Shareholder Rebuttal to Digital Realty Trust, Inc.'s Opposition Statement Regarding "Water Risk Disclosure" Shareholder Proposal 2026 Proxy Item Number 4

Resolved: Shareholders request that the Board of Directors annually disclose region-level metrics on Digital Realty's exposure to water-related risks and operational water intensity in water-stressed areas, at reasonable expense and excluding proprietary information, to enable investors to assess where the company's portfolio is most vulnerable to or exposed to water scarcity risks.

Dear Digital Realty Trust, Inc. Shareholders:

NorthStar Asset Management asks you to vote "**FOR**" shareholder proposal number 4, requesting that Digital Realty Trust, Inc. ("Digital Realty," or "DLR," or the "Company") publish annual, region-level metrics on its exposure to water-related risks and operational water intensity in water stressed areas (the "Proposal") at the Digital Realty Annual Meeting of Stockholders on May 29, 2026.

For the following reasons, we urge Digital Realty shareholders to vote FOR the Proposal:

1. **DLR Claims Water Risk as "Greatest Interruption Risk"**

   Despite its claim of irrelevance within its opposition statement since only "three out of four facilities" operate under low water consumption designs, DLR has defined water stress as a material business risk in its 10-K report, stating, "Our global water strategy addresses the strategic role that water plays in our operations and regions where water quality and scarcity pose the greatest interruption risk to our business."[1]

   Yet DLR's opposition statement asks shareholders to vote against the Proposal on the grounds that water risk is limited, pointing to "three out of four facilities" operating under low water consumption designs as evidence its exposure is manageable.

[1] https://investor.digitalrealty.com/static-files/2457e6c9-9b27-474b-8fec-9e4e491a4b35

Though the Company has adopted zero-water data centers in new construction, DLR's growth strategy is largely driven by acquisitions, and in acquisitions , DLR maintains existing cooling systems which are typically water-based.

DLR cannot simultaneously characterize water stress as posing "the greatest interruption risk" to its business and argue that regional water disclosure is unnecessary for investors to have the same visibility where risk is the greatest.

2. Aggregate Reporting Obscures Material Risk

DLR's disclosures revealed 32% of its water use comes from high or extremely high water-stress regions, yet DLR's water reporting is aggregated. Water risks are often local or regional in nature, efficiency gains in water-abundant regions do not offset vulnerabilities in drought-affected areas, they obscure them. DLR's 2024 Impact Report discloses a 14% improvement in Water Usage Effectiveness solely for its North America colocation portfolio, providing no insight into whether and to what extent efficiencies were gained in areas of water stress. Further, there is no equivalent metric for its operations in other regions despite the company's own acknowledgment that approximately 32% of its total water consumption globally comes from high or extremely high water-stress regions.[2]

DLR reports water performance in aggregate, obscuring which markets face the greatest stress and when it does report regionally, it does so selectively, disclosing in the proponent's opinion only where results are favorable. The result is a disclosure framework where shareholders are left without a clear picture of where water stress poses the greatest operational and financial risk to the portfolio.

3. Data Is Not Created Equal

DLR's claim that "three out of four facilities" operate under low water consumption designs may understate the Company's true water risks. This figure reflects unit counts that are not capacity weighted. Where a small 2-megawatt data center and a 100-megawatt hyperscale data center campus each count as one unit despite vastly varying water consumption. As a result, that figure obscures DLR's most material water risks rather than reflecting them. If 25% of the facilities not using the new low water consumption design represents 60% of DLR's total power load, the three out of four figure is technically true but practically misleading regarding total environmental impact.

[2] https://go2.digitalrealty.com/rs/087-YZJ-646/images/Report_Digital_Realty_2024_Impact_Report.pdf

Location compounds the problem further. Ten data centers in water abundant regions such as Northern Europe do not carry the same environmental weight as one data center in a water-stressed region like Phoenix, Arizona or Madrid, Spain.

If DLR's low water consumption new builds are concentrated in water abundant regions, the "three out of four" figure may overstate the Company's progress where it matters least and understate risk where its most critical. This is precisely why facility-level disclosure is essential for shareholders to assess DLR's true water risk exposure.

4. DLR is Already Providing This Data in Europe

DLR's opposition statement confirms the Company already conducts annual regional water stress assessments and uses the data to prioritize conservation projects, which indicates the data requested by the proponent to share with investors already exists. Additionally, DLR's European facilities, approximately 36% of its global portfolio, are already legally required to report water footprint data annually under the EU Energy Efficiency Directive (EED), which entered into force in October 2023.[3] DLR is already generating this data as a matter of regulatory compliance. The Proposal asks DLR to make equivalent regional water information available to its own investors.

Therefore, the existence of the necessary data would reduce management time, effort, and expense to disclose these additional metrics to shareholders.

5. Community Opposition and Regulatory Risk

Over a two-year period, community opposition to data center water and energy consumption has blocked or delayed $64 billion of U.S. data center development, with over 40% of disputed projects citing water as the leading concern.[4, 5] For instance, in 2025, Amazon withdrew their plans for a proposed 7.2 million square foot data center in Virginia after local communities raised concerns on water availability.[6] Regulatory pressure has escalated from local to state and federal levels. Examples include municipalities and at least 12 states that have enacted data center moratoriums, the Maine legislature passing the nation's first statewide moratorium in April 2026. Though Maine's governor vetoed the bill as it did not provide an exemption for a specific town, she acknowledged the moratorium was appropriate given the negative environmental impacts of data centers on communities. Recently, Florida's Commerce Secretary opposed the state's first proposed hyperscale AI data center, a $2.6 billion development,

[3] https://eur-lex.europa.eu/eli/dir/2023/1791/oj/eng
[4] https://www.datacenterwatch.org/report
[5] https://introl.com/blog/data-center-community-opposition-64-billion-backlash
[6] https://www.techtarget.com/searchdatacenter/news/366628222/AWS-tables-Va-data-center-after-community-pushback

warning the developer had 'woefully underestimated' its water needs and that the project posed a material risk to Central Florida's water supply.[7] At the federal level, Senator Bernie Sanders and Representative Alexandria Ocasio-Cortez introduced the AI Data Center Moratorium Act citing water as one of the key concerns for data center siting and expansion and the U.S. Environmental Protection Agency recently launched its Water Reuse Action Plan 2.0, to "prioritize reliable water supplies for data centers and semiconductor manufacturing—critical infrastructure for AI—ensuring the U.S. can scale innovation without straining freshwater resources."[8, 9, 10] Permitting or siting delays can defer revenue realization and reduce project-level returns, creating a financially material risk to investors.

Without regional water disclosure, shareholders cannot identify which DLR facilities and markets are most exposed to operational disruption, project delays, regulatory blocks, or stranded assets risks.

6. Lagging Industry Peer Disclosure

Peer Cyrus One already provides region-level disclosure as part of their standard annual reporting. Although 78% of CyrusOne's data centers use water-free cooling, it conducts an annual water risk assessment that models its data center facilities against projected regional 2030 and 2024 water stress, specifically disclosing the number of sites that may face business interruption due to water shortages occurring in the next decade and publishes results for investors.[11]

Peer Equinix discloses annual site-specific Water Usage Effectiveness (WUE) for their customers. Equinix provides annual Customer Water Reports detailing site-level water usage effectiveness ratio and total water withdrawal attributable to each customer, providing them with transparent reporting to meet sustainability goals.[12]

DLR's opposition statement confirms it already conducts regional water stress assessments internally—the data exists, but the company refuses to provide shareholders with that transparency. The absence of comparable disclosures falls short of emerging peer norms and prevents shareholders from assessing a risk that the company's closest competitors have deemed material.

Shareholders, we urge you to vote "**FOR**" proxy item number 4, Stockholder Proposal Regarding Water Risk Disclosure. Annual, regional level disclosure in water-stressed areas would provide

[7] Commerce secretary strongly opposes proposed AI data center | WUSF
[8] https://www.theguardian.com/us-news/2026/mar/25/datacenters-bernie-sanders-aoc
[9] https://introl.com/blog/data-center-community-opposition-64-billion-backlash
[10] https://www.epa.gov/newsreleases/three-things-know-about-wrap-20
[11] https://www.cyrusone.com/hubfs/Website%20Documents%202025/2025%20Sustainability%20Report.pdf?hsLang=en
[12] https://www.equinix.com/content/dam/eqxcorp/en_us/documents/resources/infopapers/ip_customer_water_reports_en.pdf

investors clear insight into DLR's operational exposure and management of water-related risks where water scarcity is greatest. This transparency would enable investors to evaluate business resilience, anticipate potential operational or regulatory impacts, and assess long-term value creation.

Vote YES on Shareholder Proposal No. 4.

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