



ONE DATA CENTER PROVIDER.  
EVERYTHING YOU NEED.

# CORPORATE SUSTAINABILITY REPORT 2019

*Another year into our journey*





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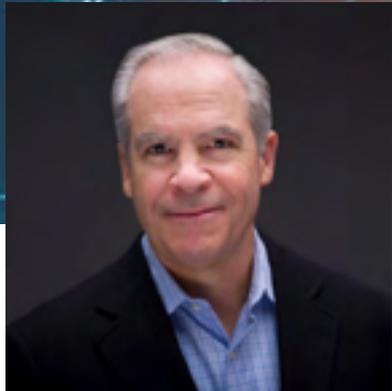
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# A MESSAGE FROM OUR CEO



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.

The past several months have been challenging for all of us due to the pandemic. At CoreSite, we prioritized the safety, satisfaction and general welfare of our customers, colleagues, and communities. Our data centers have remained open and fully operational with essential staffing, personal protective equipment, and social distancing measures in place at all sites. We employ preventative measures, such as employee health screenings, regular sanitizing and where possible, increased air filtration for the safety and well-being of any person in those locations.

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 their customers.

Over the past few years, 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 third Corporate Sustainability Report, we summarize our ongoing journey of being a responsible steward of our business.

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

1. **Reliable and 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 respect, 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.

Amidst the rapidly changing conditions, we remain committed to being 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 quicker. The norm and expectation today is on-demand, real-time delivery of content, and, increasingly, real time accumulation and sifting of data. 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, CoreSite provides direct connections to the cloud in all eight of our markets, which empowers our customers to harness the most secure and cost-effective solutions for their digital transformation. Our offerings enable our customers to work intensively with cloud providers utilizing significantly fewer servers, which results in lower 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 of our 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.” CoreSite’s annualized voluntary attrition decreased from 15.7 percent in 2018 to 10.8 percent in 2019. This decrease marked CoreSite’s voluntary attrition dropping well below the 2019 U.S. average annualized voluntary attrition rate of 14 percent. In addition, the recruiting team continues to measure and evaluate strategies to hire diverse and qualified candidates.

## Efficiency Focused

Data centers are an inherently energy-intensive business, and continuously improving power efficiency reduces power utilization. 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, improving air flow and other practices, 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 2019, we expanded at our BO1, LA1, LA2, SV8 and VA3 data centers, while our customers grew within our facilities. Due to increased business activity and expanded operational footprints, our energy consumption and location-based greenhouse gas emissions increased in 2019. Despite the increase in overall energy consumption, our focus on efficiency allowed us to maintain our carbon intensity and decrease our energy intensity per NRSF. In addition, we improved our PUE by 4.8% compared to 2018 on a same-store basis, with corresponding energy savings.

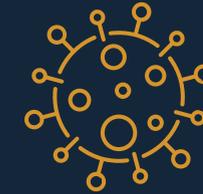
The introspection and review of our progress required to develop this report confirms to me that we are pursuing business success in a responsible and sustainable manner here at CoreSite. A formal Corporate Sustainability program is a continuous quest. I look forward to the road ahead, as we persist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

Sincerely,



Paul E. Szurek

## CoreSite's Coronavirus (“COVID-19”) Response



In the early days of the COVID-19 pandemic, consistent with our business continuity plan, we established a COVID-19 response team comprised of CoreSite leadership and key personnel with the goals of supporting the safety of our on-site staff and customers and maintaining the highly reliable data center operations and service that our customers have come to expect. We are pleased to report that we have had no incidences of COVID-19 transmission in our data centers to date. Among other important steps, we:

- Enabled site agnostic employees to work remotely allowing for flexibility to account for increased child care and education responsibilities,
- Activated our employee assistance program and addressed COVID-related strains on employee health,
- Procured personal protective equipment and established social distancing measures for our employees, customers and vendors,
- Grounded non-essential travel and minimized on-site data center staffing,
- Implemented a system of employee health screenings, regular sanitizing and where, possible, increased air filtration,
- Established virtual data center tours and saw increased utilization of our customer portal, and
- Implemented a COVID-19 charitable donation matching program resulting in ~\$305k donated to benefit the local communities in CoreSite’s eight markets.

# 2019 KEY METRICS

Customers	
<b>Uptime</b>	Achieved 99.999999% "Eight 9s" uptime (compared to 99.99999% "Seven 9s" in 2018)
<b>PUE</b>	Achieved Power Utilization Effectiveness ("PUE") of 1.4% in 2019 (compared to a PUE of 1.47% in 2018)
<b>Renewable Energy</b>	Sourced 100% energy from wind, solar & hydro at our SV2 site Continued to use 100% wind-sourced renewable energy credits at NY2
<b>100-Year Flood Zones</b>	MI1, NY1 & NY2 are located in 100-year flood zones
<b>Data Center Certifications &amp; Attestations</b>	SOC1 Type 2, SOC2 Type 2, ISO 27001, NIST 800-53, PCI DSS and HIPAA
<b>Customer Privacy</b>	No complaints concerning breaches of customer privacy or data loss (no complaints in 2018)
<b>Total Energy Consumption</b>	908 GWh consumed (represents a 6.2% increase year over year)
<b>Energy Intensity</b>	1.59 GWh per \$M Revenue (represents a 1.3% increase over 2018) 0.0003 GWh per NRSF (represents a 25% decrease over 2018)
<b>Total Emissions</b>	259 thousand metric tons of CO <sub>2</sub> e (represents a 6.1% increase over 2018)
<b>Carbon Intensity</b>	452 tons of CO <sub>2</sub> e per \$M Revenue (represents a 0.9% increase over 2018) 0.10 tons of CO <sub>2</sub> e per NRSF (no change since 2018)
<b>Water Use</b>	Used 46M gallons of recycled water at our Santa Clara campus
<b>Waste &amp; Recycling</b>	Recycled 118 tons of waste and 3,709 yards of material

Colleagues	
<b>Employee Engagement Survey</b>	Achieved 75% participation (represents a 4% increase over 2018)
<b>401(k) Savings Plan</b>	Achieved 90% employee participation
<b>Training</b>	Averaged 15 hours of training per employee
<b>Voluntary Attrition</b>	10.8% in 2019 (compared to U.S. average of 14%)
<b>Top Place to Work</b>	Recognized as one of the top places to work in the Bay Area
<b>Veterans</b>	21% of CoreSite employees are veterans (compared to 14.5% in 2018)

Communities	
<b>Volunteer Service</b>	Provided 650 hours of volunteer service by our headquarter employees (compared to 748 hours in 2018)
<b>Paint-A-Thon</b>	Provided \$48,000 worth of volunteers hours to Paint-A-Thon recipients
<b>Biking for a Cause</b>	Raised \$1,182 to benefit the American Transplant Foundation

# ABOUT CORESITE



We help enterprises minimize their IT resource use by enabling their hybrid-cloud solutions and empowering them to design and plan efficiently through engagement with CoreSite's Solution Partners. Our customers build their digital foundations to meet today's needs, while anticipating tomorrow's demands.

**CoreSite delivers secure, reliable, high-performance data center, cloud, and interconnection solutions to an expanding customer ecosystem in eight key North American markets.** 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. With scalable, adaptable solutions and 450+ committed employees, we consistently provide quality data center experiences and create longstanding relationships.

## Our Data Center Focus

CoreSite operates in a highly dynamic environment, serving edge markets with an increasing demand for performance. This propels our innovation and drive to deliver best-in-class data center solutions. We tailor our services to the demands of our customers and their end users, such as always-on availability, rapid go-to-market solutions, and secure, high-performance interoperability among companies. Our customers build their digital infrastructures to meet today's needs, while staying ahead of tomorrow's demands.

## Solutions, Locations & Capabilities

CoreSite offers cloud-enabled, network-rich data center campuses with over 28,000 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 percent of U.S. businesses within 5 milliseconds. Our campus communities grant enterprises the flexibility to connect to 775+ cloud, IT and network service providers, enabling operation of a streamlined, comprehensive IT environment. Our communities also offer connectivity to 550+ enterprises and digital content providers, delivering a rich customer ecosystem. By enabling customers to interoperate securely and reliably, we encourage and facilitate their migration from on-premises deployments to shared infrastructure, thus reducing their collective data center footprint and decreasing their overall total cost of ownership (“TCO”).

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 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.

Our campuses are connected by high count dark fiber.



**24**  
OPERATIONAL  
DATA  
CENTERS

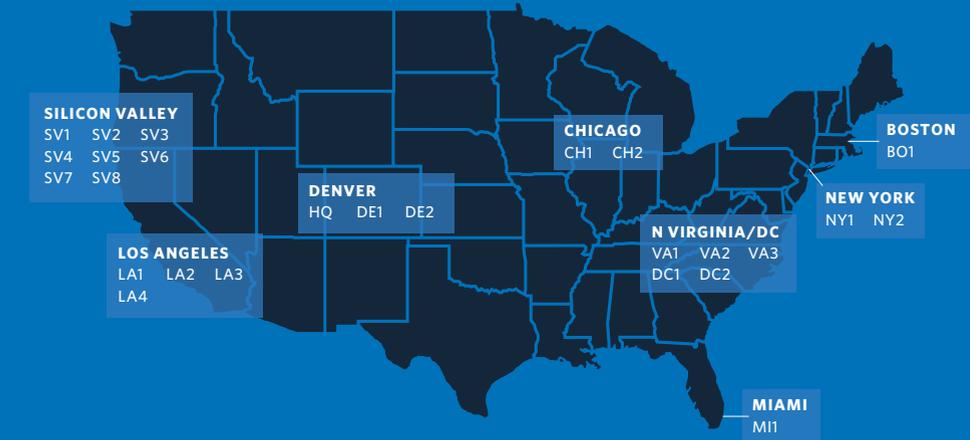
**8** KEY U.S.  
METROPOLITAN  
MARKETS

**28,000+**  
INTERCONNECTIONS



**4.6M**  
GROSS  
SQUARE FEET

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



**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 easily in all 8 markets

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



## Our Leadership & Governance

### LEADERSHIP

CoreSite's Board of Directors and senior leadership oversee and advise our organization from a governance, operational, and financial perspective. In 2019, our Board consisted of eight directors, including seven independent directors, as defined by the New York Stock Exchange rules, and Paul Szurek, a director and our President and Chief Executive Officer. In August 2020, in connection with the addition of Patricia Higgins to our board, we expanded the size of our board to nine members, eight of whom are independent. Our directors are currently serving a one-year term until our 2021 Annual Meeting of Stockholders. For further details regarding our Board's Qualifications and Expertise, see page 11 of our [2020 Proxy Statement](#). See further details of the Company's 2019 Performance and Highlights starting on page 30 of our [2020 Proxy Statement](#).

### GOVERNANCE

Strong and ethical governance is an essential component of the value proposition we offer. Our leadership defines CoreSite's tone, which is exemplified by our colleagues throughout our daily operations.

This principled culture starts at the top with our Board of Directors, whose roles and expectations are detailed in our Corporate Governance Guidelines. 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
- 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

## Board Recognition

In 2019, CoreSite was recognized by 2020 Women on Boards for having 20 percent of our Board members represented by women, including at that time Jean Bua and Kelly Chambliss.

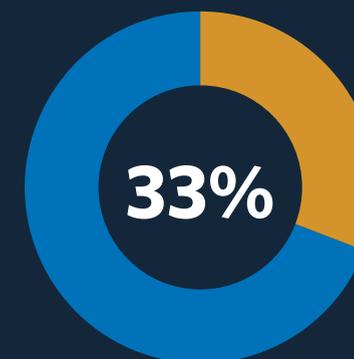


JEAN A. BUA  
 Executive Vice President and Chief  
 Financial Officer, NETSCOUT  
 Chair, Audit Committee  
 Member, Nominating and  
 Governance Committee



KELLY C. CHAMBLISS  
 General Manager and Managing  
 Partner, IBM Global Business Services  
 in North America  
 Member, Nominating and Corporate  
 Governance Committee  
 Member, Compensations Committees

In 2020, CoreSite announced Patricia Higgins has joined our Board as an independent director effective August 26, 2020, increasing the size of our Board to nine members, 33 percent of which are women.



of our current board members  
 are women



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](#), [Whistleblower Policy](#), and [Fair Disclosure Policy](#).

CoreSite is committed to upholding the highest ethical standards. Our Code of Business Conduct and Ethics sets forth legal and ethical standards of conduct for employees at all levels of the company, including our Chief Executive Officer and senior executive leadership. Our Core Values work in conjunction with the principles outlined in the Code, which ultimately foster a corporate culture with a strong commitment to diligent work and high ethical standards.

[Refer to page 27 for a more detailed discussion of our Ethics Policies.](#)

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\*For our Highlights of our Compensation Practices, see page 30 of our [2020 Proxy Statement](#).



CoreSite is committed to upholding the highest ethical standards.

A glowing digital brain, composed of a network of white nodes and lines, is held in two hands. The hands are silhouetted against a bright, golden sunset sky with soft clouds. The background is filled with a bokeh effect of light spots. A dark blue horizontal bar is positioned in the upper right, containing the text 'SUSTAINABILITY AT CORESITE'.

# SUSTAINABILITY AT CORESITE

## Our Approach to Sustainability

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

Our sustainability approach is based on three pillars:

- **Customers:** Being a reliable partner by managing risk, implementing 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 with collaborative opportunities in their IT journeys while engaging with our local communities

We recognize that energy consumption is one of the most significant impacts of our industry and one of the primary cost drivers for our customers. Merely by transferring workloads from on-premises equipment to our campuses, our customers take advantage of specialized operational capabilities and economies of scale, and our customers' energy efficiency typically improves. Significantly, one large customer recently reported to us a more than 33% reduction in PUE due to transferring their computers to a CoreSite data center. We offer economic and operational advantages by incorporating state-of-the-art design and technology into our data centers. We continually monitor energy efficiency once a site is operational. Additionally, we implement management practices and evaluate equipment options in order to

conserve energy. Where available, and when customer demand warrants it, we seek the least carbon-intensive energy sources consistent with both our customers' economic goals and the options permitted and available in the market.

In addition, we recognize that climate change and regulations related to climate change are a risk to our business. We described the potential risks associated with climate change that might impact our business in our 2019 Annual Report on [Form 10-K](#), which include but are not limited to:

- Extreme, and oftentimes unpredictable, weather events, which pose a threat to our business through physical damage, a decrease in demand for, and/or a decrease in rent from and value of, our data centers located in areas affected by these events
- New laws related to climate change, including potential cap-and-trade systems, carbon taxes, and other requirements relating to reduction of carbon footprints and/or greenhouse gas emissions; and
- We maintain disaster recovery and business continuity plans that we have utilized in the past and that would be utilized if severe weather events interrupt our business. And we monitor new laws relating to climate change that could potentially affect our business operations.



 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 all of our stakeholders in mind, prioritizing our customers, colleagues, and communities. Other important stakeholder groups include our investors, vendors, solution partners, and local governments and communities.

We lead and encourage a steady stream of dialogue via the following channels to satisfy our customers' needs, support our colleagues' professional development and engage with the communities in which we work.

- **Customer Feedback:** We routinely seek customer feedback on our services through surveys and quarterly business reviews.
- **Employee Feedback:** We collect feedback from our employees through regular meetings, feedback surveys and engagement surveys, and foster a culture where feedback is valued and discussed.
- **Vendors and Solution Partners Interaction:** We have open and 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.



In this report, we seek to increase our alignment with the Global Reporting Initiative ("GRI") and the Sustainability Accounting Standards Board ("SASB") standards. As such, we provide disclosures that are relevant to our various stakeholders.

We understand that our stakeholders are crucial to our financial, social, and environmental performance and we're dedicated to maintaining open lines of communication with our stakeholder's in order to be informed of their concerns.



We operate daily with all of our stakeholders in mind, prioritizing our customers, colleagues, and communities.

## Financial Performance

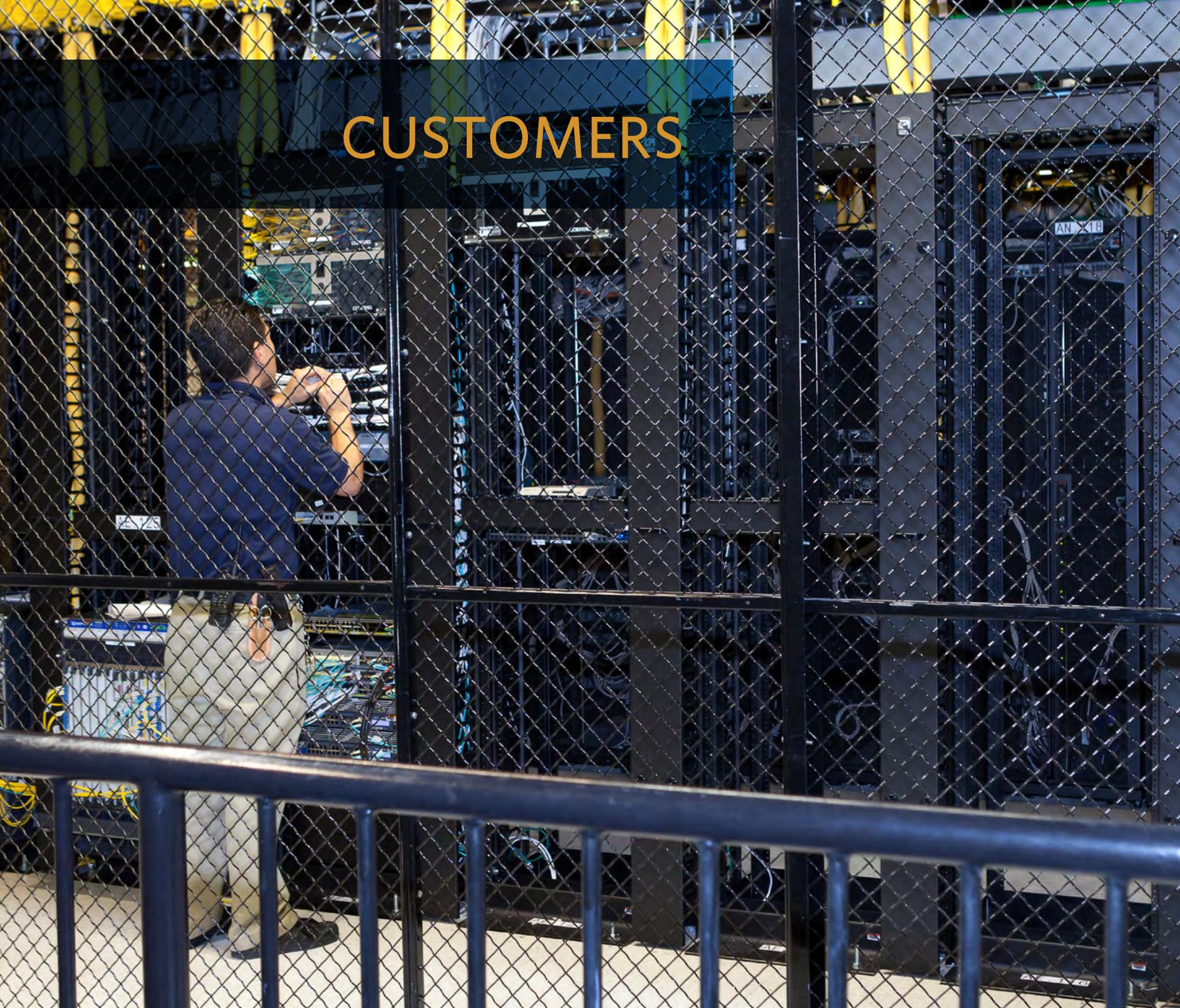
We believe that financial stability and disclosures of our performance instill trust and confidence with our customers. Selected financial data from the year 2019 can be found beginning on page 41 in our [Annual Report](#) and additional information can be found in our Earnings Release and Supplemental Information.



## Material Topics

We identified the topics that establish 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 conducted in 2017. Those topics continue to reflect our key business objectives and sustainability goals and guided our sustainability efforts in 2019. In addition, we report on our community initiatives, including the work we do to foster prosperous customer ecosystems and our engagement with our local communities.

	Customers	Colleagues	Communities
ENVIRONMENTAL (E)	<ul style="list-style-type: none"> <li>Efficient building infrastructure and construction</li> <li>Energy and greenhouse gas emissions</li> <li>Water use</li> </ul>	<ul style="list-style-type: none"> <li>Recycling in our offices and data centers</li> <li>Water use</li> <li>PUE improvement</li> </ul>	<ul style="list-style-type: none"> <li>Recycling in our offices and data centers</li> <li>Water use</li> </ul>
SOCIAL (S)	<ul style="list-style-type: none"> <li>Customer experience                             <ul style="list-style-type: none"> <li>Customer safety</li> <li>Customer transparency</li> <li>Remote Services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Employees                             <ul style="list-style-type: none"> <li>Recruitment and retention</li> <li>Development and training</li> <li>Diversity and inclusion</li> <li>Workplace safety</li> <li>Fair and equal treatment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Local markets and communities – giving back</li> </ul>
GOVERNANCE (G)	<ul style="list-style-type: none"> <li>Risk, operational resilience, and business continuity                             <ul style="list-style-type: none"> <li>Risk assessment</li> <li>Business continuity and planning</li> <li>Operational resilience</li> <li>Physical and IT security</li> </ul> </li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Building customer communities – our ecosystem</li> </ul>



# CUSTOMERS

Reliability is the foundation of everything we do. Our risk management processes and business continuity plans are designed to ensure that CoreSite is operating effectively, now and into the future.

Our customers depend on us to safeguard their IT equipment and defend against incidents that could impair their operations such as power outages, weather catastrophes, physical security breaches, and infectious disease and public health emergencies. Our customers are at the center of everything we do and we are committed to providing a best-in-class customer experience and effectively managing any risks impacting our ability to do so.

## Customer Experience

We offer our customers exceptional value through both operational excellence and by delivering network-dense, edge-market data centers with rich ecosystems that support scalability and growth. Another key differentiator is our customer service.

Our purpose-built, enterprise-class data center solutions adapt to any business need and are highly scalable. Our teams consider all aspects of our customers' planning, implementation, and operating requirements to provide the best possible experience. We provide both a dedicated department of project managers and online tools as resources to facilitate customer onboarding and remote management of their deployment. In addition, our highly skilled operations and facilities personnel provide extensive and ongoing operational support.

Our customer service priorities are:

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

In 2019, we achieved 99.999999 percent, or “Eight 9s” of reliability across our platform of data center facilities, exceeding our target of “Six 9s” and the industry standard of “Five 9s.”

We also enhanced our CoreINSITE SM tool in 2019, which allows customers to monitor their temperature, humidity, and power draw remotely and in real time through our customer portal. This amenity not only provides customers with peace-of-mind during crises, but exemplifies our commitment to working with our customers to create a solution that meets their needs.

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

In 2019, we continued to monitor customer satisfaction with key transactional surveys. The topics covered in these surveys include: Data Center Visits, Support Requests/Trouble Tickets and Work Orders. In 2020, we plan to introduce a new set of key performance indicators (“KPIs”) to measure customer satisfaction. Our goal is to create a comprehensive set of metrics that quantify satisfaction across multiple dimensions, and to utilize this data to identify opportunities to better serve our clients.

In addition to providing high reliability and best-in-class customer service, we strive to keep our customers satisfied throughout our partnerships with other organizations who are similarly dedicated to high levels of service.

We appreciate and take pride in the fact that our customers are willing to engage and promote CoreSite to others. Several large customers have recorded testimonials for our teams to leverage in their sales efforts. This library of testimonials showcases that good customer experience is a priority at CoreSite and that our customers appreciate and acknowledge our efforts.

In 2019, we achieved 99.999999 percent, or “Eight 9s” of reliability across our platform of data center facilities, exceeding our target of “Six 9s” and the industry standard of “Five 9s.”

2018 CUSTOMER UPTIME AVAILABILITY

99.999999%

2019 CUSTOMER UPTIME AVAILABILITY

99.999999%

**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 work with the Sales and Sales Engineering teams to provide best-in-class customer service. We conduct customer surveys and hold internal department meetings to discuss strategy and identify areas for improvement.



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

## Risk Management

At the core of our risk management process is a commitment to identifying and preventing risks before they occur. Our comprehensive Enterprise Risk Management system includes an annual risk assessment exercise performed by a cross section of our colleagues, the Risk Intelligence Steering Committee, the Senior Leadership Team and our Board's Audit Committee. Additional risk assessment and management areas include:

- Information technology and security
- Data privacy and security
- Legal and regulatory compliance
- Business processes and internal controls
- Standard Operating Procedures
- Sarbanes-Oxley
- Compliance certifications and attestations, including: SOC1 Type 2, SOC2 Type 2, ISO 27001, NIST 800-53, PCI DSS, and HIPAA
- Audits of data centers and business operations
- Third party due diligence and vendor risk management
- Monitoring of operational KPIs



Our Enterprise Risk Management process is managed by the Vice President of Internal Audit, Risk, and Compliance with support from the Risk Intelligence Steering Committee. Our risks and risk management responses are tracked, managed, and reported on throughout the year. This monitoring has provided us with a baseline for assessing risks and a deeper understanding of our risk landscape. The effective management of risk helps to reduce uncertainty and allows CoreSite to confidently make business decisions and serve its customers.

## Business Continuity Planning

Our business continuity planning helps provide our customers with confidence regarding the reliability, security, and strength of our services. We provide a 100 percent uptime Service Level Agreement (“SLA”) to our customers. We recognize the importance of preparing for the unforeseen, including both man-made and natural disasters. We have an extensive 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 to allow individual data centers to continue operating independently, regardless of service interruptions at our CoreSite headquarters or other individual locations.

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. CoreSite updates and tests these plans on at least an annual basis. In addition, our BCP and DRP processes are validated annually by independent external compliance auditors as part of our ISO 27001 certification. The testing of these plans assists CoreSite with the continuous improvement and resiliency of our systems of prevention and recovery to deal with potential threats to the company.



We are committed to operational excellence in all that we do. Our employees in the field perform each task with exceptional focus and ownership. They follow specific procedures with diligence to ensure all tasks are performed safely and correctly.

CoreSite’s guarantee:



**100%**

**UPTIME SLA**

*(with a minimum of six-nines portfolio uptime goal)*



As part of managing physical risks to our facilities, we carefully monitor our presence in areas identified as having a **1% annual chance of a flood event, or 100-year flood zones.**

As of 2019, CoreSite had three sites located in 100-year flood plains: MI1, NY1, and NY2. The equipment in each of these facilities is raised above the ground level to help ensure the equipment can remain functional after a flooding event.

- At **MI1**, all equipment, including generators and fuel pumps, is located a foot above grade level. This site has withstood numerous storms, most recently Hurricane Irma in 2017, and has not experienced any flooding on its property or disruption in services related to flooding.
- At **NY1**, most equipment is located on the 7th floor of the building, except for the fuel tank and pumps. As an added layer of protection, the fuel tank and pumps are located in sealed rooms and raised off of the floor.
- Our entire **NY2** facility and its equipment are raised over one foot above the 500-year flood plain elevation. The site withstood Hurricane Sandy in 2012 and did not lose power after running on generators for over a week.

## Operational Resilience

We routinely invest in advancing data center technologies and systems, while also recruiting and training a highly skilled workforce. Operational resilience ultimately translates into data center reliability, or uptime—a crucial performance indicator that directly affects our customers' bottom line. Our precise procedures and robust training approach create the foundation of our operational excellence.

### OPERATIONAL EXCELLENCE AND CONTINUOUS IMPROVEMENT

New CoreSite facilities are purpose-built with features and capacity catered to our customers. We continuously track performance and maintenance data at each data center, which we leverage to improve resource utilization and overall operating efficiency. Our team members are empowered to maintain, update and upgrade schedules, and pro-actively identify potential areas of concern to keep operations running smoothly and efficiently. In 2019, we began and completed construction of two phases of a new purpose-built data center in Santa Clara, known as SV8, delivering 108,000 NRSF and 12 megawatts of capacity. In addition, we began construction on a new colocation data center site in downtown Chicago, known as CH2. We delivered CH2 Phase 1 in the second quarter of 2020, which is comprised of 55,000 NRSF and 6 megawatts. CH2 is an enterprise-class, purpose-built data center that can support high-growth requirements for digital transformation and hybrid cloud demands in the heart of downtown Chicago.

#### MANAGEMENT OF OPERATIONAL RESILIENCE

The Data Center Operations department is responsible for managing operational resilience. Our operations team continuously reviews and adds to our work order processes as needed, and conducts 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. Any operational incidents are analyzed to ensure continuous improvement of our management approach.

## 2019 Facility Upgrades

We regularly monitor our facilities to ensure that our data centers operate at optimal efficiency and resilience. We also look for opportunities to continuously improve. Facility upgrades we undertook in 2019 include:



### LOS ANGELES

#### Water System

Rather than build a separate condenser water system, we worked with the LA1 landlord to tie into its existing high-efficiency cooling system. This enables CoreSite to leverage existing cooling infrastructure for this space and increased system utilization in turn increases the system's efficiency.



### NEW YORK

#### New Cooling Software

We added new software to our existing digital infrastructure to better monitor and respond to temperature changes at our NY2 data center. This allows us to make temperature adjustments in real time and reduces the total energy needed for cooling.



### DENVER

#### Electrical Equipment Upgrade

We conducted an electrical equipment upgrade at the facility including electrically refeeding equipment, hardening our infrastructure and improving our efficiency.

## Physical and Information Security

Security is essential to us, our colleagues, and our customers. Although we do not have access to the data on our customers’ servers, systems or networks, we are responsible for physically securing their equipment and interconnections at each of our data centers. 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 secured with access trap entries, IP-DVR cameras, biometrics, and keycard scanners. While most colocation providers outsource their security personnel, we directly employ our own personnel, who receive rigorous training and meet certification requirements. In addition to our security, in 2019 we added 24/7/365 on-site network engineers to our facilities. These teams contribute to the physical security and ongoing quality performance at our data centers. Our operations team makes significant efforts to ensure that our infrastructure is resilient and able to withstand a variety of contingencies.

### SYSTEMS PROTECTION

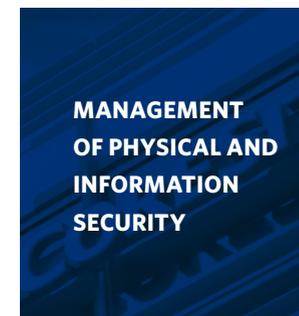
Focusing on our internal IT infrastructure security mitigates our exposure to third-party attacks and potential operational disruptions. CoreSite follows the NIST Cybersecurity Framework for industry best practices to identify, protect, and respond to information security risks. We leverage the International Organization for Standardization (“ISO”) and Center for

Internet Security critical security controls. CoreSite proactively conducts 24/7 threat monitoring, external and internal scanning, network and system segregation and testing. Attempted intrusions, malware, or other security issues are dealt with immediately upon identification through our information security program or Crisis Management Team. We conduct annual computer security incident training to test, exercise, and update our incident response plans. CoreSite engages with auditors and third party risk assessors to assist in validating and continuously improving controls.

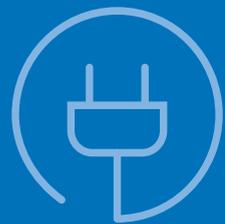
### DATA CENTER CERTIFICATIONS AND ATTESTATIONS

In 2019, 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 SOC1 Type 2, SOC2 Type 2, ISO 27001, NIST 800-53, PCI DSS and HIPAA.

A Privacy and Information Security course is part of our onboarding training and must be taken every year by all employees.



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 conducts 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. In 2019, CoreSite did not receive any substantiated complaints concerning breaches of customer privacy or losses of customer data.



In 2019, our energy savings improve Power Utilization Effectiveness by

**4.8%**

Our Engineering and Construction departments are responsible for evaluating new and innovative building designs to reduce total energy consumption and increase building efficiency. We seek to adopt and implement economically viable and resource-efficient designs that enhance customer value, while also meeting our targets for capital expenditures and returns on investment. The success of these initiatives is measured through the tracking of total resource usage and achieved PUE of our facilities.

**MANAGEMENT  
OF EFFICIENT  
BUILDING  
DESIGN AND  
CONSTRUCTION**

## Efficiency Focused

Total resource efficiency is a top priority at our high-performance data centers. Lowering the total cost of ownership for our customers is an important competitive advantage 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 industry-leading, energy-efficient data centers include aspects of certified Leadership in Energy and Environmental Design (“LEED”) standards.

We continuously seek opportunities to upgrade our facilities to maximize their efficiency. In 2019, we added an on-site fuel cell at SV2 in conjunction with renewable energy providers to more cleanly and efficiently power some of our data centers.

### ENERGY EFFICIENCY

Our primary source of energy consumption comes from the power demand of our customers’ IT equipment and the cooling systems we control. We identify and adopt 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 seek opportunities to upgrade our facilities to increase operational efficiency. In 2019, our portfolio PUE was approximately 1.4 percent on a same-store basis, compared to 1.47 percent in 2018 (a 4.8% improvement), resulting in energy savings for our company and our customers.

### Energy-Efficiency Upgrades in 2019:

- We integrated our BO1 location into existing high-efficiency systems and equipment instead of installing entirely new infrastructure and were able to achieve the same energy efficiency as installing entirely new infrastructure.
- Instead of building a separate condenser water system, our LA1 site worked with the landlord to tie our operations into their existing high-efficiency systems. This allowed us to leverage existing cooling for this space, and the increased system utilization enabled the system to work more efficiently. We also installed a “4 to make 3” UPS design, which runs fewer modules at higher utilization, further increasing energy efficiency.
- Our SV8 and VA3 developments included new cooling system design, water-cooled chillers with magnetic bearings, and plate frame heat exchangers. These exchangers enable enhanced cooling and the magnetic bearings optimize the system when running at partial loads. With this configuration energy consumed by mechanical systems is reduced by 60 percent.



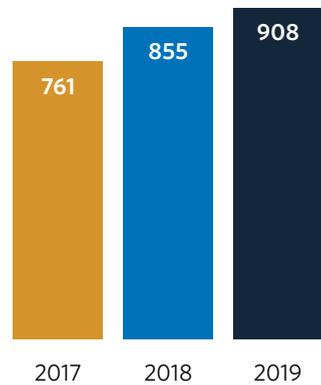
To learn more about energy efficient power and cooling at CoreSite, please visit our [website](#).

## RENEWABLE AND ALTERNATIVE ENERGY IN 2019

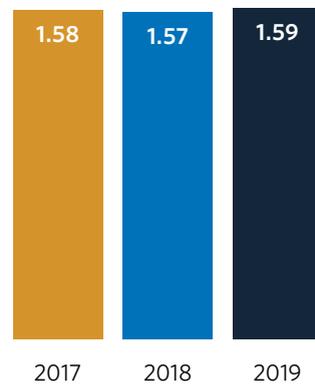
### CoreSite Projects for Renewable and Alternative Energy:

- **Our SV2 site** utilized 100 percent energy from wind, solar, and hydro from Community Choice Aggregation - Silicon Valley Clean Energy and further offset emissions with our fuel cells.
- **Our NY2 building** continued to purchase wind renewable energy credits to completely offset its energy consumption.

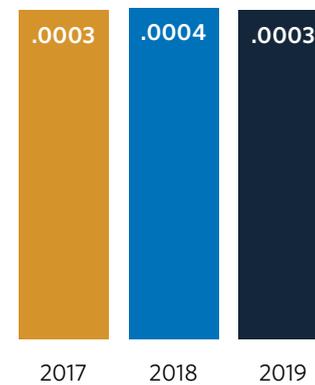
TOTAL ENERGY CONSUMED  
gigawatt hours (GWh)



ENERGY INTENSITY PER \$M REVENUE  
gigawatt hours (GWh)



ENERGY INTENSITY PER NRSF  
gigawatt hours (GWh)



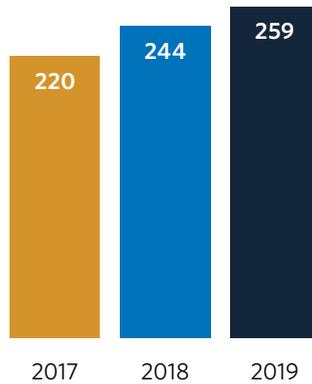
Our SV2 site utilized **100%** energy from wind, solar, and hydro from Community Choice Aggregation - Silicon Valley Clean Energy.



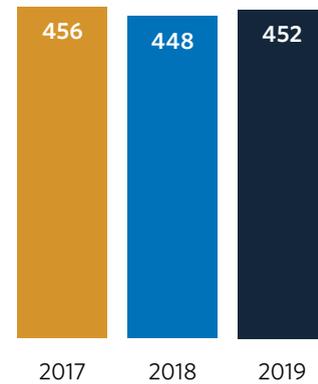
## EMISSIONS

In 2019, we expanded our capacity at our BO1, LA1, LA2, SV8, and VA3 sites allowing our customers to grow within those facilities. Due to increased business activity and expanded operational footprints, our energy consumption and location-based greenhouse gas emissions increased in 2019. Despite a 6 percent increase in energy consumption year over year, our focus on efficiency allowed us to decrease our energy intensity per net rentable square foot (“NRSF”) and to maintain our carbon intensity per NRSF.

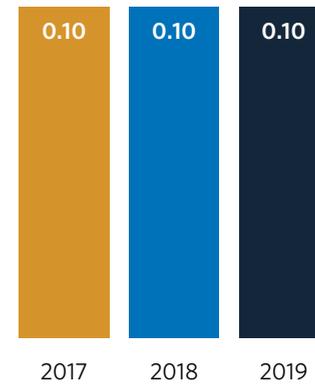
TOTAL EMISSIONS  
(LOCATION-BASED)\*  
1000 metric tons of CO<sub>2</sub>e



CARBON INTENSITY  
(LOCATION-BASED)\* PER \$M REVENUE  
tons of CO<sub>2</sub>e



CARBON INTENSITY  
(LOCATION-BASED)\* PER NRSF  
tons of CO<sub>2</sub>e



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 to 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. We measure success based on achieving a variety of efficiency and economic metrics, such as net present value and return on costs, net kilowatt hours and kilowatt hour reductions.

### MANAGEMENT OF ENERGY AND EMISSIONS

\*Emissions include scope 2 emissions from data center electricity and scope 1 emissions from natural gas usage (approximately 1%). We continue to evaluate the disclosure of market-based emissions as the methodology evolves.

## DEMAND RESPONSE

When utilities reach their capacity on peak demand days, the utility providers must incrementally supplement generation with older, carbon-intensive, coal-fired plants. Demand response programs incentivize shifting load to generators on these days to avoid the use of coal as much as possible. We have supported these programs for almost a decade and further increased our participation in 2019, thereby lowering emissions intensity while increasing the reliability of the grid in the communities where we operate.

## WATER USE

We primarily use water for cooling in 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 seek to reduce our use of potable water. As part of our commitment to minimizing our freshwater footprint, we utilize rainwater for cooling when possible. For example, in May 2019, we installed a 120,000 gallon cistern at VA3 that we use to reclaim all water collected on our roofs from rain events. The water collected via roof drains is passed through a four-pass filter system, treated with UV lights to disinfect, and pumped into our main 260,000 gallon storage tank to be used in our cooling tower. We also used 46M gallons of recycled water at our Coronado Stender Campus in Santa Clara, CA. Our water use strategy reduces our freshwater consumption and increases our operational resilience.



## WASTE AND RECYCLING

At the end of 2019, CoreSite began an initiative to consolidate waste management under a single vendor. This vendor will manage all aspects of waste management, from local vendor selection, pricing, reporting, and even dispatching. By moving to a single, specialized vendor, CoreSite is able to reduce cost through vendor selection and volume pricing, issue one payment per month compared to more than 25 payments prior to consolidating under a single vendor, analyze waste streams and site trends for savings opportunities and efficiency enhancements (balers, compactors, etc.), increase recycling amounts, and track all waste.

During 2019, CoreSite recycled 118 tons and 3,709 yards of material. The two different units of measure are due to some vendors tracking materials by weight and others tracking by volume. To further elaborate on those numbers, CoreSite produced 861 tons and 6,997 yards of waste and recycled 14 percent and 53 percent of that waste respectively. The majority of our data centers' recycling is cardboard and foam, which has a high volume and low weight relative to landfill trash.



During 2019, CoreSite recycled

**118 tons of waste**

and

**3,709 yards**

of material.

# COLLEAGUES



We are a large enough company to make a difference in the global economy of technology, but small enough that each member of our team can have a significant impact, connect with our leaders, and collaborate with fellow colleagues. We value each person's unique skills, background, culture, ideas and thoughts, and work together to power a scalable community of customer connections. Meeting our customers' needs and delivering against their expectations is a calling, one which our employees take seriously.

## Holding Ourselves to the Highest Ethical Standards

Our culture of honesty, accountability and trust guides us in our aspiration to maintain the highest standards of ethical business conduct. We put into practice a "tone at the top" philosophy, with a Senior Leadership Team that embodies our Guiding Principles and sets a good example of ethical behavior for our employees. Holding ourselves to a high ethical standard as corporate citizens differentiates us in the marketplace, allowing us to attract and retain high-quality talent that shares our same values.



### "Tone at the Top"

CoreSite leaders strive to be strong examples of ethical behavior.

## GUIDING PRINCIPLES

We operate in alignment with our Guiding Principles, which is especially important when the business is experiencing large scale and difficult change. These principles are rooted in our desire to create safe and open spaces for our employees, so that they can produce good work while innovating to create better outcomes and solutions for our customers. We believe that engaged employees are more productive employees, and therefore we continue to focus on engagement by collecting feedback through periodic surveys and through regular communication.



We believe that engaged employees are more productive employees.

## ETHICS POLICIES

Ethics policies, training, and oversight are managed by our General Counsel and SVP, along with the Vice President of Human Resources. Our Vice President of Audit, Risk and Compliance provides an ethics report to the Audit Committee each year. Our ethical business practices are guided by policies that outline expectations of our employees and Senior Leadership Team, including:

- [Corporate Governance Guidelines](#)
- [Code of Business Conduct and Ethics](#)
- [Insider Trading Policy](#)
- [Whistleblower Policy](#)
- [Fair Disclosure Policy](#)

Ethics continues to be rated by employees, Senior Leadership, and our Audit Committee as one of the lowest areas of perceived risk in our annual Enterprise Risk Assessment survey. All employees must complete an annual training course on business ethics, and those who interact with international customers are required to participate in an additional training course on the Foreign Corrupt Practice Act. In addition, our employees are required to immediately report any non-compliance with our Code of Business Conduct and Ethics. Such reports, whether made anonymously or otherwise, are kept in strict confidence to the extent possible. CoreSite does not tolerate a retaliation or discrimination against an employee who reports a violation of our policies. In 2019, no incidents of employee non-compliance with laws or regulations related to corruption were reported.



Our ethical business practices are guided by policies that outline expectations of our employees and Senior Leadership Team.



CoreSite does not utilize any self-employed independent contractors (1099 employees) under its maintenance and construction agreements. These individuals are considered contractors and are not defined as temporary employees by CoreSite.

## Investing in Our Most Valued Resource

We understand that the success of our employees drives the success of the business, as well as value creation for investors. CoreSite offers competitive benefits, develops employees' expertise and skillsets, provides a safe, harassment-free and inclusive work environment, and prioritizes employee engagement, and our employees are in turn committed to building strong, innovative and long-term relationships with our customers.

### RECRUITING AND RETAINING TOP TALENT

To deliver the best customer experience and value, we focus on recruiting, hiring, developing and retaining high quality talent. CoreSite maintained consistent staffing levels throughout 2019, with operational efficiencies allowing for the expansion of capabilities within several teams. We consider annual turnover to be a lagging indicator of potential retention concerns and take a more proactive approach to seeking real-time employee feedback. However, we are proud to report that we continue to outperform national averages with regard to voluntary attrition. CoreSite's annualized voluntary attrition decreased from 15.7 percent in 2018 to 10.8 percent in 2019. This decrease marked CoreSite's voluntary attrition dropping well below the 2019 U.S. average annualized voluntary attrition rate of 14 percent. CoreSite introduced several new positions in 2019 in alignment with our calculated growth strategy. The majority of new positions created in 2019 were a direct result of hiring for CoreSite's new SV8 facility. The ability to rapidly staff a new facility and maintain minimal levels of turnover, illustrate that our Guiding Principles and value proposition continue to resonate with potential candidates.

Our recruiting team continually seeks new ways to attract diverse talent. To target talent more strategically, we expanded our capabilities within various recruiting platforms in 2019. The recruiting team continues to measure, test, and iterate on

evolving strategies to hire diverse and qualified candidates. There were no large-scale redundancies or significant job reductions affecting more than 5 percent of the workforce during the three years ending in 2019.

### OFFERING COMPETITIVE BENEFITS

Our competitive benefits help us attract the best talent. We made several enhancements to our benefit offerings in 2019, including:

- Added three new voluntary benefits plans: accident coverage, critical illness coverage, and hospital indemnity coverage,
- Evaluated our leave policies and implemented an expanded parental leave policy that went into effect in January of 2020,
  - We plan to move from a paid leave practice to a paid parental leave policy to allow all parents to have bonding time with their family. Our Paid Parental Leave policy provides eligible employees with time off to care for a newborn, newly adopted or newly placed foster child under 18 years of age, or for a newly adopted or newly placed foster child 18 years of age or older who is incapable of self-care because of a physical or mental impairment.
- Increased our vision plan allowance from \$130 to \$200,
- Increased our employer contribution to the plan from 3 percent to 4 percent on January 1, 2019, regardless of an employee's contribution amount,
- Improved our average deferral election to 7.7 percent in 2019 from 5.9 percent in 2018 via our annual automatic employee deferral increase program, and
- Averaged 90 percent employee participation in our 401(k) savings plan, well above the industry average of 73 percent

### PRIORITIZING WORKPLACE SAFETY

CoreSite believes our people are our most important asset and the preservation of their health and safety must remain a constant consideration in every phase of our business. We will provide the resources to manage, control, eliminate or minimize safety and health hazards.

All employees take responsibility for working safely and productively, and for recognizing and being aware of hazards in their work areas. Employees are also responsible for following safe work practices, including the use of personal protective equipment where necessary.

We maintain the highest standards of workplace safety. Employees are required to take part in trainings on safe work practices, electrical safety and hazard communication. We continued to maintain a strong record in this area in 2019, with a Days Away/Restricted or Job Transfer Rate (DART)\* Rate of 0.19 percent. Our lost day rate increased to 7.82 percent due to one employee's absence of 125 days due to a condition unrelated to work.

In 2019, we continued our trend of no fatal accidents at our facilities or contractor fatalities as a result of work-related injury.

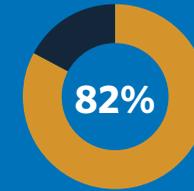
Year	Lost Day Rate	DART Rate
2017	0.011%	0.036%
2018	0.017%	0.26%
2019	7.82% (0.63%*)	0.19%

\*Reflects Lost Day Rate excluding the one incident of an employee's absence of 125 days



CoreSite has been recognized as one of the top workplaces in the Bay Area for 2019.

Retention Rate



Hiring Rate



Average Tenure

**4.24**  
YEARS

### New Colleague Hires and Colleague Turnover

Total number of colleagues

BEGINNING OF 2019

**454**

END OF 2019

**464**

Total number of new colleagues hired

BY GENDER



BY AGE



Total number of colleagues leaving CoreSite

BY GENDER



BY AGE





All employees received performance reviews and completed an average of

**15**  
HOURS

of training during the reporting period.



### DEVELOPING AND TRAINING EMPLOYEES OF THE FUTURE

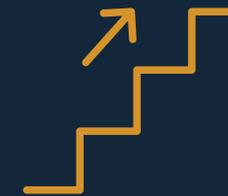
An essential part of our business strategy is to recruit, hire, and develop the right people to deliver exceptional customer experience and value. In 2019, CoreSite maintained an individualized and customized approach to development by responding to manager suggestions and employee needs with targeted development opportunities. By providing onboarding training, ongoing educational programming and annual performance reviews, we attract and retain a highly skilled workforce geared to tackle the future of our industry.

Our colleagues completed several notable achievements in 2019, including the growth of our physical footprint with the successful opening and staffing of SV8. Our colleagues also signed 50 percent more new logos into the CoreSite community from 2018 and maintained eight 9s of uptime across all facilities. Supporting our colleagues to produce results at this scale is critical to our success.

### REFINING OUR DATA CENTER OPERATIONS STRUCTURE

In 2018, we combined our Facilities, Telecommunications, and Security functions to create a new Data Center Operations structure through a large-scale departmental reorganization program. We continued to refine this new structure in 2019, offering opportunities for Data Center Operations Technicians to qualify into a higher tier within the Technician ranks.

In 2019, CoreSite continued to refine the new Data Center Operations Structure by offering opportunities for Data Center Operations Technicians to qualify into a higher rank/level within the Operations



Our Data Center Operations development program yielded 152 promotions throughout the 2019 calendar year.

team structure. This development program yielded 152 promotions throughout the 2019 calendar year. These promotions resulted from the direct efforts of our Data Center Operations employees with support from their leaders in taking time to learn more about our business and complete required CoreSite developed board exams to qualify for a higher tier level within the Operational teams structure. These promotions supplement our annual promotional cycle and largely were made possible through the programmatic development of a large-scale departmental reorganization project.

In 2019, CoreSite's Data Center Technicians conducted a total of 21,865 hours of operational training. CoreSite increased compliance training for all Data Center Operations by implementing the following mandatory trainings:

- CoreSite DCT Fire Plan Training
- Remote Hands Rerate
- Hazardous Communication Acknowledgement

On average, each employee at CoreSite completed 15 hours of mandatory training. This supports not only proper compliance, but also operational alignment across all departments within CoreSite.

### EXTRAORDINARY COLLEAGUE CONTRIBUTIONS

We have a long-held tradition of recognizing employees' extraordinary contributions and service to the business. We look for opportunities to internally celebrate the small and big wins, including shout-outs during all hands meetings, team meetings, quarterly business reviews, and through internal employee communications channels.

We recognize the outstanding achievements of colleagues across the organization each year at our Mid-Year Conference with our annual awards ceremony. CoreSite's Mid-Year Conference provides an opportunity for leaders across departments and locations to gather and set operational targets against business objectives previously agreed upon with the Board of Directors. This annual leadership conference also provides the opportunity for valuable feedback and brainstorming sessions with the company's internal subject matter experts.

We look for opportunities to internally celebrate the small and big wins, including shout-outs during all hands meetings, team meetings, quarterly business reviews, and through internal employee communications channels.

## High-Impact Award



One of the most anticipated events at our Mid-Year Conference is the announcement of CoreSite's Services and High Impact Awards. The top award is the CoreSite Service Award, recognizing an employee who goes above and beyond through demonstrated results, commitment to meeting customer needs and demonstrating extreme ownership of our Guiding Principles. Awarded to Michael Cameron, a long-time CoreSite veteran, Michael was recognized for his tireless commitment to cataloging and organizing CoreSite's integrated network infrastructure with the implementation and management of a new FNT system. Celebrate with us by watching this video.

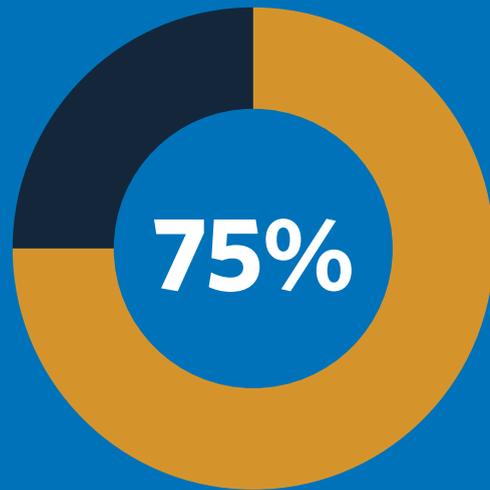
Six employees received a CoreSite High Impact Award which recognizes employees who show a tremendous amount of commitment to both their colleagues and our customers. From an IT Project Manager who ensured a major system enhancement was completed effectively to a tenured Data Center Operations Manager who drastically increased operational KPIs at our Reston campus, our 2019 High Impact Award winners are honored through heartfelt congratulations and celebration at the annual Mid-Year Conference Awards dinner.



6

employees received a CoreSite High Impact Award, which recognizes employees who show a tremendous amount of commitment to both their colleagues and our customers.

## 2018 Employee Survey



OF CORESITE  
COLLEAGUES PARTICIPATED



### LISTENING TO EMPLOYEE FEEDBACK

Senior leadership and management seek regular feedback from employees to ensure that we are delivering on our commitment to making CoreSite a great place to work. Our employee engagement survey covers the following categories:

- **The Basics:** pay, benefits, training and work/life balance
- **Engagement:** motivation, referral and retention
- **The Leader:** our CEO ratings
- **Organizational Health:** alignment, effectiveness, connection, and management

Seventy-five percent of employees participated in the survey in 2019, up 4 percent from 2018 and 7 percent higher than our benchmark. 2019 survey results revealed that employees felt strongly that their managers helped them learn and grow and were caring and responsive to concerns. Areas for enhancement include employee communication, development of leadership capability across the organization, and utilization of technology tools to provide opportunities for employees to recognize their peers and connect for fun.

These results illustrate that our colleagues continuously produce positive outcomes and are now, more than ever, connected as a community of engaged employees.

Employee engagement increased by **4%** year over year.

### FOSTERING A CULTURE OF DIVERSITY AND INCLUSION

We believe that a diverse and inclusive team enables us to drive collaboration, innovation, and accountability. By bringing different voices, backgrounds, and experiences to the table, and providing an inclusive work environment, employees are empowered to be their true and best selves at CoreSite. Our Guiding Principle of Fair and Equal Treatment leads us in our actions to ensure all employees feel safe, respected, and confident that they have opportunities for advancement.

### WORKING TOWARD GENDER DIVERSITY

Women play a critical role in the success and long-term growth of our business, and we value their contributions to CoreSite and our industry at large. One way we attract female talent is by highlighting female leadership on our CoreSite careers page, which currently features Maile Kaiser, SVP Sales, and Tanya Flink, VP Client Services. Maile was recognized for excellence in her position as well as for being a positive role model for other women at CoreSite by offering mentorship and encouragement. Tanya is honored for the dedication and inspiration she brings to her team and to CoreSite as a whole.

We acknowledge that the data center industry and real estate investment trusts (“REITs”) historically and currently tend to be fields with a high percentage of male employees, and CoreSite is no exception. Understanding that the role of data center technician currently predominantly attracts male applicants, our recruiting team took deliberate steps in 2019 to ensure that our job postings and descriptions didn’t inadvertently dissuade female applicants from applying.

Word choice is key to making job descriptions more gender neutral and attracting a strong applicant pool. Studies have shown that gendered wording only has a negative impact on females, as males are just as likely to apply for feminine-coded jobs as are females. Our goal is to attract strong applicants from all genders, so it is important that we strive for feminine coding in these descriptions. By analyzing the text of over 100 job listings, we learned that the majority of our descriptions yielded the “feminine coded” result, and the description for the most frequently posted position —Data Center Technician—returned as “strongly feminine coded.” Our data center technician training and certification program also helps us create more opportunities for females in these roles by giving all technicians equal opportunities to learn skills that will lead to promotions and professional development.

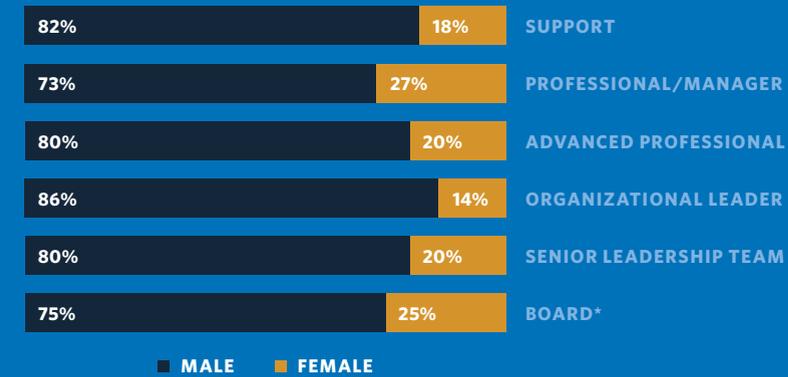
These efforts are already yielding positive results. For instance, in 2019 we were able to promote a high performing female data center technician into an engineer role.

Despite these successes, our overall gender diversity decreased in 2019. The number of female employees in Science, Technology, Engineering, and Mathematics-focused roles decreased from 15 percent in 2018 to 10 percent in 2019. We are making progress in hiring and promoting highly qualified female candidates into our senior leadership team, which currently features women leaders in Sales, IT, and Human Resources, and expect opportunities to introduce more gender diversity in our senior leadership team going forward.

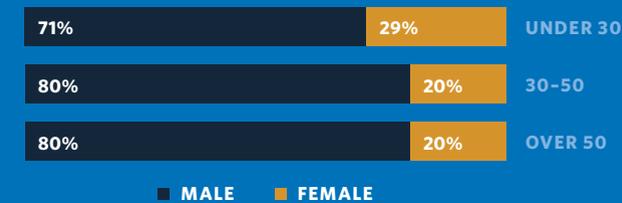
Our goal is to attract strong applicants from all genders.

## Diversity at Coresite

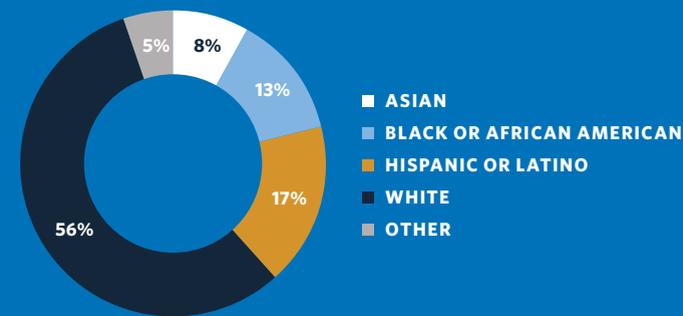
2019 gender diversity by employee category



2019 gender diversity by age group



2019 racial diversity



\*Refer to [page 9](#) for changes to our board in 2020.

## CoreSite is Proud of its Veteran Employees



Percentage of veterans at CoreSite

2018

15%

2019

21%



We test for discriminatory bias in our hires, terminations, promotions or performance and pay decisions throughout the year.



### **MAINTAINING A HARASSMENT AND DISCRIMINATION-FREE WORKPLACE**

We believe that ensuring equal employment opportunity is simply the right thing to do. Our Equal Employment Opportunity/Harassment Policy applies to all employees, including senior executives, and to third-party stakeholders, such as customers and vendors. The policy states that actual or perceived race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, family responsibilities, matriculation, political affiliation, genetic information, disability, veteran status or any other status protected by applicable law are not taken into account in any of our employment decisions.

We test for discriminatory bias in our hires, terminations, promotions or performance and pay decisions throughout the year. In 2019, we continued performing additional bias assessments to ensure fair and equal treatment during performance and compensation reviews among various employee groups. We also require all employees to participate in an annual Workplace Harassment Prevention course to learn how to identify, report, and prevent harassment. Our bias assessments found no evidence that any groups received unfair treatment or adverse impacts in 2019.

To address any suspected discrimination in a transparent and respectful way, we have processes in place that we follow when an alleged incident is reported. The learnings from these cases inform our approach to adapting our policies as needed, to help prevent discrimination in the future. There were no incidents of discrimination reported in 2019.

Our human resources team conducted a comprehensive Employee Handbook review, with the aid of outside counsel, beginning in November 2019. This process resulted in updates to several policies (including our EEO and anti-harassment policies) released in January 2020. In addition, we developed our first set of state-specific policy addendums that recognize each state's specific equal employment opportunity clauses.

### **MANAGEMENT OF COLLEAGUES**

Our Human Resources ("HR") department and people managers across all departments are responsible for executing our management approach. HR functional leadership is part of our Senior Leadership Team. In 2020, we hired a new Vice President of HR, Leslie McIntosh, who will evaluate all colleague programs for possible adjustment, enhancement or reprioritization. The VP of HR reports directly to the Senior Vice President of Legal. Human capital metrics are reviewed on a quarterly basis with the Compensation Committee. In 2018, we established baseline metrics for multiple diversity categories and will continue to seek to improve our metrics in 2020.

We believe that ensuring equal employment opportunity is simply the right thing to do.

# COMMUNITIES



CoreSite volunteers built two horseshoe pits for recreation and socialization as well as a raised garden bed for learning gardening vocational skills at the Veteran Affairs ("VA") Homeless Domiciliary.



## 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. Our success is intrinsically linked to the success of our customers. As our customer community becomes stronger, our services become better. 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. We strive to make our working relationships between CoreSite and our 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

### 2019 DAY OF SERVICE

CoreSite’s Annual Day of Service brings our colleagues together to build stronger relationships with each other while also helping the communities in which we live and work. CoreSite headquarter employees completed 650 hours of volunteer service in 2019.

Program	Number of Employee Hours
Food Bank of the Rockies	240.5
Brother’s Redevelopment	266.5
U.S. Department of Veterans Affairs – Homeless Domiciliary	143

### ORGANIZATIONS SUPPORTED AT THE 2019 DAY OF SERVICE



#### 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 to fill boxes for the senior program.



#### Brothers Redevelopment



In 2019, CoreSite

employees painted houses and completed yard work for three senior citizen homeowners. With physical and financial limitations, these homeowners were able to receive crucial support from volunteers that helped renew their sense of pride in their homes again. Through our

partnership with Brothers Redevelopment, CoreSite employees volunteered 266.5 hours of support in 2019, which resulted in a social impact of more than \$48,000 for the homeowners.

***“My house looks great and when I go outside and look, the nice paint makes me feel good. It was perfect!”***

**– 2019 CoreSite Paint-A-Thon Recipient**

#### Veteran Affairs (“VA”) Homeless Domiciliary

In addition to continuing to support organizations we have partnered with over the years, we continued a volunteer partnership with a veteran-based organization given many of our colleagues are veterans themselves.

In 2019, we introduced a new opportunity with the Veteran Affairs (“VA”) Homeless Domiciliary. The Domiciliary Care Program is the Department of VA’s oldest health care program aimed to provide a home and services for disabled and economically-disadvantaged Veterans. The Domiciliary has evolved from a “Soldiers’ Home” to become an active clinical rehabilitation and treatment program for male and female Veterans and

is designed to provide state-of-the-art, high-quality residential rehabilitation and treatment services for Veterans with multiple and severe medical conditions, mental illness, addiction, or psychosocial deficits.

In an effort to support the facility, the CoreSite team built two horseshoe pits for recreation and socialization for the Veterans as well as a raised garden bed for learning gardening vocational skills.



[Learn more about the project here.](#)

**I** can’t tell you how amazing having the garden has been especially during the time of COVID when we can’t access normal outings/ events in the community. I have attached pictures of the garden from today so you can see how much it has grown in just over a month!! The kitchen staff has been great and have already been incorporating the fresh herbs into the Veterans meals (pork shoulder with fresh thyme/ tacos with fresh cilantro/ strawberry mint delight dessert) and also using the fresh radishes and carrots in the side salads. It really has already been an amazing success and I want to say thank you again for setting up the garden beds to make this a reality. A couple of the Veterans have really taken ownership of the garden and look after it every day.”

## Biking for a Cause

In 2019, CoreSite 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**. The CoreSite team raised **\$1,182** to benefit the American Transplant Foundation.



## OUR LOCAL MARKETS AND COMMUNITIES

For the third consecutive year the Data Center Operations team at NY2 hosted a group of students from the New York City Department of Education's Scholars program for a career day. The focus of the day was career paths and opportunities, the technology in data centers, and a tour of the facility.

The New York market hosted its annual holiday toy drive to support the local NY2, Secaucus, NJ, community.





[CORESITE.COM](https://www.coresite.com)