions Intensity (Location-Based)

CARBON INTENSITY* PER $M REVENUE
tons of CO_2 e

2017	2018
456	448
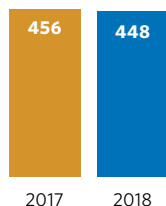
CARBON INTENSITY* PER NRSF**
tons of CO_2 e

2017	2018
0.10	0.10

Demand Response

Energy efficiency at our facilities is a top priority. When utilities reach their capacity on peak demand days, the utility providers must incrementally supplement generation capacity with older, emission-intense coal-fired plants. Demand response programs incentivize shifting load to generators on these days to avoid use of coal as much as possible. CoreSite has been supporting these programs for almost a decade and further increased its participation in 2018, thereby lowering emission intensity, while increasing the reliability of the power grid in the communities where we operate.

MANAGEMENT OF ENERGY AND EMISSIONS

Energy and Greenhouse Gas Emissions are managed by the Senior Vice President of Construction and Engineering and the Senior Vice President of Data Center Operations. Together, these teams seek opportunities that reduce consumption in ways that enhance our customer value through industry-leading data center design and operations, while also meeting our targets for capital expenditures and returns on investment. Energy consumption and costs are actively tracked and reported internally. Success is measured based on achieving a broad range of efficiency and economic metrics.

*Emissions include scope 2 emissions from data center electricity and scope 1 emissions from natural gas usage (less than 1%). 2017 location-based data were adjusted using updated 2017 eGRID emission factors. CoreSite relies on GHG accounting standards and tools, which continually refine their emission factors based on growing knowledge and availability of more recent measurements. We continue to evaluate the disclosure of market-based emissions as the methodology evolves.
**Net Rentable Square Feet

WATER USE

We primarily use water for the cooling of our data centers. Therefore, to save energy related to cooling, we must occasionally increase water usage. We are continuously working to balance our energy and water usage and particularly work to reduce our use of potable water.

As part of our commitment to minimize our freshwater footprint, we frequently utilize rainwater to cool our data centers when possible. For example, a recycled water cistern at our VA2 site installed in 2017 saved 1.2 million gallons of water in 2018. CoreSite maintains an additional cistern at our VA2 data center, which holds 80,000 gallons. These projects not only reduce our freshwater consumption but also increase our operational resilience.

In 2018, a recycled water cistern at our VA2 site saved

1,200,000
GALLONS OF WATER

COLLEAGUES

what we expect of our employees, including our Senior Leadership Team. For more information, please refer to our:

- Corporate Governance Guidelines
- Code of Business Conduct and Ethics
- Insider Trading Policy
- Whistleblower Policy
- Fair Disclosure Policy

All CoreSite colleagues are required to take an ethics training course each year. Employees working with international customers must complete a Foreign Corrupt Practice Act training course as well.

In 2018, CoreSite did not receive any reports of employee non-compliance with laws or regulations related to corruption.

Business Ethics

At CoreSite, we take our responsibility to our Customers, Colleagues, Communities and other stakeholders very seriously. We are committed to the highest standards of ethical business conduct and are proud of our culture of honesty, accountability, and trust.

This philosophy extends throughout the organization and guides our decision making each and every day. We particularly emphasize the "Tone at the Top". Our leaders strive to be strong examples of ethical behavior, provide guidance to all employees and embody our corporate values in everything that we do. Maintaining this culture helps us attract and retain top talent and build strong relationships throughout the company and with our customers and communities.

POLICIES AND TRAINING

Several central policies and guidelines serve as the foundation of our commitment and clearly delineate

MANAGEMENT OF BUSINESS ETHICS

Business Ethics is overseen by the Senior Vice President of Legal and the Vice President of Human Resources. The Vice President of Audit, Risk and Compliance, who also acts as Compliance Officer, provides an ethics report to the Audit Committee each year. Business Ethics is consistently rated among the lowest areas of perceived risk by our employees, Senior Leadership Team, and Audit Committee in our annual Enterprise Risk Assessment survey.

Our employees are our most valuable resource and relationship.

We invest in them by developing their expertise and skillsets and offering them a great place to work that is safe, harassment-free and fun.

It's our employees' knowledge and dedication that enables happy, long-lasting customer relationships, which ultimately drives our success and that of our stakeholders, including our investors.

Employees

At CoreSite, we have an objective to connect through the power of community, and our colleagues reflect that vision. Our team thrives on passion and mutual support. At CoreSite, we all have an impact, including bringing value to our customers and helping achieve our company goals.

TALENT RECRUITMENT AND RETENTION

One of our core strategies is to recruit, hire, and develop the right personnel to deliver exceptional customer experience and value. Our culture and reputation allow us to recruit some of the best and brightest. We work hard to make all of our colleagues feel empowered and enjoy regular training and professional development opportunities, a safe and harassment-free workplace, and competitive employment benefits. The diverse backgrounds and experiences of our colleagues create a culture of innovation, collaboration, and accountability.

We offer a competitive benefits package. In 2018, 90% of our employees participated in our 401(k) savings plan, which stands well above the industry average of 74%. In addition, our annual automatic employee deferral increase program improved our average deferral election to 5.9% in 2018 from 4.9% in 2017. We increased our employer contribution to the plan from 3% to 4% on January 1, 2019, regardless of an employee's contribution amount. In 2018, for employees on our high-deductible health plan with a health savings account, we provided an incremental matching contribution of up to $500 for employees' contributions. This is in addition to the existing non-matching contribution of $500 for an individual and $1,000 for a family.

Workplace Safety

At CoreSite, we take great pride in our strong workplace safety record. In 2018, our lost day rate* was 0.017% and our Days Away/Restricted or Job Transfer Rate (DART)* Rate was 0.26%. Employees participate in various safety-specific courses including safe work practices, electrical safety, and hazard communication.

CoreSite has been recognized as one of the top workplaces in Colorado five out of the last six years.

34%
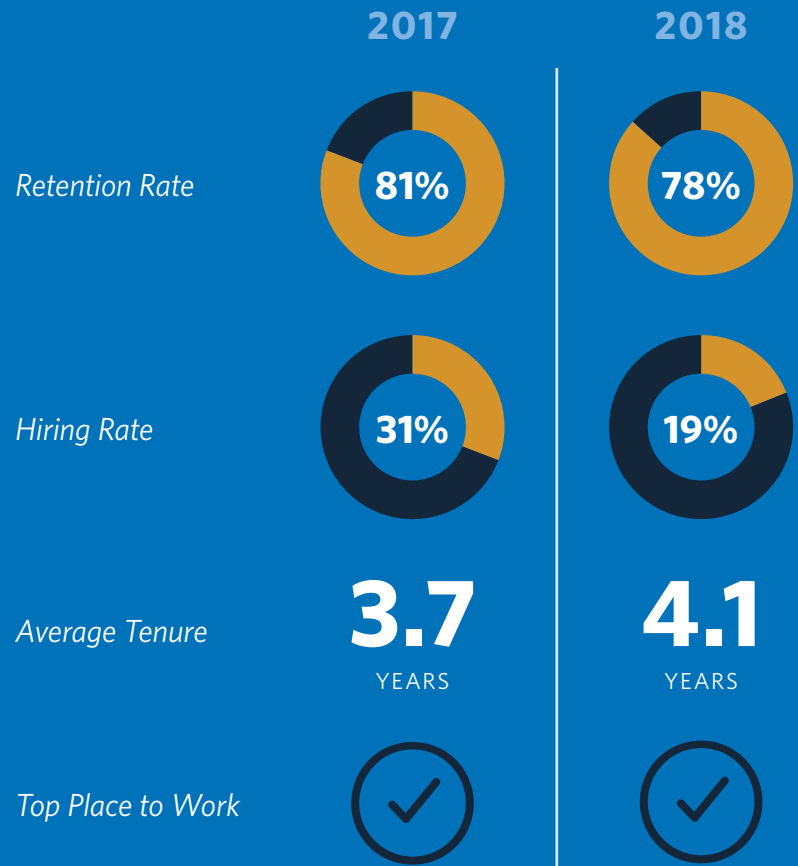FORMER DATA CENTER OPERATIONS EMPLOYEES

were promoted to the role of Data Center Technician

Data Center Operations

At CoreSite, we are constantly seeking new ways to improve our employee experience. In July 2018, we launched our first large-scale departmental reorganization project, which combined the functions of facilities, telecom, and security into Data Center Operations. We also created a new position called Data Center Technician. This shift eliminated functional silos, while providing new growth and development opportunities for our employees and streamlining the customer experience. Thirty four percent of our former Data Center Operations employees were trained and promoted into this new role.

CoreSite: A Look Inside

Strong retention, long tenure, and Top Work Place recognition are just a few of the metrics that we are proud to share.

	2017	2018
Retention Rate	81%	78%
Hiring Rate	31%	19%
Average Tenure	3.7 YEARS	4.1 YEARS
Top Place to Work	✓	✓

As a result of the departmental reorganization project, which led to the promotion of many of our colleagues in the data center operations space, we saw a lower hiring rate than last year. We are especially proud of our average tenure time of 4.1 years in 2018, which is well above the private and the technology sector average.

Investing in Our People

Our Base Mandatory Training

Our employees spent

~33
HOURS

in both 2017 and 2018

In addition, here are some examples of developing our team:

CoreSite Operations Training

Data Center Operations • Cross Functional and Cross Developmental Training • System Training • Customer Service Training • CoreSite's Onboarding & Retention of Excellence New Hire Orientation • Data Center Tour Training • Sales New Hire Training • New Product Training

Leadership Training

Mid-Year Conference for Company Leaders • Sales Kickoff Event – Sales, Marketing & CoreSite Leadership • Data Center Operations Manager Summit

PROFESSIONAL DEVELOPMENT AND TRAINING

Developing our talent through on-boarding training, ongoing education, and annual performance reviews is crucial to attracting and retaining a highly skilled workforce. All of our employees received performance reviews in both 2018 and 2017.

At our data centers, we have a rigorous training and development curriculum that blends on-site and online learning. All data center personnel must successfully complete a series of modules and trainings to prepare them for various aspects of their roles.

In the course of their training, our employees learn everything from the essentials of network design to the maintenance and upgrade of cooling systems, cabling, and other essential data center components. They also participate in simulated drills of real-world crises, learning to respond appropriately to an array of unexpected events or even on-site emergencies.

In addition, we regularly recognize employees throughout our organization with awards at our Mid-Year Conference to recognize outstanding contributions and service to the company.

The CoreSite approach builds expertise for our colleagues and accountability for our customers.

2018 Employee Survey

71%

OF CORESITE COLLEAGUES PARTICIPATED

900

COMMENTS SUBMITTED

Most of our colleagues feel their direct managers take their concerns seriously, are interested in their personal development, and facilitate quality work.

EMPLOYEE SURVEY

Our Senior Leadership Team is committed to making CoreSite a great place to work. In 2018, we sought broader feedback from our employees and conducted our first company-wide employee survey since 2014. We gathered information on four main topics:

1. The Basics: pay, benefits, training, and work/life balance
2. Engagement: motivation, referral, and retention
3. The Leader: our CEO ratings
4. Organizational Health: alignment, effectiveness, connection, and management

Participation

With 71% of CoreSite colleagues participating in the survey and submitting approximately 900 comments, we learned that we have a lot to celebrate.

Feedback

Most of our colleagues feel their direct manager takes their concerns seriously, are interested in their personal development, and facilitate quality work. Our employees appreciate our strong set of values and guiding principles, which give meaning to their jobs. They also feel they are making an impact at CoreSite.

Follow up

Our Senior Leadership Team and department vice presidents have followed up on survey recommendations for further improvements. CoreSite plans to continue to survey its employees annually.

At our headquarters, women represent **41%** of our workforce.

DIVERSITY AND EQUAL OPPORTUNITY

We value diversity and work to leverage different experiences, cultures, and skills to drive collaboration, innovation, and growth. Historically, both the data center industry specifically and real estate investment trusts (REITs) generally have been male dominated. This mostly has held true for our workforce in the field, where the most prevalent role is data center technician, a position that predominantly attracts male applicants, often with military backgrounds. Our data center technician training and certification program helps us create more opportunities for females in these roles.

At our headquarters, women represent 41% of our workforce.

Women Continuing to Advance at CoreSite

We appreciate the importance of advancing women in our industry and are working hard to do so. By showcasing our strong women leaders such as Maile Kaiser, SVP of Sales, Tanya Flink, VP of Client Services, and Aleks Krusko, VP of IT and Digitization on our careers page, we emphasize the crucial role women play in our business. Our overall gender diversity stayed flat in 2018, but we were successful in promoting women into higher positions and increased the rate of women in Science, Technology, Engineering and Mathematics focused roles from 14.7% to 15.2%. Female applicants increased from 23.6% to 28.0%.

	Female		Male	
	2017	**2018**	**2017**	**2018**
Total Workforce	24%	23%	76%	77%
Headquarters	41%	41%	59%	59%
Field Operations	15%	14%	85%	86%
Senior Leadership Team	0%	10%	100%	90%

	Minority		Non-Minority	
	2017	**2018**	**2017**	**2018**
Total Workforce	42.8%	42.3%	57.2%	57.7%

CORESITE IS PROUD OF ITS VETERAN EMPLOYEES

CoreSite continues its efforts to employ veterans, who in 2018 accounted for 14.5% of our workforce.

Percentage of veterans at CoreSite

2017

13.6%

2018

14.5%

Our company culture is based on mutual respect and decency.

Harassment and A Discrimination-Free Workplace

Our company culture is based on mutual respect and decency. We constantly monitor our policies and procedures and have zero tolerance for discrimination or harassment in any form based on race, color, gender, religion, nationality, pregnancy, age, sexual orientation, medical condition, veteran status, or any other consideration made unlawful by federal, state, or local laws. Our Equal Employment Opportunity/ Harassment Policy applies to all employees, including senior executives, and to third-party stakeholders, such as customers and vendors.

We test for discriminatory bias in our hires, terminations, promotions, or performance and pay decisions throughout the year. Our various assessments showed that there was no evidence of unfair treatment or adverse impact in 2018.

Our employees are required to take a Workplace Harassment Prevention course on an annual basis to learn how to identify, report, and prevent harassment and to ensure our culture and policies are understood and internalized by everyone. The course was updated in 2018 to match new legislation in New York and California.

If an issue arises, CoreSite has clear processes in place that address suspected discrimination in a transparent and respectful manner. We treat these cases as opportunities to inform our approach to preventing discrimination at our workplace. In 2018, we received one formal complaint.

MANAGEMENT OF COLLEAGUES

Responsibility for Human Resource Management lies with our Human Resources department, whose Vice President reports directly to the SVP of Legal. People managers across all departments are responsible for executing our management approach. We review human capital metrics on a quarterly basis with the Compensation Committee. In 2018, we started establishing baseline metrics for multiple diversity categories and will continue to seek to improve our metrics in 2019. Bias assessments in 2018 concluded that there was no evidence that any groups were treated unfairly.

COMMUNITIES

The stronger our community, the better the services we can provide, intrinsically linking our customers' success to our success.

Building Customer Communities: Our Ecosystem

Everything we do begins with the customer in mind. As a colocation provider, we consider our customers part of our dynamic ecosystem. Companies working with CoreSite can directly connect to cloud and network providers within our campuses, and our peering exchange services connect them with hundreds of users around the globe. Therefore, the stronger our community, the better the services, intrinsically links our customers' success to our success. We strive to make doing business with us and other customers as seamless as possible.

To learn more about our diverse and ever-growing customer ecosystem, visit our [Marketplace website](#).

Building Local Markets and Communities: Giving Back

OUR HEADQUARTER COMMUNITY
2018 Day of Service

At CoreSite, it is a tradition to host a day of service at our headquarters in Denver each year on September 11 — to commemorate the victims and heroes of that day, bring colleagues together and to give back to the communities where we work and live.

In 2018, in addition to continuing to support organizations we have partnered with over the years, we specifically sought out a volunteer opportunity with veterans since many of our colleagues are veterans themselves. In 2018, CoreSite headquarter employees completed 748 hours of paid volunteer service, an increase of 11.5% over 2017.

PERCENT OF EMPLOYEES*
PARTICIPATING

661 HOURS — 2017
748 HOURS — 2018
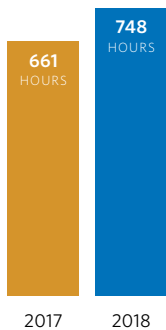
*at our headquarters in Denver

Organizations Supported at the 2018 Day of Service

Volunteers of America – Veteran's Service Center

CoreSite employees cleaned the facility and prepared a BBQ meal for the veterans. The event shed light on homelessness within the veteran community, while bringing the community together for a great meal and good conversation.

Foodbank of the Rockies

CoreSite employees volunteered at the Foodbank of the Rockies where they inspected, cleaned, and sorted items received through food drives and grocery rescue for redistribution to people in need. Volunteers also assisted with the Commodity Supplemental Food Program (CSFP) to fill boxes for the senior program.

Brothers Redevelopment

CoreSite Employees painted houses and completed yard work for three senior citizen homeowners. One of the recipients, reported "the code-enforcement officer said we had to paint our house, which we could not afford to do. My son and I are handicapped." With the help of CoreSite volunteers, this recipient was able to save on painting cost and labor while meeting enforcement standards. The help resulted in a social impact of more than $14,000 for the homeowners, and an increased sense of pride in their homes again.

"I can't thank the CoreSite volunteers enough. My home is no longer an eyesore. I'm excited about my house."

–2018 CoreSite Paint-A-Thon Recipient

Biking for a Cause

This year we had our largest turnout yet when we returned to the Elephant Rock Ride in Castle Rock, Colorado. This is an exciting, challenging, and scenic event that enables our employees to give back while having some fun.

CoreSite employees chose from a range of distances including an **8-mile family ride** and an imperial century ride of **100 miles**.

OUR LOCAL MARKETS AND COMMUNITIES

Each year our teams find ways to engage with their local communities, including toy, coat and non-perishable food drives, to name a few. Below is another great example of an opportunity we have to interact with the local community and share more about the CoreSite story.

NY2 hosts an annual, now moving to twice annual, career day with the New York City Career and Technical Education Scholars Program.

The City's program is focused on helping students gain industry knowledge and experience. Each year we invite 20 – 30 students to our NY2 data center for a career day. While at NY2 the students hear from many people who work at CoreSite: data center technicians, managers, directors, client services, project managers and other leadership.

The talks are aimed at highlighting the different opportunities that exist within the data center industry along with the associated education and career path. Special attention is paid to the various backgrounds of the CoreSite employees, from high school, to veterans, to engineering degrees, demonstrating there is a place for everyone within the data center industry.

We cap the day with a tour of the facility followed by a pizza lunch, during which we discuss everything the students saw on the tour. The partnership has been a great success and we look forward to continuing to grow the community outreach.

—Joe Liccardo, VP of Data Center Field Operations

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