GDS 万国数据

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

CONNECTING A SMART INFRASTRUCTURE PLATFORM TO A SUSTAINABLE FUTURE

Contents

About this Report

Welcome to our 2023 ESG report. This report is the fourth ESG report released by GDS Holdings Limited. The following content discloses our environmental, social and governance progress and performance in 2023.

If you have any suggestions or opinions, you can contact us through the following Email.

Email: esg@gds-services.com

Reporting Period

This report covers our activities from January 1, 2023 to December 31, 2023. It may include additional information beyond the stated reporting period for comprehensiveness.

Reporting Principles

This report is prepared in accordance with the *Global Reporting Initiative Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), the *ESG Reporting Guide 2.0* issued by Nasdaq, the *Environmental, Social and Governance Reporting Guide* issued by Hong Kong Exchanges and Clearing Limited (HKEX), and the *Sustainability Accounting Standard for the Software & Information Technology (IT) Services Industry* (SASB Standards) issued by the Sustainability Accounting Standards Board (SASB).

Compilation Process

We undertook the following steps to compile this report: materials collection; compilation and revision; senior management review; Sustainability Committee review; Nominating and Corporate Governance Committee review; Board of Directors review; and disclosure.

Reporting Scope

This report covers GDS Holdings Limited, its consolidated subsidiaries and its consolidated affiliated entities, including its variable interest entities.

Data Sources

The information contained in this report comes from our statistical reports and relevant documents.

In this report, unless otherwise specified, financial data is presented in RMB.

References

Unless otherwise indicated, references in this report to "GDS," "company," "our company," "we," "our," or "us" are to GDS Holdings Limited, a company incorporated on December 1, 2006 in the Cayman Islands with limited liability, and, where the context requires, also including its subsidiaries, its affiliated entities, and variable interest entities and their subsidiaries, from time-to-time.

Reliability Assurance

Bureau Veritas is entrusted to provide a third-party assessment of the report, and to issue an independent statement of assurance.

Report Access

To download the electronic version, please visit our website: http://www.gds-services.com. In line with our ESG initiatives, this report is only available in an electronic version. If you require a printed copy, you may download and print an online version from the website address above.

Message from Executive Leadership

In 2023, GDS took concrete actions to fulfill our commitment to achieving operational carbon neutrality by 2030. We are proud to release the GDS 2023 ESG Report, sharing with you the latest achievements in our sustainable development journey. We are fully aware that today's actions will impact the future of our world. GDS will continue to advance with a pragmatic approach, an open mind, and exceptional performance, committed to building a prosperous, green, and harmonious world.

William Wei Huang
Chairman and Chief Executive Officer

GDS Holdings Limited

Daniel Newman
Chief Financial Officer

GDS Holdings Limited

Jamie Khoo
Chief Executive Officer

GDS International[1]

Delivering on Green Commitments with Excellent Performances

We vigorously promote innovation in low-carbon technologies, green design, and intelligent operation strategies to construct a robust computing foundation for green and low-carbon development. In 2023, our use of renewable energy hit 38%, and the average PUE improved to 1.28[2]. We embarked on the Science Based Targets initiative (SBTi), charting a definitive course for carbon reduction. We expanded clean energy applications and actively engaged in the carbon trading market to further advance the transition to renewable energy. Upholding principles of green site selection and adhering to stringent environmental design standards, we have elevated the percentage of certified green building to 87%, fulfilling our commitment to minimizing environmental impact.

Build Trust Through Smart Data Centers

Leveraging our advantages in secure, efficient, and green intelligent technologies, we address the evolving needs of our customers in the era of smart computing. In 2023, 95% of our self-built data centers reached an excellent level of business continuity, and our resilience in intelligent operations continues to strengthen. Our modular and prefabricated data center solutions enable rapid overseas deployment, shortening construction timelines by over 30%, surpassing customer expectations.We comprehensively strengthened information security assurance to sustain our ISO 27001 and ISO 27701 certifications. By refining supplier information security management requirements, we solidified the network security defense across the entire supply chain.

Create Comprehensive Value for Stakeholders

We advocate for broad social equality and inclusion, caring for employees, empowering partners, and giving back to communities. In 2023, we hosted cultural integration events and established clear channels for career advancement, promoting inter-employee multicultural understanding and building an expansive and equal platform for development. We drove our suppliers to sign the *Sustainability Commitment Letter* and achieved 100% supplier ESG due diligence, motivating our supply chain partners to fulfill their environmental and social responsibilities. Focused on "aiding orphans and promoting technology for national prosperity," we are steadfast in our dedication to philanthropy and charitable endeavors, pooling goodwill and spreading warmth.

Pursue Sustainable Development Through Exceptional Operational Management

We adhere to strict corporate governance standards and maintain open and transparent communications with stakeholders. In 2023 , we integrated ESG indicators into the executive performance evaluation system, further driving the implementation of ESG management goals at all levels. We incorporate ESG risks, including climate change, into comprehensive risk management, proactively identifying and controlling the development and changes in various risks, providing a solid guarantee for long-term stable operations.

Looking ahead, GDS remains dedicated to the vision of leading technological progress and fostering the digital economy. We will forge ahead together with stakeholders towards our ESG strategic goals. GDS will pursue a path of innovation to uncover wider developmental prospects within the industry, contributing to the creation of a globally competitive industry cluster.

1. "GDS International" or "GDSI" are to DigitalLand Holdings Limited,which is the holding company of our consolidated subsidiaries and the consolidated affiliated entities conducting international business and operation outside mainland China.

2. Data center utilization rate ≥ 30%, with new technology and architecutre applied.
PUE data related to GDS International is not included in this disclosure. Unless otherwise stated, all disclosed information will include data from GDSI.

Our Business and Sustainable Development

Our Business

In 2023, GDS accelerated the implementation of "domestic and overseas" dual-engine strategy, progressively strengthening the platform capabilities of computing power scheduling, multi-cloud synergy, and network hub within our data center clusters to align with the developmental need of AI era. Based on our robust product innovation prowess, stable and flexible data center platform resources, along with our green, sustainable technologies and strategies, we support our clients' overseas business expansion, intelligent computing deployments, and multi-site hybrid IT architectures. We also contribute to the diverse aggregation and scheduling of computing power ecosystems and the high-quality development of the digital economy industry.

In Mainland China, guided by the "East Data, West Computing" policy, we continuously enhance our presence at key hubs, supporting clients with stable foundation through high-quality infrastructures, operation services, and value-added services, underpinning the digital transformation of all sectors of society. From public service applications and financial services to governmental informatization, the company has established a complete data center network interconnection platform across the country, offering efficient and convenient interconnection services to our clients.

In Southeast Asia, we actively respond to the Belt and Road Initiative, continuing to build a data center regional ecosystem centered around Singapore-Malaysia-Indonesia. The first phase of the data center located in Nusajaya Tech Park, Johor, Malaysia, was fully operational, poised to enhance Malaysia's digital infrastructure and computing power. Additionally, by engaging in the Data Centre-Call for Application (DC-CFA) program in Singapore, we secured approval for data center energy usage, significantly optimizing our data center platform presence in Southeast Asia. These substantial advancements strengthen our commitment to providing clients with enhanced connectivity, establishing an ecological footprint in Southeast Asia, and supporting the collaborative development of the digital economy.

Layout of data center regions

Beijing-Tianjin-Hebei **47**

Central China **1**

Chengdu-Chongqing **3**

Yangtze River Delta **30**

Southeast Asia **3**

Greater Bay Area **19**

Industry distribution of customers served

864 Customers

3.09% Others

32.45% Large internet

8.22% FSI* & Large enterprises

56.24% Cloud service providers
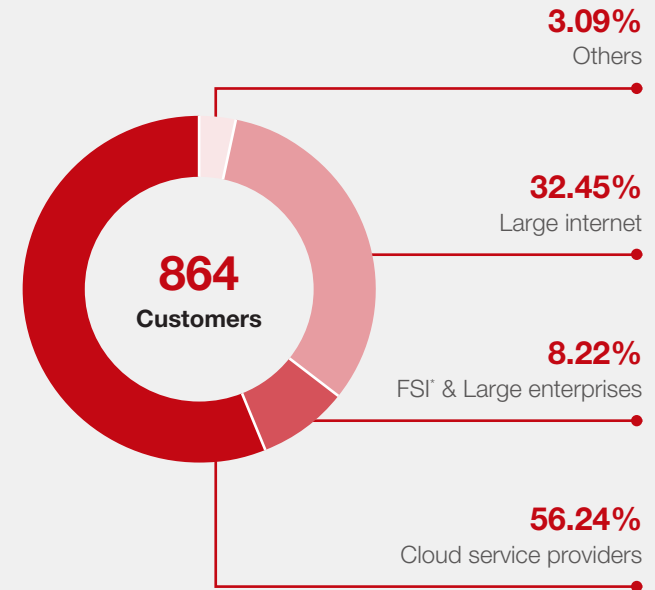
* Financial Service Institution

2023 business highlights

As of 31 December 2023 we have

105

data centers in total

* Include 15 BOT (build-operate-transfer) projects

Total area in service

572,555 m^2

93* DCs

Total area under construcion

182,746 m^2

12 DCs

In 2023

7 data centers have come into operation in

Beijing **Hong Kong**

Langfang **Johor (Malaysia)**

Shenzhen

Integrate Sustainable Development into Corporate Governance Framework

To promote the full integration of sustainable management into our corporate governance framework, we continuously refine the management structure, which includes the Board of Directors, its specialized committees, working groups, and frontline data center operation teams. This structure ensures efficient internal execution while addressing the concerns of external stakeholders, effectively driving our sustainable development goals. We uphold ESG-related principles in our corporate decision-making processes by including progress on ESG goals into key performance indicators. These indicators are essential for determining the performance metrics of our leadership team members.

Sustainable development management structure

Board of Directors	• The top decision-making body for the company's ESG initiatives; • Oversee the sustainability strategy, policies and measures; • Review and approve annual ESG report.
Nomination and Corporate Governance Committee	• Provide the Board with strategic advice on ESG work and report the progress on ESG initiatives; • Pre-approve annual ESG report.
Sustainability Committee	• Develop and execute the ESG strategy and follow up the implementation of material issues; • Responsible for ESG-related risk management; • Continuously monitor ESG performance indicators.
Sustainability Working Group	• Responsible for the daily implementation of the ESG strategy, regularly gather and submit information and prepare for ESG reports; • Manage communications with internal and external stakeholders; • Stay abreast of regulations associated with sustainable development, develop and implement sustainability action plans.

Materiality Analysis

We refined the material topics through internal assessments, external evaluations, and stakeholder surveys, aiming to better address stakeholder demands. We thoroughly aligned our material topics with the United Nations' Sustainable Development Goals (UN SDGs), ensuring our efforts are in sync with the UN Vision 2030 and SDGs.

For details about our **UN SDGs alignment**, please visit the company website.

1 Review:

Conduct benchmarking and stakeholder analysis and integrate these insights with corporate strategy and business operations to provide foundation for materiality analysis.

2 Identification:

Identify and adjust material topics based on factors such as national policies, sustainable development policies, industry benchmarks, and stakeholder communication.
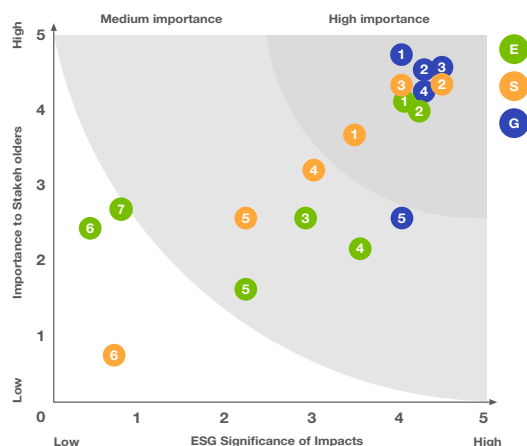
3 Evaluation:

Invite internal and external stakeholders to participate in materiality surveys and score the importance of material topics.

4 Verification:

Leadership and external experts verify the evaluation results, make adjustments and confirm the identified material topics.

Our material topics

1 Climate risk and opportunity management
2 Renewable energy
3 Carbon emission
4 Energy management
5 Water resources management
6 Waste management
7 The environmental impact of buildings

1 Customer experience
2 Employee engagement and development
3 Diversity, equality, and inclusivity
4 Occupational health and safety
5 Supply chain management
6 Community participation

1 Corporate governance
2 Business compliance
3 Business ethics
4 Cyber security
5 ESG oversight

Stakeholder engagement

STAKEHOLDER	EXPECTATION AND CONCERN	COMMUNICATION CHANNEL
Government and Regulators	• Operate in compliance with laws and regulations • Promote local economic development • Promote local employment • Contribute to green and low-carbon development • Protect intellectual property rights	• Government-enterprise communication channels • Actively participate in surveys and initiatives in collaboration with regulators and council members • Maintain open communication channels with regulatory representatives through regular participation in dialogue sessions and meetings
Investors / Shareholders	• Manage risks • Ensure transparency • Continue innovation • Improve performance and higher profitability • Clear lines of communication and feedback between the company and shareholders	• Annual general meeting of shareholders and extraordinary general meeting of shareholders • Annual report, ESG report, interim report and other announcements • Public news releases • Quarterly earnings presentation • Investor relations communication channels
Customers	• Offer high quality and reliable services and products • Protect data privacy and cyber security • Competitive pricing	• Dedicated sales, customer service and other department communication channels • Customer service hotlines • Public news releases
Suppliers	• Supply chain management • Promote industry development • Competitive pricing	• Procurement communication channels • Supplier feedback channels
Employees	• Protect employee rights • Personal development • Occupational health and safety • Work-life balance	• Employee training • Employee communication hotline and email • Employee welfare events
Communities	• Contribute to local community development • Engage in charity cause • Protect local environment	• Community engagement activities • Charitable events

ESG Strategy

MATERIAL ISSUE	STRATEGY	APPROACH
Renewable Energy	Reduce the carbon footprint by increasing the usage of renewable energy	• Develop a comprehensive carbon reduction roadmap to achieve operational carbon neutrality by 2030 and to ensure 100% renewable energy usage for all operations; • Carbon Reduction: Enhance renewable energy usage by researching hydrogen power generation, installing solar photovoltaic systems, and deploying energy storage devices; • Carbon Offsetting: Reduce carbon footprint by purchasing green certificates and green electricity and participating in carbon trading.
Water Resource Management **Waste Management** **Building's Environmental Impact**	Promote "green" rated data center; Optimize design, construction, and operational efficiency to reduce resource consumption	• Explore and implement water treatment technology to improve water utilization efficiency; • Ensure all data centers come into operation from 2020 are certified as green buildings; • Continuously improve the utilization efficiency of energy and water resources in our data centers.
Customer Experience	Empower through intelligent infrastructure platforms	• Provide customers with the most advanced data center solutions and distinctive, professional services, ensuring top-tier reliability and operational uptime to continuously improve customer satisfaction; • Help customers reduce carbon emissions during operations by offering tailored solutions, including extensively customized designs, prefabrication, flexible installations, and smart operational solutions.
Employee Engagement and Development **Diversity and Inclusiveness** **Occupational Health and Safety**	Promote diversity, inclusiveness, and career advancement	• Provide employees opportunities for career advancement; • Establish a systematic training system tailored to employees of various roles; • Develop and implement policies on diversity and inclusiveness, supported by relevant programs.

MATERIAL ISSUE	STRATEGY	APPROACH
Supply Chain Management **Community Engagement**	Drive positive outcomes with our value chain and community	• Urge and require our suppliers implement ESG initiatives, prioritize those committed to sustainable practices; • Actively engage in community development.
Corporate Governance **Business compliance** **Anti-corruption**	Maintain high standards of corporate governance	• Comply with all applicable regulations and pursue the best practices in corporate governance; • Ensure the effectiveness of board supervision; • Foster greater awareness among employees about compliance and anti-corruption; • Establish rigorous compliance and anti-corruption audit and supervision mechanisms to ensure policy enforcement.
Cybersecurity	Rigorously maintain data security and privacy	• Develop and implement clearly defined data privacy and protection policies, along with comprehensive data lifecycle security measures, to ensure systematic and effective data protection; • Employ advanced technologies and management systems to protect data security and privacy; • Continually conduct information security training to enhance employees' cybersecurity awareness.
ESG Oversight	Strengthen the continuous tracking and management of ESG goals through accountability	• Establish and refine the sustainability-oriented framework to ensure effective management and implementation of ESG policies at all levels; • Keep monitoring and report on ESG performance.

2023 ESG Performance Highlights

Environment

1,809 GWh
Renewable energy consumption

38%
Proportion of renewable energy

*The energy consumption related to BOT projects is not included in this calculation.

35
Data centers covered by 100% renewable energy

41
Green data centers

87% Proportion of green building*

*Data center come into operation from 2020 counted.

Carbon emission intensity
(mtCO2e / million USD revenue)

2021	2022	2023
1,316	1,406	1,221

Average PUE

2021	2022	2023
1.32	1.29	1.28
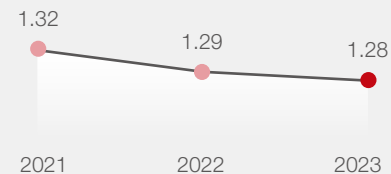
*PUE calculation does not include data related to GDSI.

Responsibility

Compliance and anti-corruption training
100% of full-time employees

Every two years for all operations
Audit of implementation of anti-corruption related policies

Integration

100%
Suppliers signed "Sustainability Commitment Letter"

9.647* (out of 10)
Customer satisfaction score

*Carried out by third-party research firm NielsenIQ, the customer satisfaction score only cover business within maninland China.

Innovation

100%
Full-time employees received cyber security training

141
Authorized patents

55
New patent applications in 2023

People

Percentage of females in senior level management
30.4%

TRIR/per 200,000 working hours
0.085 Full-time employees & Contractors

*TRIR calculation does not include data related to GDSI.

15%
Percentage of female

32.1 hrs
Employees' annual average training hours

ESG Annual Honors and External Recognitions

2023 "Bloomberg Green ESG – Environmental" Award[1]

Bloomberg Green

"2023 Data Center Green Innovation Practice" case

环球时报 GLOBAL TIMES | 国资报告

China Top 10 Influential Third-Party Data Center Service Providers

CAICT 中国信息通信研究院

2023 China IDC Industry Innovation Development Award

中国IDC圈 idcquan.com

2023 Greater Bay Area Intelligent Computing Outstanding Service Award

中国IDC圈 idcquan.com

2023 Greater Bay Area Overseas Hub Outstanding Service Provider

中国IDC圈 idcquan.com

1. Notes: for two consecutive years.

Responsibility

Strengthen Business Resilience
Consolidate Development Foundation

Area of Focus:

Corporate Governance

Risk and Compliance Management

Business Ethics

SDG Alignment

5 GENDER EQUALITY

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GDS strictly comply with relevant laws, regulations, and industry standards. Our commitment goes beyond compliance, as we benchmark against best practices to manage risks, ensure transparency, and protect the interests of our stakeholders.

Corporate Governance

GDS has established a robust corporate governance framework that enhances decision-making and operational transparency. Our board comprises of four committees: Executive Committee, Nominating and Corporate Governance Committee, Audit Committee, and Compensation Committee. We integrate sustainability into our operation, maintaining active communication with stakeholders to create stable economic, environmental and social value. In 2023, a total of 13 board meetings were convened.

We believe that a diverse board composition is a catalyst for robust management and business growth. Board appointments are merit-based, with a focus on experience and skills, and are made without bias toward nationality, ethnicity, gender, or age. As of December 31, 2023, our board comprised 11 directors, including 5 independent directors and 2 female directors. Independent directors are engaged in decision-making and serve a critical role in supervision and balance, providing professional advice to ensure the interests of all shareholders are well protected. Our female directors bring a distinctive perspective to our decision-making process, which contributes to the long-term stability of our company.

Our board members possess a diverse backgrounds and professional skills, spanning various industries such as finance, Internet, data center, and real estate. They bring extensive expertise in private equity, accounting, auditing, and corporate governance. Moreover, the international makeup of our board fosters a progressive approach to decision-making and drives the global reach of our business.

Board of directors and its committees

Executive committee		Board of Directors		Nominating and corporate governance committee
Audit committee				Compensation committee

11
Board members

2
Female directors

5
Independent directors
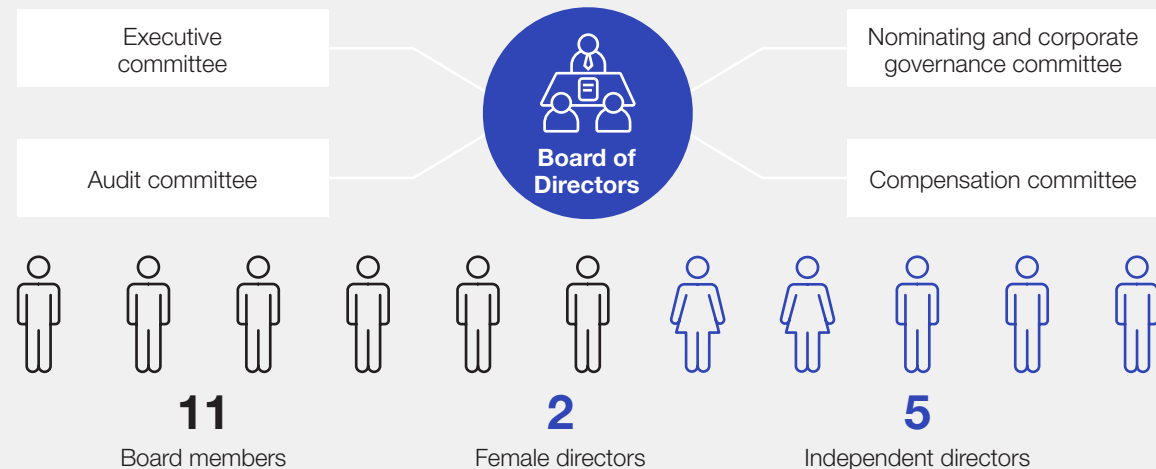
Risk Management

GDS has established a robust risk management framework that permeates every aspect of our operations. Emphasizing collaboration and coordination, this framework provides a solid foundation for stable operations through rigorous risk management. The company has developed the *Risk Assessment Management Guide*, which is annually evaluated for its relevance based on policy requirements, company business, and information technology updates. This guide is regularly updated to ensure ongoing relevance and effectiveness.

Routine risk assessments involve all employees, from governance to execution tiers, and across strategic and operational functions, encompassing areas such as data center hosting, client service, business support systems, and information and document security. Data centers and functional departments aggregate risk-related data from their operational activities. The Risk Management and Sustainability Department collaborates closely with business units to develop and refine risk assessment methodologies, consistently monitoring significant risks and generating assessment reports.

GDS has integrated climate-related risks into the existing risk management framework, conducting ongoing identification, assessment, and monitoring of these risks. Furthermore, relevant responsibilities have been embedded within the sustainable development management framework to ensure the effective implementation of climate-related risk management strategies.

To address key concerns, GDS leverages both internal and external resources to provide a suite of risk management training sessions, including lectures and thematic sharing on topics such as information security, privacy protection, climate change, and environmental health and safety (EHS) for all employees, enhancing awareness and preparedness across the organization.

Risk management: Three lines of defense

The first line of defense	The second line of defense	The third line of defense
• Business departments	• Risk management • Internal control • Compliance management • Functional departments	• Internal Audit and Audit Committee

Risk management methodology

STAGE	INITIATIVE
Risk Scoping	• Define the scope of risk assessments, ensuring they are informed by shifts in both internal and external environments, the latest industry trends, and relevant incidents • Identify stakeholders integral to our major business operations, interest relations, and the realization of core business management objectives
Risk Identification	• Determine the key services that substantially support our business operations or product offerings, and identify risks that could disrupt critical business based on the results of the Business Impact Analysis (BIA)
Risk Assessment	• Assess the possibility and potential severity of impact of risks • Classify risks as "severe," "major," "moderate" and "acceptable," and establish criteria for acceptable risks
Risk Treatment	• Acceptable risks: Implement either existing or baseline controls to meet the fundamental requirements • Unacceptable risks: Organize relevant business divisions, leaderships, and technical experts to formulate either permanent or temporary measures for risk control, with rectifications by relevant business divisions
Residual Risk	• Reassess and decide whether the risk can downgrade to acceptable after adoption of disposal measures • Devise new risk control measures if it remains unacceptable • If a risk is not rectifiable in the short term without violating laws and regulations or causing significant business disruption, it is approved by the management representative as a residual risk and subject to regular follow-up and monitoring

Compliance Management

GDS operates across the People's Republic of China, Singapore, Malaysia, Indonesia, Japan and more. As part of our international expansion, we continuously refine our compliance management to align with the regulatory requirements of locations where we operate. Prior to business operation, we evaluate the impact and applicability of local systems and update our policies and internal procedures accordingly. In addition, overseas legal teams are set up to blend the evolving local regulations into our compliance system. In 2023, we updated our anti-corruption policy and conducted anti-corruption and compliance training for all full-time employees and temporary employees to improve their anti-corruption awareness and response capabilities. In response to the requirements of the Securities & Futures Commission of Hong Kong for information leaks, we are working on the *Major Cybersecurity Incident Analysis Handbook,* detailing reporting objects, handling procedures and disclosing methods for such incidents.

Tax transparency

GDS conducts lawful and compliant management on our tax affairs. We adhere to the tax laws and regulations with strict diligence across all countries and regions where we operate and conscientiously fulfill our tax obligations. We created a comprehensive division of responsibilities within our tax management system, incorporating regular risk identification, assessment, and management. For an in-depth understanding of our tax practices, please refer to our 2023 SEC annual filling.
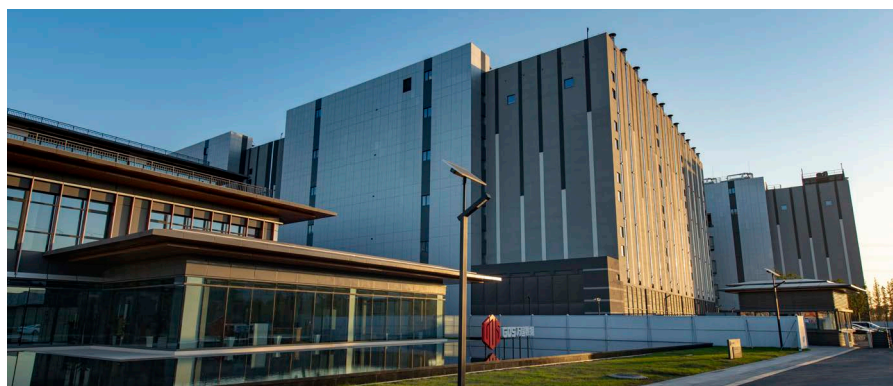
Business Ethics

GDS maintains strict compliance with the laws and regulations governing business ethics in China and all countries and regions where we operate. We have established the *Code of Business Conduct*, the *Anti-Corruption Policies and Procedures*, and the *Whistle Blower Policy*, requiring the whole workforce to comprehend and uphold the highest standards of business ethics. Furthermore, we have issued the *Supplier Code of Conduct*, demanding all of our suppliers to develop policies and systems on combating corruption and bribery, together with the right to audit their implementation, forging collaborative force against corruption and bribery.

GDS adopts a rigorous *Whistle Blower Policy*. When employees or external persons who are aware of or suspect any violation of relevant laws and regulations, the *Code of Business Conduct*, or *Anti-Corruption Policies and Procedures*, they are encouraged to report their concerns to our audit committee or the compliance officer by e-mail, in writing or through hotline. GDS safeguards the anonymity of whistleblowers and protect those who report in good faith from any form of attack and retaliation. During 2023, we identified no significant corruption risks within our operations.

Led by the Legal and Compliance Department, we conduct biennial audits of the implementation of anti-corruption related policies, covering all operations. In addition, the relevant departments will organize improvement or rectification activities in response to the audit results.

Our Goal

Audit on the Implementation of Anti-Corruption Related Policies:

- Once every two years

- For all business operations

Performance

100%

Employee Coverage in Compliance Training

Environment

Respond to Climate Change
Mitigate Environmental Impact

Area of Focus:

Respond to Climate Risks

Foster Green Competitiveness

Life-cycle Sustainability

SDG Alignment

GDS is dedicated to building an inclusive and resilient business ecosystem that drives the entire value chain towards green transformation, supporting the sustainable development of the digital economy.

Respond to Climate Risk

GDS actively strengthens its green competitiveness by proactively addressing risks and opportunities brought by climate change. We engage with climate change initiatives outlined in the *Paris Agreement* and carbon neutrality commitments within our global operations, demonstrating relentless efforts to combat climate challenges.

We keep increasing the use of clean energy, conducting hydrogen energy feasibility studies, and enhancing carbon asset management. Integrating eco-friendly concepts throughout the design, construction, and operation of our data centers, we have established science-based carbon reduction targets in accordance with the SBTi, and are committed to achieving operational carbon neutrality by the year 2030.

In 2023, we refined our approach by referencing the *IFRS S2 Climate-related Disclosures*, the *Enhancement and Standardization of Climate-Related Disclosures* for Investors issued by the U.S. Securities and Exchange Commission (SEC), and the consultation paper Enhancement of *Climate-Related Disclosures under The Environmental*, *Social and Governance Framework* released by Hong Kong Exchanges and Clearing Limited (HKEx). Following these guidelines, we have enhanced our capability to identify, analyze, and manage climate-related risks and opportunities, improving our climate adaptability and resilience. These enables us to further deliver on our commitments to climate action and expedite our green transformation.

Our climate related risks and opportunities management approach

APPROACH	DETAIL
Governance	Establish a top-down governance structure to effectively monitor and manage climate related risks and opportunities
Strategy	Comprehensively assess climate-related risks and opportunities, their financial implication and how it will affect company business strategy
Risk Management	Incorporate climate-related risks and opportunities into enterprise risk management process
Targets and Goals	Identify climate-related metrics and set management targets and goals

ESG governance

GDS embedded climate-related responsibilities into its sustainability management structure to ensure effective fulfillment. Our climate change governance structure oversees the implementation of climate strategies. The Sustainability Working Group actively collaborates with functional departments to drive the execution of climate actions. Meanwhile, the Sustainability Committee deliberates on and reviews matters related to climate change strategies, management, and annual information disclosure before submitting to the Nominating and Corporate Governance Committee, which then reports to the Board of Directors upon approval and assesses climate-related risks and opportunities at GDS.

GDS climate change governance structure

Board of Directors	• Supervise and manage ESG strategies, climate strategies and information disclosures
Nomination and Corporate Governance Committee	• Review and approve climate strategies and disclosures • Regularly report to the Board on climate-related risks and opportunities
Sustainability Committee	• Formulate climate change related policies, strategies and targets, and develop action plans • Monitor climate change related performance • Guide the Sustainability Working Group on information disclosure
Sustainability Working Group	• Coordinate with functional departments to promote the implementation of action plans • Responsible for the disclosure of climate change related information

Climate-related risk management strategy

GDS is committed to integrating climate change risks into its existing risk management strucure. To further enhance our response capability, our organization have identified and managed climate-related risks and opportunities across our organization. In 2023, based on our own business and value chain activities, we further reviewed our list of climate-related risks and opportunities. Considering our operational realities, we identified potential financial impacts of various climate risks and determined corresponding risk mitigation measures. We have also devised a climate change transition plan for climate risks that might affect our sustainable development.

For a detailed analysis of climate-related risks and opportunities, as well as our transition plan, please refer to the Appendix **- Responding to Climate Risks.**
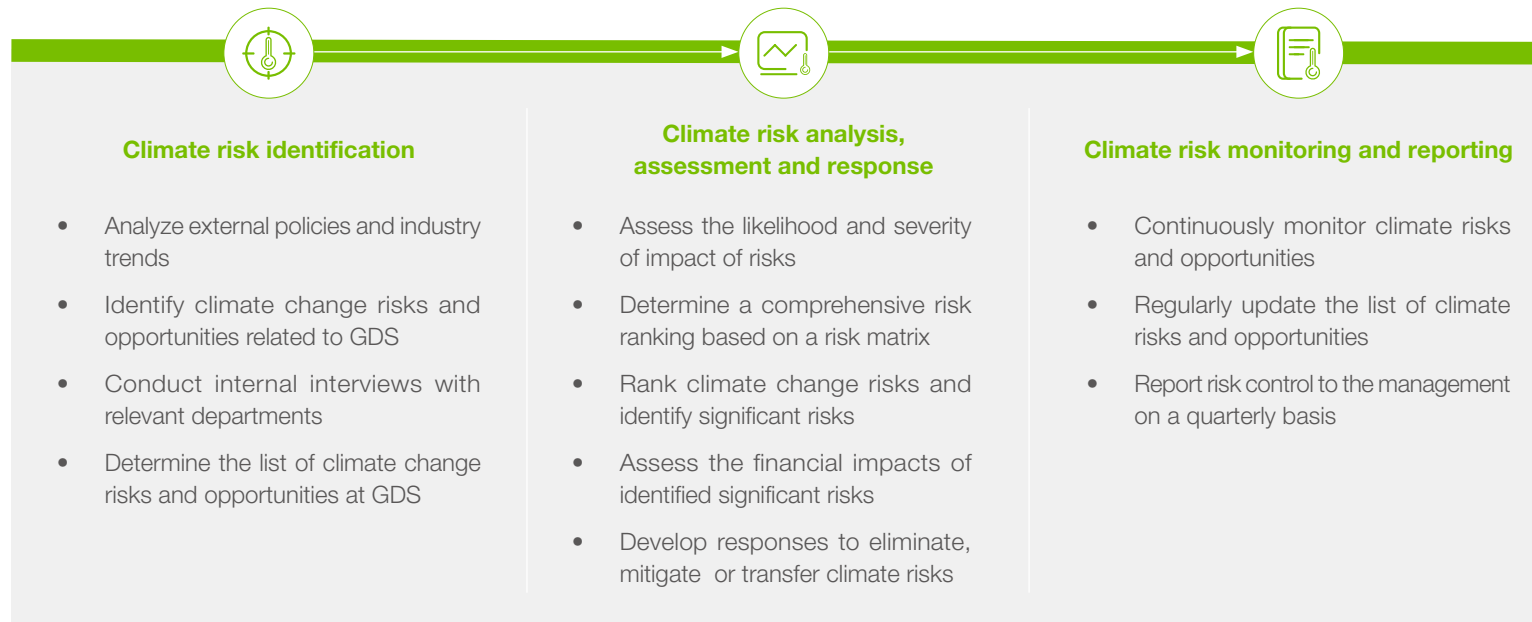
Risk management

Effective risk management is crucial for GDS to realize its strategic objectives. In line with the enterprise risk management (ERM) framework developed by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission and the World Business Council for Sustainable Development (WBCSD), we have developed a robust risk management structure overseen by management, the Audit Committee, under the board responsible for monitoring risk management to ensure the appropriateness and effectiveness of our management system and structure. Moreover, our Sustainability Committee and Sustainability Working Group regularly monitor the implementation of climate change related initiatives. Working closely with functional departments, they conduct regular risk management tasks including risk aversion, loss control, as well as risk elimination and diversification.

In line with our business and development trajectories, we integrate climate-related risks into our comprehensive risk management system by incorporating climate change risks into our regular risk checklist. This integration enhances our overall risk management capabilities. During the reporting period, we engaged external experts and fully utilized our corporate risk management processes and framework to thoroughly assess the impact of climate change on our business, strategy, and planning. Looking forward, we continue to strengthen management of identified climate risks through ongoing risk monitoring, assessment, control, and reporting, ensuring proactive measures are in place to effectively keep significant climate risks within manageable limits.

Identification and assessment process for climate change risks and opportunities

Climate risk identification

- Analyze external policies and industry trends

- Identify climate change risks and opportunities related to GDS

- Conduct internal interviews with relevant departments

- Determine the list of climate change risks and opportunities at GDS

Climate risk analysis, assessment and response

- Assess the likelihood and severity of impact of risks

- Determine a comprehensive risk ranking based on a risk matrix

- Rank climate change risks and identify significant risks

- Assess the financial impacts of identified significant risks

- Develop responses to eliminate, mitigate or transfer climate risks

Climate risk monitoring and reporting

- Continuously monitor climate risks and opportunities

- Regularly update the list of climate risks and opportunities

- Report risk control to the management on a quarterly basis

Targets and goals

Connecting a Smart Infrastructure Platform to a Sustainable Future is our ESG vision, which also reflects our determination for green transition. We have pledged publicly to achieve carbon neutrality in operations and 100% renewable energy usage by 2030. Employing a regular tracking mechanism for targets and goals including PUE control and green power procurement, we steadily advance technological upgrades and lean energy management.

For more details, please refer to the environmental chapter and the Appendix: **Key Indicators.**

During the reporting period:

38%[1]

Renewable energy coverage

188,161 tons

Carbon emissions reduced[2]

1. Part of the power consumption attributed to BOT projects was excluded from total power consumption when conducting this calculation.

2. Reduction in scope 1&2 carbon emission (market based) compared to year 2020.

Foster Green Competitiveness

As a leader in the green DC industry, we continuously improve the green productivity of data centers. By enriching the application scenarios of renewable energy, procuring green power, participating in carbon asset trading, we promote the integration of environmental, economic, and social benefits.

Enriching the application scenarios of renewable energy

In 2023, we continued to expand the application scenarios of clean energy, deepening the green transition of the energy structure.

1 Strengthen hydrogen energy feasibility studies

We continuously explore the application scenarios of hydrogen energy, becoming a data center operator authorized by Singapore's Data Centre-Call for Application (DC-CFA), and initiating pilot projects on hydrogen as the primary energy source.

2 Advance distributed photovoltaic application

We are deploying distributed photovoltaics in a forward-looking manner, achieving a 100% coverage rate of photovoltaic installations in the areas available for deployment at our four data centers in Shanghai, and Changshu. Among them, the photovoltaic systems at the Shanghai Pujiang and Waigaoqiao data center campuses have been put into operation.

3 Develop new energy storage systems

The conventional operation mode of distributed photovoltaics, featuring "self-generated and self-used, with surplus electricity fed into the grid", exhibits significant random fluctuation. Therefore, we are pioneering the research of energy storage systems that support multi-scenario applications, contributing to low-carbon and stable data center construction. By the first quarter of 2024, the first batch of energy storage projects in Shenzhen has been put into use with a total capacity of 1.6 MWh. We plan to launch the Shanghai and Chongqing data center energy storage project by the end of 2024, with an expected capacity of 30MWh.

Performance

By the end of the reporting period, the total electricity generated by distributed photovoltaic systems amounted to

575,792 kWh

which is equivalent to reducing

328,374 kilograms of carbon emissions

or

44,836 kilograms of standard coal

Case: GDS partnered with SK ecoplant to develop fuel cells, exploring the application of hydrogen energy in data centers.

In September 2023, GDS partnered with SK ecoplant to pilot green hydrogen power generation using Solid Oxide Fuel Cell (SOFC) technology in our Singapore data center. The pilot phase involves the installation of small-scale fuel cells, setting the stage for subsequent expansion of scope and scale as regional hydrogen infrastructure, supply chain, and regulatory policy improve. With a long-term goal of positioning hydrogen as a primary energy source for data centers, we aim to establish Southeast Asia's first data center fully powered by hydrogen fuel cells.

Renewable energy procurement

GDS actively participated in renewable energy procurement. Currently, our renewable energy portfolio includes both directly purchased green power(DPP) and renewable energy certificates(RECs). In the future, we will increase the proportion of DPP and reduce the ratios of RECs. At the same time, we focus on upstream carbon emission management. We have established a specialized team responsible for the procurement of renewable energy to ensure sufficient renewable energy purchased to meet our carbon neutrality target. Furthermore, we assist clients in purchasing and allocating renewable energy, promoting value chain collaboration in carbon reduction.

Case: Value chain collaboration to explore "green" opportunities

In January 2024, we signed a memorandum of understanding (MOU) on energy conservation and emission reduction with Alibaba Cloud Computing. Both parties agree to collaborate on a series of initiatives focused on emissions reduction and renewable energy procurement.

Performance

35 Data centers

using 100% renewable energy

1,809,298 MWh

Renewable energy purchases

566,698 MWh

Direct purchased green power

1,242,600 MWh

IREC & GEC

During construction stage, we offset more than

9,000,000 KWh

construction stage electriclty

100%

Decarbonization of electricity used during construction stage

Participation in carbon trading

We actively involved in carbon trading in Beijing and Shanghai, gradually engage in the China Certified Emission Reduction (CCER) market, and plan to extend our carbon trading initiatives to cities such as Guangzhou and Shenzhen. In the future, we will explore the use of carbon finance instruments like carbon pledges and carbon repurchase to establish multi-dimensional green financing channels.

Performance

61,788 tons

Carbon trading volume (in 2023)

152,459 tons

Total carbon trading volume (by 2023)

Green Data Centers

We endeavor to build eco-friendly data centers. By using environmental friendly and low-carbon materials, introducing energy saving technologies and products, and improving the level of resource-intensive utilization, we aim to minimize the environmental impact across the entire lifecycle of design, construction, and operation, continuously creating synergy in green operations.

Case "Zero Carbon" Data Center - Shanghai Pujiang Data Center Campus

GDS is persistently advancing its R&D in technologies such as fuel cells, energy storage, liquid cooling, and multi-split fluoride pump systems, to reinforce our commitment to green design and operations. In particular, the Pujiang Data Center Park adheres to the operational ethos of "Aspire for a Bright Future and Embrace Green Development". It has implemented a suite of measure, including intelligent operations, green energy, energy recovery, and recycling processes. This approach actualizes the green transition and establishes a new paradigm of "zero carbon" data centers in the industry.

Efficient Commanding

Continuously empower data center operations to improve quality and efficiency with the fully upgraded Global Operations Command Center (GOCC).

Heat Recovery

Establish a well-designed waste heat recovery system to save up to 245 MWh of electricity for heating in winter, reducing carbon emissions by 140 tons.
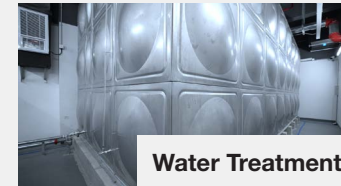
Water Treatment

Establish a waste water recycling system to recover 3,900 tons of rainwater and 42,000 tons of sewage annually.

Green Construction

Adopt modular design and assembly to save 10% of the materials used in production.

Renewable Energy

Achieving 100% renewable energy coverage, with a total renewable energy usage of approximately 170 GWh, results in a reduction of around 100,000 metric tons of emissions.
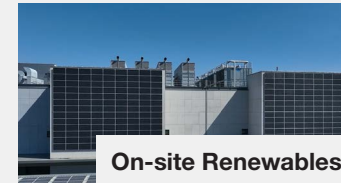
On-site Renewables

Achieve self-sufficiency in office lighting with a 221 kWp photovoltaic system, which boasts an annual power generation of nearly 250 MWh.

Cooling System

Promote the adoption of more advanced liquid cooling technology, with an expectation to continuously reduce PUE to 1.13.

Green design and construction

Our Goal

After 2020, all new data centers will be built and certified in accordance with the Leadership in Energy and Environmental Design (LEED) or other green building standards.

Performance

In 2023, 7 new green data centers were added. By the end of 2023, a total of 41 data centers have obtained 54 green data center certifications[1].

Green building percentage

68% (2021)
77% (2022)
87% (2023)

Counts of certified green building

25
LEED

8
MIIT Green DC

17
ODCC Green DC

4
ODCC Low/Zero Carbon DC
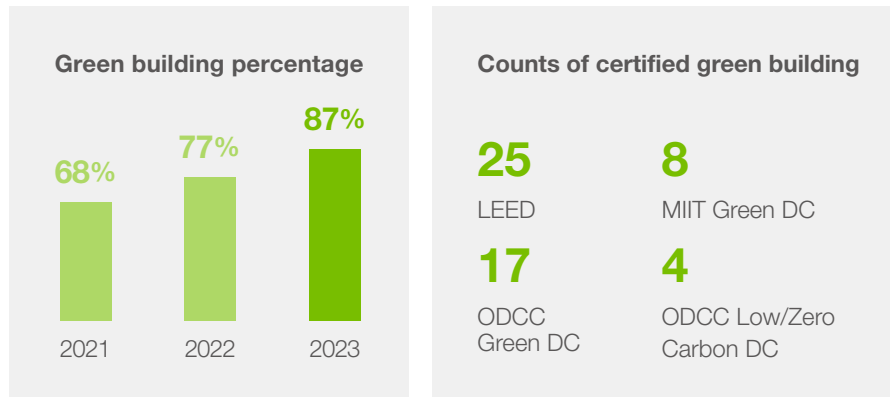
Green operation and management

Improving energy efficiency

Our Goal

Data centers came into operation from 2020, utilization rates greater than 30%, with new technology and architecture applied maintain average annual PUE no greater than 1.20.

Performance

1.28
Average PUE of self-developed DCs

1.15
Average PUE of our best performing DC

1.55[2]
Global Benchmark

Case: The "Saving one KW per room per hour at each DC" project

GDS initiated the "Saving one KW per room per hour at each DC," aims to reduce the average PUE by optimizing data center equipment and lighting systems. The plan involves upgrading equipment through a comprehensive review to minimize unnecessary energy consumption. Meanwhile, real-time energy consumption monitoring systems have also been introduced to all data centers to analyze and forecast energy usage, enabling the development of precise energy-saving strategies.

Case: Building digital energy management platform to create a "Clean Cloud"

To improve the efficiency of energy and carbon management, we have developed a digital energy and carbon management system platform. This platform enables real-time tracking of PUE data and compiles statistical trends by day, week, and month. It also identifies energy consumption issues based on the Cooling Load Factor (CLF) and Power Load Factor (PLF), automatically analyzes the causes, and develops improvement measures.

Data center operations and maintenance personnel can use the platform's log management system to regularly compile and analyze indicators such as PUE, assessing the cooling water system, air conditioning equipment, load/environmental temperature and humidity, and electrical losses data, thereby improving the management efficiency of energy consumption optimization.

1. Green data center certification includes:
   LEED (Leadership in Energy and Environment Design), ODCC Green DC, ODCC Low/Zero Carbon DC and MIIT Green DC.

2. Uptime Institute Global Data Center Survey 2023

Intensive utilization of resources

We continuously improve resource-intensive management technologies and processes, efficiently utilizing refrigerants, waste heat, and water to achieve synergistic carbon reduction and pollution control.

Shanghai Pujiang Data Center Campus

Case: Building a green path for data centers

The data center plays a pivotal role in conserving energy and reducing the demand for new infrastructures. GDS fully complies with the national green data center construction requirements and spearheads an innovative green approach characterized by "digital intelligence +." This approach aims to enhance the environmental sustainability of the data center through intelligent and meticulous energy management. These endeavors not only contribute to the advancement of the industry but also bolster the growth of the digital economy.

During the reporting period, the company made notable progress in "digital intelligence+":

1 Waste heat utilization

A waste heat recovery system has been implemented to supply energy for winter heating by harnessing waste heat from the data center to recycle and reuse the waste heat.

2 Energy efficiency management

We have independently developed an intelligent platform and integrated AI technology into the Building Automation (BA) system. Through digital technology, we have achieved precise energy utilization and enhanced the efficacy of resource-intensive management for refrigerants, lithium, new energy, and water.

3 Power supply and distribution system

We have adopted a modular uninterruptible power supply system to enhance data center efficiency, energy availability, and operational maintenance efficiency. This approach ensures energy-efficient, lowcarbon operation.

In the future, we will continue to expand the application of "digital intelligence +"mode, and build high-quality compute foundation, thus building a sustainable industrial ecology with enterprises that use special and sophisticated technologies and setting the trend in future digital intelligence.

Case: Proprietary AI energy efficiency control system

In 2023, GDS initiated the research focused on liquid cooling to enhance operational systems through AI technology. By the end of 2023, the IDC (Internet Data Center) driven energy efficiency optimization system, developed in collaboration with Tsinghua University 's AIR Institute, became operational. This system enables real-time, optimal automatic adjustments to cooling, thereby enhancing energy efficiency within the data center.

Case: Water Quality Inspection Laboratory

In a strategic move to efficiently utilize water resources and uphold stringent water quality management, GDS has established a water quality laboratory and a specialized team in Beijing. This team regularly receives water samples from data centers located in East and North China, which are then meticulously monitored and analyzed. Based on the results of water quality detection, the dedicated team provides targeted water treatment recommendations to data centers. These recommendations span chemical treatment, pure water management, and adjustments to drainage frequency, all aimed at enhancing Water Usage Efficiency (WUE) performance across the data centers.

Waste recycling and disposal

GDS is committed to adhering strictly to the *Law of the People's Republic of China on the Prevention and Control of Solid Waste*. We actively implement waste classification regulations to promote careful management, effective recycling, efficient utilization, and compliant disposal of waste.

1 Electronic waste

Upholding the circular economy concept of reduction, reuse, and recycling, we improve the requirements for disposing waste electrical and electronic products, expand the recycling methods of electronic waste, and continue to explore waste degradation and utilization methods in new forms of infrastructure.

2 Hazardous waste

In accordance with regulations and policies including the *Measures on Transfer of Hazardous Waste*, and the *Standard for Pollution Control on Hazardous Waste Storage*, we have formulated the *Hazardous Waste Management Procedure* to standardize the process of hazardous waste treatment, and work with third-party companies to compliantly dispose hazardous waste generated in operations.

3 Daily waste

GDS places a strong emphasis on education regarding domestic waste classification. We work to increase employee awareness and participation rates, aiming to improve waste classification quality at the source. By guiding the new trend of low-carbon and environmental protection, GDS strives to promote a culture of sustainability and waste reduction among our employees.

Improvement of DC operation management

We continuously improve the organizational and procedural efficiency of the group energy management. To achieve this, specialized roles are designated within the Global Operations Command Centers (GOCC) and Regional Operations Command Centers (ROCC) to monitor green energy and energy efficiency in all data centers. They are responsible for tracking of indicators such as Power Usage Effectiveness (PUE), Water Usage Effectiveness (WUE), Carbon Usage Effectiveness (CUE), green power usage, and carbon trading. Moreover, to ensure any deviations are promptly identified and reported, the energy efficiency team in each ROCC compiles and publishes an energy efficiency report for each data center on a regular basis (weekly or in real-time).

Energy and carbon management structure

Global Operation Control Center (GOCC)

Headquarters Leading Group on Energy and Carbon Management

- Supervise operational efficiency of data centers
- Implement lean management on energy and carbon

Regional Operation Control Centerr (ROCC)

Regional energy and carbon management group

- Supervise PUE of data centers across districts

Data Center Unit (DCU)

Energy and carbon management group

- Implement energy efficiency management measures across data centers

Carbon reduction performance evaluation

Furthermore, we have set carbon reduction targets for our data centers with regualr monitoring and evaluation. At the same time, a carbon emission management rewards and penalties system applicable to all employees and partners has been established to ensure that the targets are met.

Energy Saving Innovation Award

For employees or teams who propose and implement effective energy-saving innovations

Energy Saving Advancement Award

For employees or teams who actively implement energy-saving measures and reduce carbon emissions

Partner Contribution Award

For partners who contribute to emission reduction

For employees, teams, or partners who violate energy-saving regulations or fail to meet emission reduction targets, penalties such as fines, restrictions on resource use, warnings, or termination of cooperation will be imposed as the case may be.

Innovation

Deliver Smart DC Solutions
Contribute to Corporate Value

Area of Focus:

Smart DC

Data Security & Priacy Protection

Building Digital Trust

SDG Alignment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

GDS firmly believes that technological innovation is the engine for industry progress. We continuously explore cutting-edge technologies, ensuring data security as a crucial mission, and provide customers with reliable and excellent solutions.

Building Future-ready Digital Infrastructure

We envision that digitalization, automation, and informatization are inevitable trends shaping the evolution of data centers in the digital age. GDS has taken the first step towards creating smart and flexible data centers. The strategic foresight in establishing an equipment database and a component solution library at the outset of data center design has significantly enhanced the efficiency of data center construction and operation, thereby achieving digital management throughout the entire lifecycle of data center's business processes.

Looking ahead, enhancing the resilience of data centers forms the foundation for supporting a wide range of application scenarios. Since April 2020, GDS has implemented a multi-layered data center structure, creating a reliable defense system with three tiers: the GOCC, ROCC, and DCU. Such frame facilitates the data center's function in offshore centralized monitoring, risk prediction and management, and cross-national resource allocation, ensuring its safe and efficient operation.

Future-ready Digital Infrastructure

Smart DC	Digital Intelligence	Innovation Ecosystem	Life-cycle Data Security Privacy Protection	Business Continuity
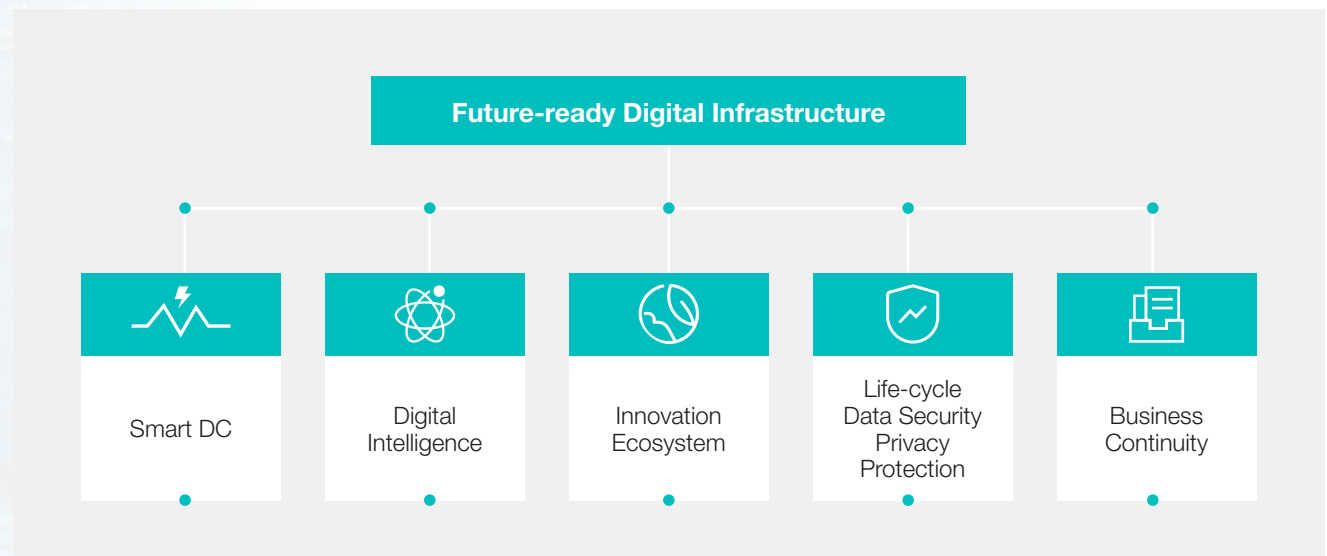
Promoting Smart DC

We steadily advances its overseas layout, accelerating the construction of new data centers abroad and gradually enhancing global service capabilities. In 2023, GDS achieved significant progress through the customized center model and the Smart DC (Smart Digital Infrastructure Construction) rapid delivery strategy. Data centers in Hong Kong and Malaysia have successfully launched operations. Additionally, the development of an ultra-large-scale data center park in Indonesia nears completion, providing solid support for the growing digital economy in Southeast Asia.

Smart DC technology highlights

Digital Design

We utilize digital tools to significantly improve both the accuracy and efficiency of design process.

Prefabrication

Data center modules are prefabricated to ensure standardized production and stringent quality control.

Standardized Installation

We employ standardized procedures to ensure the rapid and error-free installation of modules at international project sites.

Centralized Assembly

The centralized module assembly process is adopted for higher efficiency and quality.

Intelligent Operations

We leverage intelligent systems to achieve efficient operations of the data center, optimizing its energy consumption and operation management.

Case: Promoting Indonesia's digital infrastructure upgrade and industry scale increase: partnership with INA

In August 2023, GDS forged a collaborative agreement with the Indonesia Investment Authority (INA), Indonesia's sovereign wealth fund. This partnership focuses on co-investing in the development of data center platforms in Indonesia, aiming to enhance the country's digital infrastructure and propel industrial expansion. Together, the two sides are set to develop an ultra-large-scale data center utilizing next-generation Smart DC within Nongsa Digital Park, Batam. It is expected to commence operations between 2024 and 2026. Looking ahead, GDS remains committed to exploring further cooperative opportunities with INA in other regions throughout Indonesia, thereby solidifying our support for the booming digital economy in Southeast Asia.

Case: Nusajaya Tech Park, Malaysia, setting a new benchmark for the global deployment of modular data centers

The ultra-large-scale data center park located in Nusajaya Tech Park, Johor, represents GDS' first investment in Southeast Asia. The project fully adopts the next-generation Smart DC. Notably, the NTP-A building was delivered in just 14 months from planning and design to final delivery, cutting the construction period by over 30% and setting a new benchmark for the global deployment of China's ultra-large-scale data centers in terms of prefabrication, modularization, digitization, and low carbon technologies.

Building on this foundation, NTP-B and NTP-C have further refined modular data center technology, not only ensured quality in delivery but also significantly shortened the delivery cycle, this approach emphasizes efficiency in deployment while maintaining high standards.

Strengthen Data Security Management

Upholding the bottom line of data security

Our unwavering commitment to data security manifests through continuous improvement of our information security management framework and functions. We enforce stringent data protection policies and have established the *Risk Assessment Management Guidance* for more effective data security management and a robust base for information and data security.

Information security management structure

Audit Committee (Board Level)	The company's decision-making body for information security, fully responsible for overseeing matters associated with cybersecurity and data privacy.
Information Security Committee	This committee meets quarterly to direct and coordinate the company's information security efforts. It develops information security strategies and standards that align with the company's business objectives.
Information Security Management Working Group	As the implementation team, it implements the policies and requirements set by the Information Security Committee. Its responsibilities include implementing security control measures, monitoring security events, managing security incidents, and providing security awareness training.

Improving business continuity

We have developed a business continuity management framework that specifies measures to maintain and restore operations during and after incidents. Additionally, we conduct annual audits in line with the ISO 22301 business continuity management system to ensure the effectiveness, timeliness, and accuracy of our business continuity strategies and plans. In 2023, through self-assessment and self-audit aligned with the GB/T 42581 standard, 95% of our self-developed data centers achieved an excellent rating on business continuity.

Business continuity handling process

Project Planning

Identify the continuity requirements of stakeholders, contracts, industry standards, and legal regulations, and set specific management objectives for each core business.

Risk Assessment

Analyze and evaluate the acceptable level and scope of key business disruptions, such as the extent of losses, recovery time, and priorities, to establish indicators for maintaining business continuity.

Recovery and Prevention Measures

Formulate or adjust business recovery strategies, clarify recovery priorities, and implement targeted recovery measures based on assessment findings. Conduct regularly business continuity drills, maintenance activities, and reviews to prevent and reduce the impact of similar risks.

Building digital trust

We highly value information and privacy security, strictly adhering to laws and regulations in China, including the *Cybersecurity Law*, the *Data Security Law*, and the *Personal Information Protection Law*. To improve transparency and compliance, GDS has established management systems and guidelines including the *GDS Privacy Policy*, the *Information Security Incident Management System*, the *Manual for (Potential) Major Cybersecurity Incident Analysis*, and the *Manual for Information Security Incident Emergency Handling*. These policies extend to the company's related entities within the Chinese mainland, consolidated subsidiaries, consolidated variable interest entities, and other affiliated companies. Furthermore, these guidelines undergo continuous refinement in alignment with the evolving laws and regulations of various countries, enabling proactive adaptation to changing regulatory landscapes in our operational jurisdictions.

Ensuring life-cycle data security

We respect user privacy and their legal rights to access, copy, transfer, correct, supplement, and delete their personal information as per laws and regulations. Our *GDS Privacy Policy* and *Data Protection and Privacy Security Management System* clearly define how we collect, use, store, and share personal information when users interact with our services, websites, applications, or data centers. We take extra care to highlight and protect sensitive personal information, to ensure all information processing activities are legal, justified, and necessary. In 2023, GDS did not experience any material cybersecurity or data privacy incidents that impacted users or resulted in financial loss related to user privacy. For more privacy protection regulations and measures, please refer to the *GDS Privacy Policy.*

GDS privacy information handling process

Data Collection

Our data collection adheres to the "minimal necessary" principle, ensuring it is lawful, legitimate, necessary, and transparent.

Data Storage

We use multi-layer encryption for data storage and establish backup storage and disaster recovery mechanisms to ensure the information availability. In addition, we retain user personal information for the shortest period necessary, unless applicable laws and regulations require or allow for a longer retention period. After the expiration of the retention period of user personal information, or upon users' request to delete their personal information, we will delete or anonymize the personal information according to applicable laws and regulations.

Data Processing and Transmission

We conduct regular data security assessments and utilize multi-layer encryption during data transmission.

Data Use

We will not lease, sell, or provide personal data to third parties for purposes other than completing transactions or services. If it is necessary to use user personal information for other purposes not specified in this policy, or to collect user personal information for other specific purposes, we will inform users in a reasonable manner and obtain their consent again.

Data Destruction

Once user personal information has exceeded the retention period or if the user requests the deletion of their personal information, the company will delete or anonymize their personal information in accordance with applicable laws and regulations.

Strengthening third-party data security

GDS has stringent systems for supplier information security management to ensure that our data protection policies extend to all of our suppliers and partners. Our suppliers are required to maintain strict confidentiality regarding any information obtained during the cooperation process, prohibiting its use for any purpose beyond the scope of cooperation with GDS. Suppliers must also conform to all applicable laws and regulations on personal privacy protection and take appropriate measures to prevent the leakage of personal information. In addition, we review our suppliers' compliance with information security standards every three years and eliminate non-compliant suppliers.

According to supplier information security management policy, we manage our suppliers through graded assessments and qualification screenings, and clarify the technical requirements and management responsibilities in terms of desensitization, remedy, and audit response, so as to ensure the security and compliance of our supply chain.

Supplier information security management

Before Cooperation

- Ensure that suppliers obtain information security management system certifications such as ISO 27001;

- Specify requirements for supplier information security management, conduct assessments on data transmission security and data protection compliance and capabilities, perform security risks analyses on the sensitivity levels of assets that suppliers need to access, and clearly define their responsibilities in contracts to ensure that suppliers are able to securely store, process, or transmit our data;

- Require suppliers to sign a *Sustainability Commitment Letter*, pledging to comply with the national requirements for enterprise information security during their collaboration with GDS.

During Cooperation

- Ensure that suppliers comply with our information security standards through vulnerability scans, penetration testing, risk assessments, and security audits.

Upon Termination of Cooperation

- Implement a periodic supplier evaluation and offboarding process to terminate cooperation with any supplier whose products or services do not meet our information security requirements, thus ensuring the overall security and efficiency of our supply chain.

Fostering information security culture

We have established a training program aimed at enhancing the competency and security consciousness of all employees. In 2023, we organized seven specialized information security training sessions, including two sessions dedicated to data center operations, two company-wide security awareness training sessions, and three focused on anti-phishing education. By the end of the reporting period, 100% of our employees (including technical personnel for development, framework design and operation) had engaged in cybersecurity culture and data security awareness training.

During the reporting period, we carried out regular information security audits to assess the effectiveness of our risk management efforts. Our internal audits were led by the Audit Committee, and external agencies were entrusted to conduct regular external audits of our information security systems. We have been proactive in monitoring our compliance with ISO 27701 and ISO 27001 standards across 56 sites in China, and obtained certifications for ISO 27001 Information Security Management System, ISO 27701 Privacy Information Management System, and China's Level 3 Information Security Protection Certification.

ISO 27001 Certification

ISO 27701 Certification

Cybersecurity Attack and Defense Drill

Case: 2023 Drills on the attack & defense and phishing

During the reporting period, we employed third-party information security experts to organize two cybersecurity simulation exercises. These drills, simulating real-world cyber-attack scenarios, were instrumental in enhancing the security response proficiency and collaborative dynamics of our technical teams. Prompt action was taken to remediate security vulnerabilities identified during these drills.

In 2023, we initiated three phishing drills to gauge and reinforce our employees' vigilance and response to phishing emails. During these drills, fake phishing emails were sent to evaluate how effectively our staff could recognize and respond to such deceptive threats. After these exercises, we followed up with constructive feedback and targeted training to upskill our staff in discerning phishing attempts.

Developing a Sound Innovation Ecosystem

1 **Enhancing collaborative innovation**

In collaboration with the NATIONAL INNOVATION CENTER par EXCELLENCE (NICE), we established the "NICE-GDS Joint Innovation Center" to fully leverage resource and expertise advantages, jointly promoting scientific and technological researches in advanced technologies within the digital infrastructure sector.

2 **Championing a culture of innovation**

To inspire continuous breakthroughs in patent application within our technical team, we have launched the Annual IP Awards Program, complemented by the "Quality Star" and "Quantity Star" awards to ignite the employees' passion for R&D and amplify their creative potential.

3 **Protecting intellectual property (IP)**

Focusing on the innovation and protection of intellectual property rights, we have set up an Intellectual Property Committee. Ten intellectual property management systems have been established in line with the *GDS Intellectual Property Right Management Guidelines*. At the same time, we maintain analyses on the latest patent information to understand industry trends with a focus on differentiated innovation. In addition, we concentrate primarily on cultivating a keen awareness of IPR protection among our employees. To this end, we conduct regular specialized training and counseling sessions, and invite external experts to provide online training for our technical teams, thereby propelling our patent exporting.

Performance

INDICATOR	2021	2022	2023	IN TOTAL
Number of New Patent Applications	65	48	55	220
The proportion of invention patents (%)	15.4	54.2	49.1	36.8
Number of New Patent Grants	44	30	35	141
Number of New Software Copyrights	13	32	20	203
Number of New Trademark Rights	31	1	74	223

Integration

Foster Synergy with All Parties
Build an Integrated Ecosystem

Area of Focus:

Service Quality

Sustainable Supply Chain

Value Chain Engagement

SDG Alignment

GDS continuously refines service processes, improves customer experience, and collaborates with upstream and downstream partners to promote the sustainable development of the value chain, creating a collaborative and win-win industrial ecosystem.

Continuous Improvement in Service Quality

GDS remains steadfast in our customer-centric approach, offering tailored data centers services to meet the ever-evolving technological needs of various enterprises. We are committed to continuously enhancing the quality and efficiency of our services, ensuring that every client experiences exceptional product and service excellence.

Enhancing customer satisfaction

Customer satisfaction drives our relentless pursuit of service improvement. We have initiated monthly star ratings since 2019. These evaluations are conducted from the clients' perspective, focusing on the environments and services of the data center in terms of property management, on-site service quality, and flood drill effectiveness, with immediate corrective actions taken based on the evaluation results. By the end of 2023, the star ratings had been applied across 65 data centers in 10 cities nationwide.

To better respond to our customer needs, we sustain to optimize our customer service structure and the roles of project managers and customer support engineers. Additionally, we have developed an integrated service request system that significantly reduces the response time for service requests. In 2023, we processed over 370,000 service orders.

In 2023, GDS commissioned the third-party research firm NielsenIQ to undertake a customer satisfaction survey from November 30, 2023, to December 30, 2023. This survey thoroughly assessed customer responses across touchpoints of customer journey, including sales, presales, account delivery and operations. The survey paid specific attention to indicators like security management, emergency support, equipment inspection, etc. The survey used quota sampling, computer assisted telephone interviews, online survey and in-depth interviews. It covered our company's business users in an array of industries. The survey collected feedbacks from 306 business users.

"315" Client Service Day

Case: GDS held the 4th 315 Client Service Day

Capitalizing on the significance of March 15, the World Consumer Rights Day, we hosted the GDS Client Service Day event both online and offline. The diverse interactive sessions allowed clients to gain a more tangible understanding of our advanced technologies and premium services.

Performance

9.647 (out of 10)	**85%**
Average client satisfaction score	Net promoter score

Addressing client complaints

We have developed a comprehensive *Complaint Handling Process*, which standardizes procedures, delineates responsibilities and principles, and establishes unified channels for addressing client grievances. Each complaint is meticulously categorized, with tailored reporting procedures to guarantee that every concern is met with swift and efficacious solutions. In 2023, we recorded a total of 15 client complaints, marking a 21% decrease from 2022, with a handling rate of 100%.

Dedicated roles to follow-up on client complaints

ROLE	RESPONSIBILITY
Complaint Recorder	• Record the complaint, confirm client information, and understand the complaint's background; • Provide the complaint and track the progress until the closure; • Communicate with the client after resolving the complaints, log their satisfaction levels, and close the complaint.
Complaint Handler	• Calm the client and provide immediate temporary solutions; • Investigate and categorize received complaints; • Update interim complaint information and status, documenting the complaint handling process.
Complaint Process Manager	• Manage and monitor the entire complaint process, ensuring its adherence to standard procedures; • Regularly generate and review reports, conduct monthly reviews, and issue monthly reports; • Intervene in complaint rectifications and close resolved complaint cases.

Compliant handling process
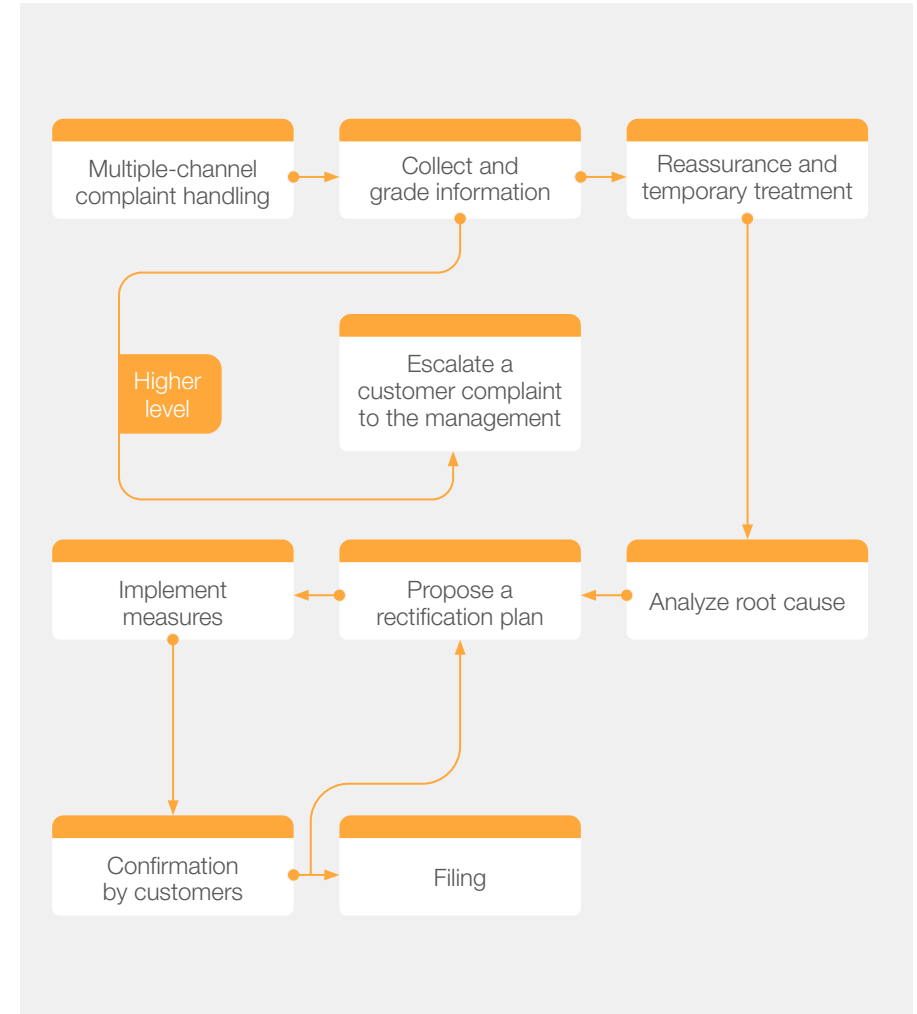
Sustainable Supply Chain

At GDS, we embrace a supply chain management philosophy of "fully uniting partners for shared development and growth". Through collaborative efforts with our suppliers, we optimize processes to achieve sustainable development goals. Our mature procurement process and mechanism enable us to classify suppliers with differentiated management strategies. We conduct annual comprehensive evaluations to promptly identify and manage risks and opportunities within the supply chain, while also encouraging suppliers to continuously improve the quality of their products and services.

Committed to responsible procurement

GDS has formulated the *Supplier Code of Conduct*, which mandates strict compliance of all suppliers, and prioritizes suppliers who are committed to ethical business practices, social responsibility, and environmental sustainability. We incorporate our ESG objectives into supplier management protocols, from supervision to execution, ensuring comprehensive, closed-loop management of suppliers' environmental, health, and safety initiatives. We require our suppliers to complete a rigorous internal due diligence process, and sign the *Sustainability Commitment Letter*. Additionally, we have on-site inspections of suppliers' ESG performance in safety, labor, environment, and energy etc, to ensure compliance with relevant ESG management requirements.

Comprehensive supplier management process

Access Audit
- Third-party Due Diligence
- Sustainability Commitment Letter
- EHS Survey Questionnaire
- FCPA Compliance Commitment Letter
- Qualification and Background Check

Contract Phase
- Tender response
- Technical clarification
- Business negotiation
- Contract management
- Risk management

Execution Phase
- Construction/production phase
- Installation, commissioning/ acceptance
- EHS management
- After-sales service

Performance Assessment
- Quality assessment
- Delivery and cost control
- After-sales service and responsiveness
- Disciplinary and compliance review
- EHS and sustainability

Performance

100%

Suppliers required to complete our *Third-party Due Diligence Questionnaire*

100%

Suppliers required to sign the *Sustainability Commitment Letter*

100%

Suppliers required to undergo EHS review[1]

1. EHS review applies to engineering and equipment suppliers only. Other suppliers have low EHS risk.

Supply chain risk management

Utilizing a third-party "Supply Chain Risk Radar", we dynamically monitor and assess risks related to supplier violations and penalties. This tool provides early warnings about supplier risks, enabling us to proactively identify and enhance our risk control measures. In 2023, the system evaluated 442 suppliers involved in performance assessments, ensuring a comprehensive evaluation of our supplier base.

Supply Chain Risk Radar System

Value Chain Sustainability Transformation

1 **Supporting green operations at downstream**

To support our downstream clients in reducing carbon emissions during the construction phase of data centers, we prioritize the use of precast construction solutions in our new project development. By completing the precast of civil structural components in the factory in advance, we ensure quality and safety through standardized design while enhancing resource utilization efficiency. This approach helps our clients to minimize their impact on the regional environment.

2 **Empowering green management at upstream**

We provide our suppliers with training on green, environmentally friendly, and carbon management practices to enhance their management skill. Looking ahead, we will also promote carbon accounting for our suppliers, working together with our supply chain partners to achieve carbon neutrality.

3 **Working together for a sustainable planet**

In January 2024, we hosted a GDS ESG Day under the theme of "Working Together for a Sustainable Planet". The event brought together strategic clients, ESG consulting firms, partners, suppliers, prestigious universities, and public welfare organizations to share achievements and experiences in sustainable development.

People

Share Development Benefits
Build a Better Future

Area of Focus:

Diversity, Equality, Inclusion (DEI)

Talent Attraction & Development

Social Responsibility

SDG Alignment

GDS is committed to creating corporate value for the benefit of society, steadfastly collaborating with employees and communities to share development achievements. Through concrete actions, we uphold a culture of responsibility, exemplifying our dedication to positive impact.

A Diverse and Inclusive Talent Pool

Our *Code of Business Conduct* and *Employee Handbook* explicitly commit to providing all employees with equality in employment opportunities and workplace, free from discrimination or harassment based on race, religion, gender, age, nationality, or any other distinctions prohibited by law.

Our employee base proudly represents over 30 ethnic minorities, the disabled, and varied skin colors and religious beliefs. As we expand internationally, we have implemented initiatives to cultivate a truly DEI culture. These include incorporating foundational DEI training into the onbording process of new hires to deepen their understanding of our commitment to diversity, inclusion, and equality. The training covers DEI values and principles, awareness enhancement, and daily behaviors.

Performance

Gender pay ratio – female to male (median value)

128% Entry-level

117% Middle management
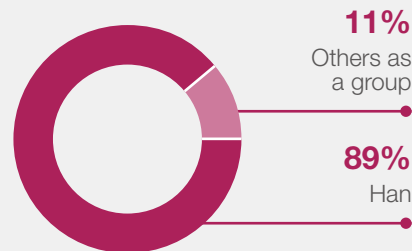
108% Senior management

Diversity – by gender

15% Female employees

27% Female employees in mid-level management

30% Female employees in senior-level management

Diversity – by race

11% Others as a group

89% Han

Diversity – by age

63% 31 - 49

2% 50 and above 50

34% 30 and below 30

Diversity - by nationality

5% Foreign employees

Support and care for female employees

International Women's Day Celebration

GDS supports the career development of female employees. We have implemented a performance metric that tracks the proportion of female employees in key departments, ensuring adequate female representation in critical departments and leadership positions. In 2023, females constituted 30% of our senior management.

GDS highly values protection of female employees' rights. We provide a wealth of benefits, including maternity leave, breast-feeding leave, setting up a childcare room in the workplace, special holiday arrangements and more. We also promote and commend the accomplishments and versatility of our female employees through internal magazine, company email, and social media platforms, showcasing "She Power" in the workplace.

Support and care for overseas employees

At GDS, our employees hail from around the globe, compelling us to build a localized management system that embraces and celebrates these differences. Through a combination of institutional frameworks, cultural initiatives, and engaging recreational activities, we strive to connect our diverse workforce and make them feel valued, respected, and connected. Our dedication to diversity lays a solid foundation for the growth and success of our overseas operations.

Initiatives to care for overseas employees

1 Employee Handbook for Overseas Employees

To better support our employees in Southeast Asia, we have developed the Employee Handbook for Overseas Employees. This guide is tailored to the unique cultural context and customs of the region, providing local employees with a clear understanding of the company's values, policies, and procedures. While familiarizing them with our expectations, the handbook also demonstrates our deep respect for their cultural background.

2 Promote local recruitment

We promote the recruitment of local talent in our overseas regions and invest in continuous development programs. In 2023, GDS's employment boasts a localization rate of over 90% across all regions.

3 Respect for different religious beliefs and culture

In our Malaysian office, we equip a dedicated prayer room, offering employees a quiet and comfortable space to engage in religious practices. In addition, we hold a variety of cross-cultural activities to create a multicultural communication platform for employees.
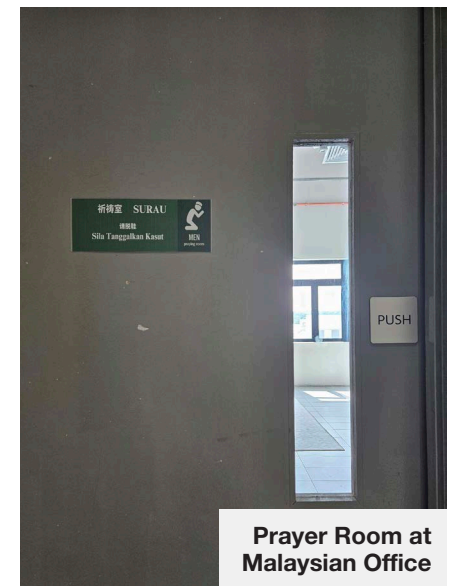
Prayer Room at Malaysian Office

Talent Attraction and Development

GDS is dedicated to the growth and development of our employees, ensuring clear career progression paths, and continuously enhancing employees' sense of achievement, happiness, and belonging.

Employment management

GDS unwaveringly follows the spirit of the United Nations *Universal Declaration of Human Rights* and relevant international conventions. We strictly adhere to the laws, regulations, and industry standards at where we operate, firmly prohibiting the employment of child labor and forced labor, ensuring equal pay for equal work, respecting and upholding the legal rights of all employees to freely associate. During the reporting period, no incidents of child labor, forced labor, or violation of indigenous rights were found.

We continually enhance our human resources management system, enrich our talent pool, and support employees' career development choices. The company actively supports youth employment and focuses on the growth of new workforce entrants. By providing practical experience and vocational training, we help them smoothly transition from school to the workplace. We encourage employees to broaden their career experiences by offering opportunities to work in different countries or regions. For expatriate employees, we conduct local culture training to help them integrate into the local environment and provide appropriate welfare support.

Performance

2,345	Total employees	**551**	New hires in 2023
16.5%	Employee turnover rate	**490**	Male employees
13.2%	Voluntary turnover rate	**61**	Female employees

Compensation and benefits

We have established comprehensive compensation and benefits policies, offering competitive remuneration and implementing scientific employee incentive measures. By creating a benefit-sharing mechanism aligned with the company's strategic development, we attract and retain high-quality talent.

Stock incentive: GDS implements a long-term equity incentive plan that covers employees, senior management, and directors based on individual performance and impact on the company's development. This plan allows employees to participate in the company's growth and benefit from its increasing value. In 2023, approximately half of our employees participated in the stock option plan.

Annual recognition: GDS has established a sound annual recognition program. We have implemented a quarterly incentive and recognition mechanism at developmental levels to acknowledge and reward the individuals and teams with outstanding performance.

Performance management: GDS has a two-way feedback mechanism which guarantees a transparent performance evaluation process. Specifically, we have one-on-one performance review between employees and their direct leaders. Besides, employee performance appeal are encouraged within the company.

Comprehensive benefit system

EMPLOYEE BENEFIT	SCOPE OF APPLICATION
Social insurance and housing fund or pension, medical and other welfare required by the local government	All employees
Annual physical exam	All employees
Supplemental commercial insurance for employees and their children	All employees
Special accident insurance	All employees
High-temperature subsidies	All employees in China
Holiday benefits	All employees
Assistance for employees in need	Employees in need
Employee stock ownership plan	Nearly 50% of employees

Occupational training and development

GDS encourages, supports, and guides our employees to hone their professional skills. In 2023, we introduced a variety of external training resources, offering courses on workplace mindset transformation, management efficiency improvement, and project management, to meet the developmental needs of our employees at different stages and to support their ongoing growth and development.

GDS ESG & EHS Lecture

Case: Learning Platform

We organize regular industry knowledge sharing and exchange events, such as the GDS Lecture series, providing employees with a continuous learning platform to stay abreast of market and industry advancements.

Comprehensive training programs

TRAINING PROGRAM	PROGRAM OVERVIEW	EMPLOYEES TRAINED
Leadership Training	• Internal High Potential Talent Development Program: Designed for mid-level managers with high potential, this program employs a project management approach to cultivate their holistic vision, comprehensive problem-solving skills, and strategic thinking. • External Training Courses: Themed courses on management efficiency improvement, and project management have been introduced to support the rapid growth of mid-level management talent.	Middle management
Professional Skills Training	• We provide specialized training in information technology, personal privacy and information protection, EHS, and three-level safety education to equip our information security and operation employees with the latest technological trends and tools.	Employees of key departments such as IT and operations
	• Southeast Asia strategic talent empowerment: We implement project management training and special review sessions to support the integration of the Southeast Asia project management team and enhance individual capabilities.	Business team in Southeast Asia
	• Three training and development programs for O&M talent: Through the programs, we ensure the supply of talent across all levels of our O&M team and support with emerging talent. - Sunrise program: We help new primary-level O&M entrants adapt to their roles, reinforcing their foundational knowledge and skills for frontline work. - Golden Eagle program: We enhance the project management experience and technical expertise of professional managers and technical specialists. - Golden Lion program: We elevate the overall management capabilities of promising mid-level managers within our O&M team.	New hires, professional and technical personnel, and middle management in the operation and maintenance team
General Knowledge and Essential Skills Training	• New employee onboarding training - Differentiated onboarding training: We tailor orientation programs for domestic and overseas employees • We invite external professional organizations to provide courses related to workplace mindset transformation to help new employees smoothly transition into their new work environment.	New hires
	• Compliance training: We provide compliance training on topics such as anti-corruption.	All employees
	• Information security training: We conduct specialized training to boost information security awareness.	All employees
Support for Educational Advancement	• We provide employees with reimbursements for qualification exams and vocational education support, motivating them to improve skills and qualifications in line with the needs for both corporate and career development. In 2023, over 700 employees received support in enhancing their qualifications and professional competencies.	All employees

Performance

Employees' annual average training hours **32.1**

By gender		By rank	
Male employees 2023 (hour)	**36.4**	Entry level 2023 (hour)	**36.2**
Female employees 2023 (hour)	**8.5**	Middle management 2023 (hour)	**7.0**
		Senior management 2023 (hour)	**5.4**

Diverse career development pathways

To assist our employees in accessing more career development opportunities, in 2023, we reviewed and updated our human resource management policies, thoroughly examining job requirements for all levels of positions. Accordingly, we established promotion policies for our staff and organized open competitions for job positions, ensuring that our employees' talents and efforts are recognized and rewarded fairly.

Case:

Talent pipeline building: We have conducted a comprehensive assessment of talents across all departments, identified key reserves for critical roles, and formulated tailored development plans.

Succession plan: In light of our talent reserves, we have crafted a succession plan to identify candidates for key roles and offer them targeted development and training opportunities.

Performance

100%

of employees received regular performance and career development reviews in 2023

Employee engagement

The company establishes a diverse employee communication mechanism to fully understand our employees' work and career development needs, continuously improving their work experience.

Suggestion box: We value our employees' creative insights and constructive suggestions. Hence, we have set up the suggestion box to encourage employees to share their ideas and proposals for improvement.

Golden Idea Award: We have established the Golden Idea Award to motivate employees to share their creative ideas and solutions. Awards will be provided to employee once the idea is adopted.

GDS Newsletter: This publication posts updates on company news, business development, and life reminders etc, to enhance communication and interaction with our employees.

Engagement survey: GDS conducts regular employee engagement surveys to better address our employees' concerns. The survey reached our employees to know their demands in company strategy and culture, corporate social responsibility, respect and understanding among employees, career development and pay equity, and we have made feedback accordingly.

Executive banquet: We regularly host executive engagement events, including breakfast meetings and luncheons in different regions, to facilitate open dialogue on the company's strategic direction, business development and performance. These events bridge our top leadership and employees, to ensure voices of employees are heard and their concerns are addressed.

HR feedback channel: The *Employee Handbook* outlines communicaiton and complain feedback methods for all employees. We established a dedicated employee feedback channel. Employees can provide feedback by emailing hr@gds-services.com or calling the 24/7 HR hotline at 021-20292378. We regularly collect feedback and resolve concerns raised.

Performance

Employee Satisfaction Survey Score[1]	**90+**	**85%**	of our employees are covered by the Employee Satisfaction Survey

1. The employee satisfaction survey does not include data related to GDSI.

Employee Physical and Mental Well-being

Occupational health and safety

We strictly adhere to the EHS laws and regulations, as well as industry standards, in the regions where we operate. We continuously maintain our EHS management system, ensuring clear division of responsibilities and orderly execution of tasks. Additionally , we regularly update our policies to align with national laws and regulations , providing reliable protection for our employees . In 2023, we conducted four EHS training sessions.

EHS management framework

We continually enhance the effectiveness and scientific rigor of our EHS management system and measures, fulfilling our commitment to employee safety. We require all employees to sign a safety responsibility agreement, emphasizing each individual's safety responsibilities and duties, collectively maintaining a safe working environment. The company has established clear safety operation procedures to ensure employees understand and follow the correct safety protocols, reducing the occurrence of accidents and injuries.

Performance

0.085

Total Recordable Incident Rate (TRIR)

Employees and contractors

0[1]

Annual work-related fatality

Yes 2023

ISO 45001 Occupational Health and Safety Management System

EHS safeguarding measures

Risk assessment and control: Regularly evaluate workplace to identify potential health and safety risks and takes appropriate measures to mitigate or eliminate these risks.

Safety emergency drills: Conduct regular safety emergency drills to ensure that employees are familiar with emergency procedures, evacuation routes, and the locations of emergency facilities.

Personal protective equipment (PPE): Employees on the frontline are equipped with appropriate PPE, such as safety helmets, goggles, reflective vests.

EHS employee feedback mechanism: Employees are encouraged to participate in EHS management, report potential safety issues, and suggest improvements.

AED equipment: Equip all data centers and offices with Automated External Defibrillators (AEDs) and ensure a proper ratio of certified personnel to operate them in emergencies, providing effective rescue in case of sudden incidents.

Psychological counseling: Provide bilingual psychological hotline service to all employees, allowing them to access professional psychological support and counseling when needed, maintaining good mental health.

Diverse cultural and sports activities

Fitness activities

- We have various sports clubs and regularly organize fitness activities and classes such as yoga, running, and swimming, giving employees the flexibility to select the exercise routines that best fit their preferences, to enhance physical fitness and reduce stress.

- We host sports events to promote team cohesion among employees while taking physical exercise.

- We equip the workplace with fitness equipment, encouraging employees to exercise at their convenience and enrich their leisure time.

Festival celebrations

- We organize celebrations for occasions such as the Dragon Boat Festival, Thanksgiving, and Christmas to create a festive vibe and promote deeper emotional connections among employees.

1. Number of annual work-related fatality in the past 3 years, including the reporting year.

2023 Annual Party

Case: Global annual parties for joint celebration

In 2023, GDS orchestrated a series of distinctive in-person annual celebrations in cities such as Shanghai, Beijing, Shenzhen, Chengdu, Hong Kong, and Malaysia, marking our global annual party festivities. The events honored our company's achievements, and conveyed recognition for the dedication and contributions of our employees.

Fulfillment of Social Responsibility

GDS is deeply convinced that corporate development should transcend mere economic gains and create valuable contributions to the society. Guided by our values of "integrity, simplicity, diligence, kindness, and sincerity ", we have concentrated our efforts on two significant areas: assisting orphans and the disabled, and invigorating China through science and education, demonstrating our responsibilities with concrete actions.

In 2023, we established a well-defined management framework for philanthropic activities, leveraging stronger organizational capabilities to jointly create positive impact for the community.

Philanthropic management framework diagram
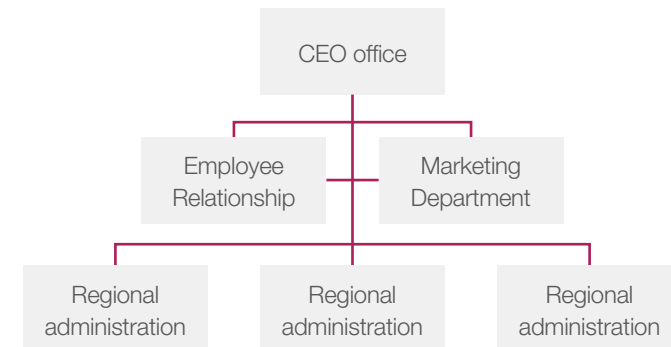
CEO office: Responsible for planning and formulating annual charity activities and reviewing project plans and budget

Employee relationship: Responsible for designing and implementing the project for approval and internal promotion

Marketing department: Responsible for making official announcement to major external media in accordance with the company's needs.

Regional administration: Giving support to execution of local project together with employee relationship department

Progress of philanthropic events in two significant areas in 2022-2023

Assisting orphans and the disabled:

In 2022

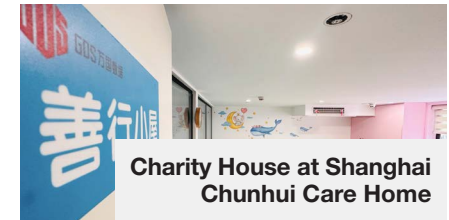- We collaborated with Chunhui Children's Foundation to launch the "Shanghai Chunhui Care Home" project, donating RMB 500,000 for surgeries, treatments, and child care, aiding orphaned children with birth defects in receiving comprehensive medical care.

- We participated in the Tencent's "99 Giving Day" campaign, partnering with Chunhui Children's Foundation to raise over RMB 100,000 in funds for the "Shanghai Chunhui Care Home" project, supporting medical treatment for seriously ill children. During the project, a total of 14 children benefited.

In 2023

- GDS continued our support for the "Shanghai Chunhui Care Home" project by donating an additional RMB 500,000. The donated funds were primarily used to upgrade equipment, and to provide medical treatment for children from surgery to rehabilitation, as well as education for basic life skills.

- For the two consecutive years, GDS participated in Tencent's "99 Giving Day" and offered donations through the form of matching donations . These efforts mobilized over 4,100 generous individuals, resulting in an additional donation of over RMB 130,000 for projects of Chunhui Children's Foundation.

- With the expansion of overseas operations, GDS has proactively forged strong ties with the local communities where our Southeast Asian businesses are located. We are honored to partner with the National Council of Social Services (NCSS) and Community Chest Singapore to donate for individuals and families in need. These funds are set to provide services such as medical care, education, rehabilitation, and psychological support to improve their health and quality of life.

Charity House at Shanghai Chunhui Care Home

Charity House at Shanghai Chunhui Care Home

Tencent's "99 Giving Day" Event: "A Mother's Longing for Parting"

Promoting national advancement through technology

GDS forged a significant partnership with the Tsinghua University Education Foundation by signing a donation agreement to establish the Institute for AI Industry Research, Tsinghua University-GDS Named Professor and Youth Scholar Program. In 2022, initial contribution of RMB 1 million was dedicated to accelerating the recruitment of renowned scholars with international influence and to attracting promising youth researchers with great potential. This initiative aims to drive innovative breakthroughs in AI research over a five-year duration. We have committed to a total donation of RMB 10 million towards this program, with RMB 2 million donated to this collaboration in 2023.

AI Industry Research, Tsinghua University - GDS Named Professor and Youth Scholar Program

Appendix

Independent Assurance Statement

Introduction and objectives of work

Bureau Veritas Certification (Beijing) Co., Ltd. (hereafter referred as "BV") has been engaged by Global Data Solutions Co., Ltd. (hereafter referred as "GDS") to conduct an independent assurance to its 2023 Environmental, Social and Governance Report (hereafter referred as "the Report") of GDS. This assurance statement applies to the related information included within the scope of work described below. This information and its presentation in the report are the sole responsibility of the management of GDS. BV was not involved in the drafting of the Report. Our sole responsibility was to provide independent verification statements according to the accuracy and reliability of the disclosure of information on the basis of the collection, analysis and management process of the report.

Scope of work

BV verifies the accuracy and reliability of the following:

- All environmental, social and governance related data/KPIs and information included in the report for the report period from January 1, 2023 to December 31, 2023

- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported.

- Excluded from the scope of our work is any assurance of information relating to:

  - Activities outside the defined assurance period

  - Positional statements (statements of beliefs, views, development and vision)

Much of the operating financial data in this report is taken from GDS annual reporting and accounts, which is separately audited by an external auditor and therefore excluded from the scope of the Bureau Veritas assurance.

Level of assurance

- Reasonable

Scope of work

As part of its independent assurance, BV undertook the following activities:

- Interviews with relevant personnel of GDS

- Review of documentary evidence produced by GDS

- Audit of sampled ESG performance data

- Assessment of data and information systems for collection, aggregation, analysis and review.

Our work was conducted against BV' standard procedures and guidelines for external assurance of ESG reports, based on current best practice in independent assurance. For this assignment, we have used the verification rules and instructions ISAE3000, AA1000, refer to the Appendix C2 Environmental, Social and Governance Reporting Guide by Hong Kong Exchanges and Clearing Limited and evaluation of information of GRI standards principles i.e. Accuracy, Quantitative, Consistency, Completeness, Balance, Clarity, Comparability, Sustainability context, Timeliness and Verifiability.

Conclusions

Based on onsite verification, the information and data in GDS' 2023 ESG report are accurate and reliable, no systemic or substantiality mistake significant impact to the report.

Objectivity

The information and data disclosed in the ESG report are accurate and reliable. GDS collects, organizes the data and information about environmental, social and governance through data information system. During on-site verification, the evidence provided by GDS is accurate, reliable and traceable, the report is objectivity.

Materiality

The report is compiled based on the Appendix C2 Environmental, Social and Governance Reporting Guide of by Hong Kong Exchanges and Clearing Limited; the Global Commission on Sustainability Standards (GSSB) GRI standards; Nasdaq Stock Exchange <ESG Reporting Guide 2.0>, and the Task Force on Climate-Related Financial Disclosures (TCFD). And the report had reasonably identified, disclosed the ESG issues and information involved in the company, it is materiality.

Completeness

The report covers GDS and its subsidiaries, it focuses on "Message from Executive Leadership", "Our Business and Sustainability", "Responsibility: Uphold Rigorous Governance and Consolidate Development Foundation", "Eco-friendliness: Address Climate Change and Minimize Environmental Impact", "Innovation: Deliver Smart DC Solutions and Contribute to Corporate Value", "Coordination: Foster Synergy with All Parties and Build an Integrated Ecosystem", and "Harmony: Share Development Benefits and Create a Better Life" and also discloses the company's ESG governance, environmental responsibility and social responsibility which concern from stakeholders.

Responsiveness

The report basically covers the concerns of stakeholders, fully identifies relevant risks, and objectively describes the measures taken by the company, the results achieved or to be achieved.

Suitability

The report disclosed the value management activities and achievements of GDS in environmental, social and governance, reflected the GDS corporate culture, ESG management mechanism, business activities and service characteristics.

Statement of independence, impartiality and competence

The BV Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

No member of the verification team has a business relationship with GDS, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The BV Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Roger Hu

Assurance Team Leader

2024-4-25

Fanny Zou

General manager, Certification, I&F China

2024-6-17

Climate scenario analysis

In respond to uncertainties in climate scenarios, natural climate evolution, and long-term climate forecasts, we can enhance our capability to manage climate risks more effectively by employing probabilistic climate scenario analysis. This analytical approach helps pinpoint significant climate risks that might have significant impact on our operations and development. We have selected a range of typical climate scenarios, taking into consideration respective physical and socio-economic conditions under different climate scenarios. This enables us to perform prospective analyses of potential physical and transition risks we might encounter, thus enhancing our climate resilience.

Based upon our business activities and value chain, we conduct analyses and assessments throughout our operating data centers. Aligned with our corporate risk management framework, we utilize both qualitative and quantitative methods to determine comprehensive analysis results of climate-related risks and opportunities from likelihood and severity of impact across various climate scenarios and timeframes.

Selection of climate scenarios

RISK CATEGORY	DEVELOPED BY	CLIMATE SCENARIO
Physical Risks	United Nations (UN) Intergovernmental Panel on Climate Change (IPCC[1])	RCP[2] 4.5
		RCP[2] 8.5
Transition Risks	International Energy Agency[3]	Net Zero Emission by 2050 Scenario (NZE[4])
		Announced Pledges Scenario (APS[5])

Assessment and analysis scope

Areas of impact
Business activities and value chain

Timeframe
- Short-term: By 2025
- Medium-term: 2025-2030
- Medium to long-term: 2030-2040
- Long-term: 2040-2050

Scope of assessment
All data centers operational and under construction

Model analysis parameters

Meteorological forecast databases
Business activities and value chain

Climate scenario simulation
IPCC Fifth Assessment Report , IEA Net Zero by 2050: A Roadmap for the Global Energy Sector, etc.

Disaster risk definition
Reference to climate forecast models and relevant literature at home and abroad

Risk assessment dimension

Likelihood		Severity of impact
	Risk ranking	

1. The Intergovernmental Panel on Climate Change (IPCC) is an intergovernmental body established by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) in 1988.
2. Representative Concentration Pathways (RCPs) are a toolkit of climate analysis scenarios developed to analyze and evaluate climate change and forecast climate change trends.

3. The International Energy Agency (IEA) is an independent body within the OECD framework, aiming to foster energy cooperation among member states.
4. Net Zero Emissions by 2050 Scenario (NZE).
5. Announced Pledges Scenario (APS).

Analysis and assessment results

Leveraging results from our climate scenario analyses, GDS has engaged external experts to hold a dozen of climate change meetings headed by the Sustainability Working Group. They, together with functional departments, have identified potential climate risks and opportunities at GDS and explored our adaptability and potential financial impacts amid climate change, forging constructive closed-loop feedback system

Physical and transition risks

Comprehensive analysis results of physical risks[1]

RISK CATEGORY	TIMEFRAME	FINANCIAL IMPACT	RESPONSES
Acute - Flood	Short term	• Additional CapEx (e.g., construction of flood control infrastructure, repair of damaged infrastructure) • Additional expenditures (e.g., emergency response costs)	• Research into the history of natural disasters, including the frequency and severity of floods and typhoons, at potential data center sites, selecting locations based on established internal standards
Acute - Typhoons	Long term	• Impact on revenue or triggering indemnification clauses with clients (e.g., a climate-related disaster may disrupt our data center operations)	• Closely monitor extreme weather during project construction, timely respond to extreme weather warnings according to our contingency plan, and mitigate the impact of floods and typhoons on project construction through insurance coverage • Enhance equipment maintenance during project operation, reinforce outdoor components susceptible to typhoons and floods, and leverage domestic and international integrated disaster weather warning systems and flood detection radars at our data centers to achieve effective disaster prevention and mitigation
Acute - Drought	Short term	• Additional CapEx (e.g., installation and regular maintenance of water-saving equipment; higher cost of purchasing water resources to ensure operational stability in the event of a drought) • Impact on revenue or triggering indemnification clauses with clients (e.g., a climate-related disaster may disrupt our data center operations)	• Comprehensively consider drought severity during site selection and design, e.g., opting for air-cooled or water-saving cooling systems in water-scarce areas to reduce dependence on water resources • Develop emergency water shutoff plans and seek suitable emergency water suppliers or backup solutions to ensure continuous water supply in data centers during emergencies • Optimize water usage plans and adopt water-saving measures such as reuse of reclaimed water and rainwater harvest to increase water resource utilization efficiency

1. Refer to the 2022 ESG report for detailed descriptions of physical risks.

RISK CATEGORY	TIMEFRAME	FINANCIAL IMPACT	RESPONSES
Acute - Extreme Heat	Long term	• Additional CapEx (e.g., installation of cooling equipment adaptable to extreme heat) • Additional OpEx (e.g., payment for additional power consumption due to reduced efficiency of cooling equipment) • Impact on revenue or triggering indemnification clauses with clients (e.g., a climate-related disaster may disrupt our data center operations)	• Set appropriate temperature control margins based on local temperature data during design, employ high-efficiency cooling systems, and enhance equipment maintenance to assure their stable and efficient operation • Closely track changes in high-temperature weather, monitor the operation of rooftop equipment in real-time, promptly initiate contingency plans for equipment and personnel in case of extreme heat, and adopt measures like manual heat dissipation and heatstroke prevention drugs to ensure the health and safety of personnel as well as the stable operation of equipment
Chronic - Sea Level Rise	Long term	• Additional CapEx (e.g., collaborative construction of infrastructure to mitigate the effects of sea level rise with value chain partners) • Additional OpEx (e.g., relocation of affected data centers due to damaged flood control facilities in low-lying coastal areas or the risk of inundation)	• Give priority to the risk of sea level rise during site selection and design, and elevate equipment placements through multi-tiered architectural design and drainage adjustment system according to local realities to mitigate sea level rise and the ensuing threat of floods • Regularly inspect and assess the risk of coastal erosion due to sea level rise at various operational locations and urban infrastructure to prevent significant impact on our infrastructure and equipment assets
Chronic - Increase in Average Temperature	Long term	• Additional CapEx (e.g., installation of cooling equipment adapted to continuous ultra-high temperatures) • Additional OpEx (e.g., additional power costs due to reduced efficiency of cooling equipment)	• Consider historical temperature changes and future projections when selecting sites, and reserve a margin in temperature control to cope with extreme conditions • Continually improve equipment performance through technological upgrades and improvements to mitigate the impact of temperature rise on operations, ensuring the optimal operational status of data centers • Prioritize regular maintenance of equipment, particularly by enhancing the inspection and maintenance of cooling and heat dissipation systems before the hot season to ensure stable operations in high-temperature environments

Comprehensive analysis results of transition risks[1]

RISK CATEGORY	TIME RANGE	FINANCIAL IMPACT	RESPONSES
Policy - Mandatory Requirements and Regulation of Existing Products and Services	Short, medium, and long term	• Additional CapEx (e.g., installation or renovation of DC infrastructure) • Additional OpEx (e.g., fluctuations in energy procurement costs and carbon compliance costs)	• Intensify management of GHG emissions at all operational locations as per domestic and international standards • Embed green practices across the construction and operation of data centers based on the GDS Green DC Design Guide • Keep refining our energy mix, increase the proportion of renewable energy consumption, and encourage data centers to strive for power usage efficiencies that meet or surpass current regional policy standards, thus driving the industry towards greener and more efficient development • Keep a vigilant eye on local carbon pricing policies and engage in the construction of local carbon markets; Reduce potential compliance costs and enhance market competitiveness once included in more stringent carbon allowance controls or carbon tax regulations through the low-carbon transition based on carbon pricing forecasts provided by the IEA and leading China-based authoritative institutions
Policy - Litigation Risk	Medium and long term	• Additional CapEx (e.g. development of a carbon emission management system and regular information disclosures)	• Stay abreast of global low-carbon, green, and sustainable trends and swiftly adapt to the latest mandates from regulators and stock exchanges • Keep optimizing the system for carbon emissions and environmental data management to disclose more transparent and accurate environmental and climate information
Technology -Transition to Low-Emission Technologies	Medium and long term	• Additional CapEx (e.g., installation or renovation of data center infrastructure at the technical level) • Additional OpEx (e.g., higher energy procurement costs due to application of low-emission technologies and increased proportion of green and low-carbon energy use)	• Highlight and apply low-emission technologies to conserve energy and reduce carbon emissions; Engage design teams of data centers in feasibility assessments for new technology applications, and product teams in technical verifications, thus attempting to apply the latest advanced technologies into the investment, design, construction, and operation phases of our data centers • Intensify research into innovative technologies, launch and promote as appropriate pilot projects for new technologies, and expedite our low-carbon transition • Remain vigilant of developments in frontier technologies, employ low-carbon technologies such as liquid cooling and waste heat recovery, and construct more automated and digital intelligent platforms to reduce costs and increase efficiency

RISK CATEGORY	TIME RANGE	FINANCIAL IMPACT	RESPONSES
Market - Energy Cost Rise	Medium and long term	• Additional OpEx (e.g., energy procurement costs)	• Apply clean energy such as solar power, establish an internal targeted ratio of green power usage, and track its progress to increase renewable energy consumption year over year and mitigate the risk of fluctuations in power costs • Intensify collaborations with leading Chinese and international energy companies following our 2030 carbon neutrality pathway to lower costs for procuring renewable energy • Research, develop, and apply efficient cooling solutions to enhance cooling efficiency, and monitor and manage our PUE performance
Market - Changes in Customer Behavior	Short, medium, and long term	• Additional CapEx (e.g., installation or renovation of DC infrastructure to meet relevant requirements) • Additional OpEx(e.g., use of green energy) • Failure to meet customer requirements may affect our revenue	• Enhance communication with our clients and conduct in-depth market research to better understand and meet their demands on emission reduction • Prioritize low-carbon factors during site selection and construction of new data centers, deploy renewable energy and storage projects, and implement green technologies to create low-carbon operations and services, providing clients with more eco-friendly and efficient solutions
Reputation -Increased Concerns or Negative Feedback from Stakeholders	Medium and long term	• Impact on revenue (reputation tarnishing may lead to fluctuations in our revenue)	• Align with sustainable information disclosure standards to boost transparency and accuracy in our information disclosures, and enhance communication with external stakeholders to ensure timely and effective responses to their concerns

Climate-related opportunities

Comprehensive analysis results of climate opportunities[1]

OPPORTUNITY CATEGORY	TIME RANGE	FINANCIAL IMPACT	RESPONSES
Resource Utilization	Short to long term	• Lower operational costs (e.g., by applying efficient energy management models and low-carbon technologies)	• Prioritize prefabricated and modular solutions and clean, low-carbon means of transport to reduce carbon emissions and engineering waste associated with transporting facilities and equipment across regions, and shorten the integration and deployment cycle; Prioritize low-carbon, eco-friendly materials by simulating the optimization of architectural and spatial design with digital tools; Employ visual resources and energy central control platforms for continuous optimization of operations and management • Adopt more efficient energy management approaches to improve the accuracy of real-time energy monitoring, lower energy conversion losses, effectively control costs, and enhance the efficiency of comprehensive energy utilization • Increasing the power density per rack and work with value chain stakeholders to apply and upgrade new technologies for lower server energy consumption
Energy Source	Short to long term	• Lower expenditures (e.g., on energy procurement)	• Optimize the energy mix, increase the proportions of clean energy usage, replace thermal power with clean energy, and step to substitute diesel with HVO, hydrogen and other low-carbon fuels • Evolve from traditional diesel generator systems to HVO fuel or hydrogen fuel cells, and employ the dynamic response between distributed energy and the grid to ensure reliable, continuous, and stable power supply while reducing energy costs and carbon emissions
Products and Services	Short to long term	• Increased revenue (e.g., through ongoing R&D of low-carbon products, we attract a growing client base opting for our low-carbon services to add our potential revenue)	• Respond actively to the demand of our clients for green and low-carbon development, develop low-carbon services and sustainable solutions, and work with value chain partners in R&D to ensure that our low-carbon products and services meet the expectations of clients and consumers

1. Refer to the 2022 ESG report for detailed descriptions of climate opportunities.

OPPORTUNITY CATEGORY	TIME RANGE	FINANCIAL IMPACT	RESPONSES
Market	Short to long term	• Lower operational costs and increased potential revenue (e.g., through integrated, intelligent transformation and innovation in the long run)	• Expedite market expansion at home and abroad with green, intelligent infrastructure, put down roots in new markets through innovative low-carbon technologies, safe and reliable services, as well as unique and innovative management experience, and contribute to creating more global digital infrastructure clusters • Boost overall energy efficiency of hardware and software with value chain partners and clients to meet future demand for the next-generation low-carbon, green, and efficient data centers
Climate Resilience	Short to long term	• Lower operational costs (e.g., a sound risk emergency plan can reduce unforeseen circumstances during equipment operations)	• Conduct climate change analysis and risk management and define climate strategies and management methods for major climate-related risks and opportunities to become more adaptive during design, site selection, construction, and operations; work with value chain partners to promote the net-zero transition of GDS and our business model through greener and smarter data centers by applying new green transformation technologies, improving physical risk contingency plans, and increasing the proportions of clean and renewable energy sources

Climate transition plan

As global climate change intensifies, we face unprecedented challenges. Frequent extreme weather events, rising sea levels, and biodiversity loss keep reminding us that action must be taken against this global crisis. We fully recognize our duty and mission to combat climate change. Consequently, we have developed a comprehensive and detailed climate change transition plan, aiming to steer our development toward a low-carbon, eco-friendly, and sustainable trajectory through systematic change and innovation.

Transition targets

To better track the progress of our transition plan and promptly assess the effectiveness of our initiatives, we have set transition targets at the corporate level.

Renewable energy usage and carbon neutrality	Achieve 100% renewable energy usage and operation carbon neutrality by 2030
Green data centers	100% of data centers newly in service since 2020 applying for green building certification
Higher energy efficiency at data centers	Reach 1.20 average annual PUE

Renewable energy

As a leader in the green DC industry, GDS has set a goal to achieve 100% renewable energy usage by 2030, supported by a detailed roadmap. We advance renewable energy utilization on a large scale by such means as green power trading, on-site renewable generation, and RECs. By continuously seeking partnerships with prominent global energy enterprises and renewable technology companies, we aim to secure more renewable energy supplies or apply more advanced renewable energy technologies like hydrogen fuel cells. In addition, we intensify R&D efforts for better compatibility of our data center infrastructure with renewable energy.

In recent years, we have recorded significant increase in our proportion of renewable energy usage, reaching 38% in 2023. We will further expand renewable energy use to meet the challenges posed by climate change.

Green data centers

We are committed to building data centers in a green and eco-friendly manner by incorporating green principles throughout the planning, design, and construction phases of DCs. We strive for all data centers newly in service since 2020 to comply with local and/ or global applicable standards for green building certification. We have set detailed green design rules, which cover the overall energy efficiency of data centers, energy and water usage efficiency of equipment, and insulation performance. During construction, we apply green building materials and local resources, as well as construction waste recycling, and soil erosion prevention processes. These measures ensure that the design and construction of our data centers meet local standards for green building certification.

Recent years saw rising number and percentage of our data centers receiving green building certifications, with 41 green data center recognized in 2023, accounting for 87%. We will further increase the number of green data centers to promote the green development of DCs.

Higher energy efficiency at data centers

PUE is a critical indicator for measuring the energy efficiency of data centers, and the PUE of our data centers is at the forefront of the industry. Beyond employing energy-efficient systems, we have put in place a sound energy management system and a self-developed energy efficiency monitoring system to ensure efficient operations of our data centers. Recently, new energy-saving technologies like liquid cooling, fluorine pumps, and artificial intelligence have increasingly been implemented in the DC industry. We are also exploring opportunities to apply these technologies to our data centers. To date, we have piloted these technologies in some of our data centers domestically and internationally, together with supporting technical patents, laying a solid foundation for their application on a large scale in the future.

Owing to continuous enhancements over the past few years, the annual average PUE of our data centers reached 1.28 in 2023. We will further enhance the energy efficiency of our data centers to ensure their energy-saving and efficient operations.

ESG Performance Indicators

Environmental

INDICATOR	2021	2022	2023
GHG emission			
Total greenhouse gas emissions(tCO2e)(location based)	3,319,001	3,709,431	4,396,860[1]
Total greenhouse gas emission (tCO2e)(market based)	2,467,300	2,676,437	3,365,038
- Scope 1	49,622	55,967	35,373
- Scope 2 (location based)	2,416,689	2,877,503	2,708,764
- Scope 2 (market based)	1,564,988	1,844,509	1,676,942[2]
- Scope 3	852,690	775,961	1,652,723[3]
- Scope 3-1 Purchased goods and services	-	-	684,423
- Scope 3-2 Capital goods	-	-	33,060
- Scope 3-3 Fuel-and energy-related activities	-	-	525,698
- Scope 3-4 Upstream transportation and distribution	-	-	26,419
- Scope 3-5 Waste generated in operations	-	-	136.88
- Scope 3-6 Business travel	-	-	793
- Scope 3-7 Employee commuting	-	-	637

1. Significant increase of total greenhouse gas emissions due to the increase in Scope 3 emission, more details in footnote 3.

2. GHG emission reduction compare to year 2022 due to renewable energy transition.

3. Consistency Statement: The notable rise in Scope 3 carbon emissions from prior years is attributed to the extensive carbon inventory completed in 2023, aligning with ISO14064 and GHG Protocol standards to ensure meticulous and precise accounting. The Scope 3 data has been broadened from the 2022 scope to encompass six additional categories: Waste generated in operations, Business travel, Employee commuting, Upstream leased assets, Downstream leased assets, and Investments.

INDICATOR	2021	2022	2023
- Scope 3-8 Upstream leased assets	-	-	189
- Scope 3-13 Downstream leased assets	-	-	381,359
- Scope 3-15 Investments	-	-	5
GHG emission intensity (tCO2e/m^2)	5.6	5.4	5.2
GHG emission intensity (location-based) - Scope 1+Scope 2 (tCO2e / million USD)	2,010	2,170	1,957
GHG emission intensity (market based) - Scope 1+Scope 2 (tCO2e / million USD)	1,316	1,406	1,221
Total carbon trading volume(ton)	1,445	89,226	61,788
INDICATOR	**2021**	**2022**	**2023**
Energy Consumption			
Annual average PUE	1.32	1.29	1.28
Total energy consumption(GWh)	4,158	5,045	5,429[4]
Gasoline(Liter)	-	-	37,607
Diesel(Liter)	4,109,080[5]	660,935	766,606
Renewable energy and RECs(GWh)	1,425	1,811	1,809
The proportion of renewable energy to total energy consumption(%)	34.3%	35.9%	38.0%
Number of data centers achieving 100% renewable energy	-	30	35
Energy intensity(MWh/thousand US dollars)	-	-	3.87

4. Include energy consumption from both BOT and self-built projects.

5. The drastic increase in diesel consumption in 2021 was due to temporary power outages at certain data centers during that year. Diesel generators operated as backup power during these periods, resulting in a significant surge in diesel consumption.

INDICATOR	2021	2022	2023
Green Building			
The proportion of self-developed data centers newly in service since 2020 have received or are applying for green building certification(%)	68%	77%	87%
Number of LEED	10	19	25
Number of ODCC Green DC	17	17	17
Number of ODCC Low/Zero Carbon DC	4	4	4
Number of MIIT Green DC	7	8	8
Number of green certifications	38	48	54
Number of DCs with green certifications	26	34	41
Waste Management			
Solid waste(ton)	-	-	810

INDICATOR	2021	2022	2023
Hazardous waste(ton)	-	-	2,384
Hazardous waste recovery rate(%)	100%	100%	100%
Water Management			
Total water consumption(ton)	5,109,997	6,806,451	7,056,290
Water consumption intensity(tons/ thousand US dollars)	-	-	5.03
WUE	1.72	1.74	1.72
External Certification			
ISO 14001 environmental management system certification	Yes	Yes	Yes
ISO 50001 Energy Management System	Yes	Yes	Yes
ISO 14064 Greenhouse Gas Accounting and Verification	Yes	Yes	Yes

Social

INDICATOR	2021	2022	2023
Products and Service			
Uptime M&O Stamp of Approval	20 DCs	26 DCs	36 DCs
Uptime M&O Stamp of Approval of a region	4 regions	4 regions	4 regions
Customer Satisfaction Score (out of 10)	9.585	9.619	9.647
ISO 22301 Business Continuity Management System	Yes	Yes	Yes
Information Security and Privacy Protection			
China Information Security Level Protection	Level 3	Level 3	Level 3
ISO 27001 Information Security Management System Certification	Yes	Yes	Yes
ISO 27701 Privacy Information Management System Certification	-	Yes	Yes
Major cyber security incidents	0	0	0
Employee coverage of cyber security training(%)	100%	100%	100%
Intellectual Property Management			

INDICATOR		2021	2022	2023
Number of New Patent Applications		65	48	55
The proportion of invention patents (%)		15.4%	54.2%	49.1%
Number of New Patent Grants		44	30	35
Number of New Software Copyrights		13	32	20
Number of New Trademark Rights		31	1	74
Employee Management				
Employee	Number of employees	1,878	2,185	2,345
	Employee turnover rate (%)	20.7%	14.1%	16.5%
	Voluntary turnover rate (%)	-	-	13.2%
Number of new hires		-	597	551
Number of new hires – by gender	Male employees	-	505	490
	Female employees	-	92	61

INDICATOR	2021	2022	2023
Training and Development			
Percentage of employees who receive regular performance and career development reviews	100%	100%	100%
Employees' annual average training hours (hour)	38.2	36.4	32.1

INDICATOR		2021	2022	2023
Employees' annual average training hours - by rank	Entry level (hour)	43.0	40.7	36.2
	Middle management (hour)	11.7	16.7	7.0
	Senior management (hour)	13.0	8.1	5.4
Employees' annual average training hours - by gender	Male employees (hour)	-	-	36.4
	Female employees (hour)	-	-	8.5

INDICATOR		2021	2022	2023
Diversity				
Diversity – by gender	Percentage of female employees	15%	15%	15%
	Percentage of female employees in mid-level management	26%	25%	27%
	Percentage of female employees in senior-level management	35%	37%	30%
Diversity – by age	30 and below 30	34%	35%	34%
	31 - 49	63%	62%	63%
	50 and above 50	2%	3%	2%

INDICATOR		2021	2022	2023
Diversity – by race	Han (%)	93%	92%	89%
	Others as a group (%)	7%	8%	11%
Diversity -by nationality	Foreign employees(%)	-	-	5%
The proportion of Chinese employees working overseas		-	-	5%
Gender pay ratio – female to male (median value)	Entry-level 30(%)	114%	109%	128%
	Middle management(%)	105%	111%	117%
	Senior management(%)	112%	98%	108%
Occupational Health and Safety				
Total Recordable Incident Rate (TRIR)	Employees and contractors:			
	0.55	0.16	0.085[1]
Number of annual work-related fatality		0	0	0
ISO 45001 Occupational Health and Safety Management System		Yes	Yes	Yes

1. TRIR calculation does not include data related to GDSI.

INDICATOR	2021	2022	2023
Supplier Management			
Percentage of suppliers required to complete our Third-Party Due Diligence Questionnaire	100%	100%	100%
Percentage of suppliers required to sign the Sustainability Commitment Letter	100%	100%	100%
Percentage of suppliers required to undergo EHS review	100% of engineering and equipment suppliers		
Number of GDS' suppliers	1,537	1,559	1,472
- by region: Eastern China	516	587	480
- by region: Northern China	597	554	448
- by region: Southern China	307	250	213
- by region: Western China	69	52	44
- by region: Hong Kong SAR, Macau SAR, and overseas countries	48	116	287
Community engagement			
Charity investment amount (RMB)	-	-	2.5 million

Governance

INDICATOR		2021	2022	2023
Corporate Governance				
Board Composition	Number of independent directors	5	5	5
	Proportion of independent directors	45%	45%	45%
	Number of female directors	2	2	2
	Proportion of female directors	18%	18%	18%
Number of meetings of the Board of Directors		8	10	13
Compliance and Anti-corruption				
Audit on the Implementation Anti-Corruption Related Policies		Once every two years, for all business operations		
Employee Coverage in Compliance Training		100%	100%	100%

Key Metrics

This section provides additional details for our key metrics.

Environmental

Renewable Energy

Our renewable energy scope includes, but is not limited to, wind, solar, and hydroelectric power consumed by our leased, owned, and B-O-T data centers and offices. It excludes our operations at third-party data centers because we do not exercise operational control at those sites. All the environmental attributes are trackable and to our knowledge, do not include double counting.

- **Renewable energy**

We determine our renewable energy by aggregating the amount of energy that we procure that is 100% renewable. This includes mechanisms such as RECs and direct purchases of green power. It excludes any renewables that are embedded in the grid.

- **Renewable percentage**

This is our renewable energy as a percentage of all the electricity that we procure, including electricity delivered to customers.

In specific calculations, we have omitted electricity consumed by B-O-T customers, with corresponding remarks provided for clarity.

Green Design and Construction

Our data centers are green buildings which have received international or domestic green building certification, such as Leadership in Energy and Environmental Design (LEED), Open DC Committee (ODCC) Green DC Certification, Ministry of Industry and Information Technology (MIIT) Green DC Certification, or other equivalent green building rating systems certification.

- **Green buildings**

The number of data centers that have obtained green building certification.

- **The proportion of green buildings**

The proportion of green buildings to the total number of data centers in use or newly put into use from year 2020.

Green Operations

Our self-developed data centers are designed to achieve high power efficiency, which is expressed conversely by a low power usage effectiveness ratio.

• **Power usage effectiveness (PUE)**

The total amount of power consumed by the data center divided by the total amount of power consumed directly by customers to operate their IT systems housed in the data center.

It includes leased, owned, and B-O-T data centers come into operation from 2020 with a utilization rate of 30% or more, and with new technology and architecture applied. It excludes third-party data centers.

Energy Consumption and Green House Gas Emission

Our greenhouse gas (GHG) inventory accounts for greenhouse gas emissions from electricity, diesel, and natural gas at our leased, owned and B-O-T data centers and offices. It excludes third-party data centers.

• **Scope 1 carbon emissions**

Direct GHG emissions that involve the consumption of gasoline and diesel oil, whose emission factors are taken from Guidelines for Accounting and Reporting Greenhouse Gas Emissions China Electronic Equipment Manufacturing Enterprises (Trial) and GB/T 2589-2020 General Rules for Calculation of the Comprehensive Energy Consumption;

consumption of refrigerant and fire extinguishing agent, whose emission factors are taken from 2006 IPCC Guidelines for National Greenhouse Gas Inventories and Fifth Assessment Report of IPCC.

• **Scope 2 carbon emissions**

Indirect GHG emissions associated with the purchase of electricity. From 2021, we use new carbon emission factors, including the one, published by the PRC Ministry of Ecology and Environment on March 15, 2022.

• **Scope 3 carbon emissions**

Indirect GHG emissions, including fuel and energy related activities, capital goods which is mainly our construction material, equipment embedded , transportation carbon emission, and waste treatment, ect.

• **Carbon emission intensity**

Total carbon emissions (Scope 1+Scope 2) divided by the net revenue (in thousand USD).

Energy and Water Performance Metrics

• **Diesel**

The amount of diesel consumed by our leased, owned and B-O-T data center operations, offices and company owned cars.

• **Gasoline**

The amount of gasoline consumed by our leased, owned and B-O-T data centers, offices and company owned cars.

• **Power consumption**

The amount of electricity consumed by our leased, owned, B-O-T data centers, and offices. Electricity consumption comprises grid-supplied power and excludes self-generated energy sources.

• **Energy intensity**

Total energy consumption divided by net revenue in thousand USD.

• **Water intake**

We monitor the aggregate water withdrawn by our facilities, irrespective of its allocation for cooling, facility maintenance, or domestic purposes. This metric provides valuable insight into our overall impact on potable water resources within the regions we operate. However, it's important to note that this metric does not differentiate between withdrawal, where water is returned to local treatment facilities, and consumption, such as evaporation for cooling or landscaping, where the water is

no longer available for use within the watershed (e.g., industrial wastewater or sewage).

• **Water consumption**

The water consumption metric specifically focuses on the water utilized by our operations at leased, owned, and B-O-T data centers. Water consumption at third-party data centers is excluded due to the lack of complete operational oversight at those locations. Additionally, water usage at individual offices, where water costs are included in fixed rental expenses and not invoiced separately, is omitted. Our assessment indicates that office water consumption is minimal compared to that of our data centers.

• **Water consumption intensity**

Total water consumption divided by net revenue in thousand USD.

• **Water usage effectiveness (WUE)**

This is the amount of water that our data centers consume in liters (L) as a percentage of total IT equipment electricity consumption.

Social

Customer Service Metrics

- **Customer satisfaction score**

The customer satisfaction score is determined through an annual survey conducted by a third party. This score represents the overall result of the survey and is indicative of customer satisfaction. A higher score indicates a higher level of customer satisfaction.

- **Uptime Stamp of Approval**

The M&O Stamp of Approval validates the effective operations and risk management practices of data centers, reducing unplanned downtime.

The Uptime Institute, an impartial advisory entity dedicated to enhancing the performance, efficiency, and reliability of data center business-critical infrastructure, grants this recognition. It acknowledges data centers that adhere to industry best practices and demonstrate exceptional levels of reliability, availability, and efficiency.

- **Uptime M&O Stamp of Approval**

The count of regions that have received the Uptime Stamp of Approval.

Employees Metrics

- **Number of employees**

The total count of full-time employees at the end of the year.

- **Employee turnover**

The count of full-time employees who have departed from the company (including voluntary resignations, dismissals, retirements, etc.), divided by the monthly average number of full-time employees.

- **Total recordable incident rate**

This metric is calculated by dividing the number of recordable incidents (those requiring medical treatment and above) by the total working hours and then multiplying the result by 200,000 hours.

- **Average training hours**

The number of total training hour received by full-time employee divided by monthly average number of full-time employees.

- **Percentage of female employees**

The number of total full-time female employees divided by the number of total full-time employees in the year end.

- **Percentage of suppliers who participate in GDS ESG initiatives**

The percentage of suppliers who have signed contracts with GDS and are involved in our ESG initiatives since the initiatives were launched.

Governance

ICorporate Governance Metrics

- **Independent audit committee**

The independent audit committee is a group of individuals who are appointed by the Board of Directors to oversee the financial reporting and auditing processes. The committee is composed of independent, non-executive directors

- **Audit of implementation of the anti corruption related policies**

The frequency of audits to verify compliance with our anti-corruption related policies. It is currently is conducted by external third party.

Cyber Security Metrics

- **Major cyber security incidents**

The number of cyber security incidents that will significantly affect company business operation.

Appendix: Index

- **GRI Standards-content index**

- **The ESG Reporting Guide 2.0 issued by Nasdaq-content index**

- **The Environmental, Social and Governance Reporting Guide issued by Hong Kong Exchanges and Clearing Limited (HKEX)-content index**

- **SASB Standards-content index**

GRI Standards——Index

STATEMENT OF USE	GDS has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD		DISCLOSURE	LOCATION/ RESPONSE
GRI 2: General disclosures 2021	2-1	Organizational details	P5
	2-2	Entities included in the organization's sustainability reporting	P5
	2-3	Reporting period, frequency and contact point	P5
	2-5	External assurance	P100-103
	2-6	Activities, value chain and other business relationships	Please refer to 20-F
	2-7	Employees	P85
	2-8	Workers who are not employees	P78-81
	2-9	Governance structure and composition	P29
	2-10	Nomination and selection of the highest governance body	Please refer to 20-F
	2-11	Chair of the highest governance body	Please refer to 20-F

GRI STANDARD	DISCLOSURE	LOCATION/ RESPONSE
2-12	Role of the highest governance body in overseeing the management of impacts	P15-16
2-13	Delegation of responsibility for managing impacts	P14-15
2-14	Role of the highest governance body in sustainability reporting	P5
2-16	Communication of critical concerns	P17
2-17	Collective knowledge of the highest governance body	P14-15
2-18	Performance assessment of the highest governance body	P14
2-22	Statement on sustainable development strategy	P18-21
2-23	Embedding policy commitments	P85、P88
2-24	Processes to remediate negative impacts	P15
2-25	Mechanisms for seeking advice and raising concerns	Please refer to our *Whistle blower policy*
2-26	Compliance with laws and regulations	P17
2-28	Membership associations	Please refer to 20-F
2-29	Approach to stakeholder engagement	P17

GRI STANDARD		DISCLOSURE	LOCATION/ RESPONSE
GRI 3: Material Topics 2021	3-1	Process to determine material topics	P16
	3-2	List of material topics	P16
	3-3	Management of material topics	Please refer to the following table.
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	P37-41
	201-3	Defined benefit plan obligations and other retirement plans	P89
GRI 3: Material Topics 2021	203-1	Infrastructure investment and supportive services	P41、P43、P50、P53、P60、P61
	203-2	Significant indirect economic impacts	P60-61
GRI 205: Anti-cor-ruption 2016	3-3	Management of material topics	P33
	205-2	Communication and training about anti-corruption policies and procedures	P33
GRI 207: Tax 2019	207-1	Approach to tax	P32
	207-2	Tax governance, control, and risk management	P32
	207-3	Stakeholder engagement and management of concerns related to tax	Please refer to 20-F
	207-4	Country-by-country reporting	Please refer to 20-F
GRI 302: Energy 2016	3-3	Management of material topics	P42
	302-1	Energy consumption within the organization	P121

GRI STANDARD		DISCLOSURE	LOCATION/ RESPONSE
	302-3	Energy intensity	P121
	302-4	Reduction of energy consumption	P121
GRI 303: Water and Effluents 2018	303-2	Management of water dischargerelated impacts	P48-52
	303-5	Water withdrawal	P46-53
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	GDS has no operating sites located in, or adjacent to protected areas and areas of high biodiversity value outside protected areas.
GRI 305: Emissions 2016	3-3	Management of material topics	P37-41
	305-1	Direct (Scope 1) GHG emissions	P120
	305-2	Energy indirect (Scope 2) GHG emissions	P120
	305-3	Other indirect (Scope 3) GHG emissions	P120-121
	305-4	GHG emissions intensity	P121
	305-5	Reduction of GHG emissions	P41
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	P53

GRI STANDARD		DISCLOSURE	LOCATION/ RESPONSE
	306-2	Management of significant waste-related impacts	P53
	306-3	Waste generated	P53
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	P78-79
	308-2	Negative environmental impacts in the supply chain and actions taken	P78-79、P129
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	P88
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	P89
	401-3	Parental leave	P89
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	P94
	403-2	Hazard identification, risk assessment, and incident investigation	P95
	403-3	Occupational health services	P95-96
	403-4	Worker participation, consultation, and communication on occupational health and safety	P95

GRI STANDARD		DISCLOSURE	LOCATION/ RESPONSE
	403-5	Worker training on occupational health and safety	P95
	403-6	Promotion of worker health	P95
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P95
	403-8	Workers covered by an occupational health and safety management system	P95
	403-9	Work-related injuries	P94、P128
	403-10	Work-related ill health	P94
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	P92
	404-2	Programs for upgrading employee skills and transition assistance programs	P90-92
	404-3	Programs for upgrading employee skills and transition assistance programs	P92、P126
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	P29、P85
	405-2	Ratio of basic salary and remuneration of women to men	P85、P128

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GRI STANDARD		DISCLOSURE	LOCATION/ RESPONSE
GRI 406: Non-dis-crimination 2016	3-3	Management of material topics	P85
GRI 408: Child Labor 2016	3-3	Management of material topics	P85
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	P85
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	P78-79
	414-1	New suppliers that were screened using social criteria	P78-79
GRI 418: Customer Privacy 2016	3-3	Management of material topics	P62、P64-66
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P124

DISCLOSURE			LOCATION/ RESPONSE
E1 GhG Emissions	E1.1	Total amount, in CO2 equiva-lents, for Scope 1 (if applicable)	P120
	E1.2	Total amount, in CO2 equivalents, for Scope 2 (if applicable)	P120
	E1.3	Total amount, in CO2 equivalents, for Scope 3 (if applicable)	P120
E2 Emissions Intensity	E2.1	Total GhG emissions per output scaling factor	P120
	E2.2	Total non-GhG emissions per output scaling factor	_____
E3 Energy Usage	E3.1	Total amount of energy directly consumed	P121
	E3.2	Total amount of energy indirectly consumed	P44、P121
E4 Energy Intensity		Total direct energy usage per output scaling factor	P121
E5 Energy Mix		Percentage: Energy usage by generation type	P121
E6 Water Usage	E6.1	Total amount of water consumed	P123
	E6.2	Total amount of water reclaimed	N/A

DISCLOSURE			LOCATION/ RESPONSE
E7 Environ-mental Operations	E7.1	Does your company follow a formal Environmental Policy?	P123
	E7.2	Does your company follow specific waste, water, energy, and/or recycling polices?	P54
	E7.3	Does your company use a recognized energy management system?	P123
E8 Climate Oversight / Board		Does your Board of Directors oversee and/or manage climate-related risks?	P38
E9 Climate Oversight / Management		Does your Senior Management Team oversee and/or manage climate-related risks?	P38
E 10 Climate Risk Mitigation	E10.1	Total amount invested, annually, in climate-related infrastructure, resilience, and product development.	————
S1 CEO Pay Ratio	S1.1	Ratio: CEO total compensation to median FTE total compensation	————
	S1.2	Does your company report this metric in regulatory filings?	————

DISCLOSURE			LOCATION/ RESPONSE
S2 Gender Pay Ratio		Ratio: Median male compen-sation to median female compensation	P128
S3 Employee Turnover	S3.1	Percentage: Year-over-year change for full-time employees	P125
	S3.2	Percentage: Year-over-year change for part-time employees	————
	S3.3	Percentage: Year-over-year change for contractors and/or consultants	————
S4 Gender Diversity	S4.1	Percentage: Total enterprise headcount held by men and women	P125
	S4.2	Percentage: Entry- and mid-level positions held by men and women	P128
	S4.3	Percentage: Senior- and executive-level positions held by men and women	P128
S5 Temporary Worker Ratio	S5.1	Percentage: Total enterprise headcount held by part-time employees	————
	S5.2	Percentage: Total enterprise headcount held by contractors and/or consultants	————

DISCLOSURE			LOCATION/ RESPONSE
S6 Non-Dis-crimination		Does your company follow a sexual harassment and/or non-discrimination policy?	P84-85
S7 Injury Rate		Percentage: Frequency of injury events relative to total workforce time	P128
S8 Global Health & Safety		Does your company follow an occupational health and/or global health & safety policy?	P94-95
S9 Child & Forced Labor	S9.1	Does your company follow a child and/or forced labor policy?	P88
	S9.2	If yes, does your child and/or forced labor policy See also: cover suppliers and vendors?	P88
S10 Human Rights	S10.1	Does your company follow a human rights policy?	P88
	S10.2	If yes, does your human rights policy See also: cover suppliers and vendors?	P88
G1 Board Diversity	G1.1	Percentage: Total board seats occupied by women (as compared to men)	P29
	G1.2	Percentage: Committee chairs occupied by women (as compared to men)	_____

DISCLOSURE			LOCATION/ RESPONSE
G2 Board Indepen-dence	G2.1	Does company prohibit CEO from serving as board chair?	_____
	G2.2	Percentage: Total board seats occupied by independents	P29
G3 Incentiv-ized Pay		Are executives formally incentivized to perform on sustainability?	P14
G4 Collective Bargaining		Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
G5 Supplier Code of Conduct	G5.1	Are your vendors or suppliers required to follow a Code of Conduct?	P78-79
	G5.2	If yes, what percentage of your suppliers have formally certified their compliance with the code?	P79
Anti-Corruption	G6.1	Does your company follow an Ethics and/or Anti-Corruption policy?	P35
	G6.2	If yes, what percentage of your workforce has formally certified its compliance with the policy?	P33
G7 Data Privacy	G7.1	Does your company follow a Data Privacy policy?	P62-63、P68
	G7.2	Has your company taken steps to comply with GDPR rules?	N/A

DISCLOSURE			LOCATION/ RESPONSE
G8 ESG Reporting	G8.1	Does your company publish a sustainability report?	P5
	G8.2	Is sustainability data included in your regulatory filings?	Please refer to 22-F
G9 Disclosure Practices	G9.1	Does your company provide sustainability data to sustain-ability reporting frameworks?	P14
	G9.2	Does your company focus on specific UN Sustainable Development Goals (SDGs)?	P26、P34、P56、P72、P82
	G9.3	Does your company set targets and report progress on the UN SDGs?	P16
G10 External Assurance		Are your sustainability disclo-sures assured or validated by a third party?	P100-103

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DISCLOSURE		DESCRIPTION	LOCATION/ RESPONSE
A. Environmental			
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazard-ous waste	P53
	A1.1	The types of emissions and respective emissions data	P121-123
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P120-121
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P123

DISCLOSURE	DESCRIPTION	LOCATION/ RESPONSE
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	P122
A1.5	Description of emissions target(s) set and steps taken to achieve them	P37-42
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	P53
Aspect A2: Use of Resources	General Disclosure — Policies on the efficient use of resources, including energy, water and other raw materials	P37、P53
	A2.1 — Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	P44、P121
	A2.2 — Water consumption in total and intensity (e.g. per unit of production volume, per facility)	P123
	A2.3 — Description of energy use efficiency target(s) set and steps taken to achieve them	P48-55

DISCLOSURE	DESCRIPTION	LOCATION/ RESPONSE
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	P51、P54
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	N/A
Aspect A3: The Environment and Natural Resources	General Disclosure — Policies on minimising the issuer's significant impacts on the environment and natural resources	P46-53
	A3.1 — Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	P46-53
Aspect A4: Climate Change	General Disclosure — Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	P37-38
	A4.1 — Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	P38-45

DISCLOSURE		DESCRIPTION	LOCATION/RESPONSE
B. Social			
Aspect B1: Employment	General Disclosure	Information on: (a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	P85-93
	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region	P88、P125
	B1.2	Employee turnover rate by gender, age group and geographical region	P125
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	P94

DISCLOSURE		DESCRIPTION	LOCATION/RESPONSE
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	P94、P128
	B2.2	Lost days due to work injury	P94、P128
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	P94-95
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	P90
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	P92
	B3.2	The average training hours completed per employee by gender and employee category	P126

DISCLOSURE		DESCRIPTION	LOCATION/RESPONSE
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	P88
	B4.1	Description of measures to review employment practices to avoid child and forced labour	P88
	B4.2	Description of steps taken to eliminate such practices when discovered	P93
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain	P78-79
	B5.1	Number of suppliers by geographical region	P129
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	P78-80

DISCLOSURE		DESCRIPTION	LOCATION/RESPONSE
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	P78-80
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	P78-80
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	N/A
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A
	B6.2	Number of products and service related complaints received and how they are dealt with	P76-77

DISCLOSURE		DESCRIPTION	LOCATION/ RESPONSE
	B6.3	Description of practices relating to observing and protecting intellectual property rights	P70
	B6.4	Description of quality assurance process and recall procedures	N/A
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	P64-69
Aspect B7: Anticorruption	General Disclosure	Information on: (a) the policies (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	P32-33
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	P33

DISCLOSURE		DESCRIPTION	LOCATION/ RESPONSE
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	P32-33
	B7.3	Description of anti-corruption training provided to directors and staff	P33、P130
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	P97
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	P97
	B8.2	Resources contributed (e.g. money or time) to the focus area	P98-99

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TOPIC	METRIC		UNIT OF MEASURE	LOCATION/ RESPONSE
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Gigajoules(GJ) Percentage(%)	P121
	TC-SI-130a.2	(1) Total water withdrawn (2) Total water consumed percentage of each in regions with High or Extremely High Baseline Water Stress	Kilo-cubic metre （m³） Percentage(%)	P123
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	———	P37-41
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to targeted advertising and user privacy	———	P64-65
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Numbers	P66-67

TOPIC	METRIC		UNIT OF MEASURE	LOCATION/ RESPONSE
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Currency unit	P124
	TC-SI-220a.4	(1) Number of law enforcement requests for user information (2) Number of users whose information was requested (3) Percentage resulting in disclosure	Numbers Percentage(%)	N/A
	TC-SI-220a.5	List of countries where core products or services are subject to governmentrequired monitoring, blocking, content filtering, or censoring	———	N/A
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) Percentage that are personal data breaches, (3) Number of users affected	Numbers Percentage(%)	P124
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cyber-security standards	———	P63-P69

TOPIC	METRIC		UNIT OF MEASURE	LOCATION/ RESPONSE
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	(1) Percentage of foreign employees (2) Percentage of employees located overseas	Percentage(%)	P85
	TC-SI-330a.2	Employee engagement as a percentage	Percentage(%)	P93
	TC-SI-330a.3	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	Percentage(%)	P85
Intellectual Property Protection & Competitive Behaviour	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Currency unit	During the reporting period, there were no legal proceedings associated with anti-competitive behaviour regulations incurred at GDS.

TOPIC	METRIC		UNIT OF MEASURE	LOCATION/ RESPONSE
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues (2) service disruptions (3) total customer downtime	Number of cases (times) Days	During the reporting period, there were no service interruptions at GDS.
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	————	P63

GDS万国数据

DISCLAIMER

This report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Such statements are based upon management's current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and many of which are beyond the Company's control, which may cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the U.S. Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.