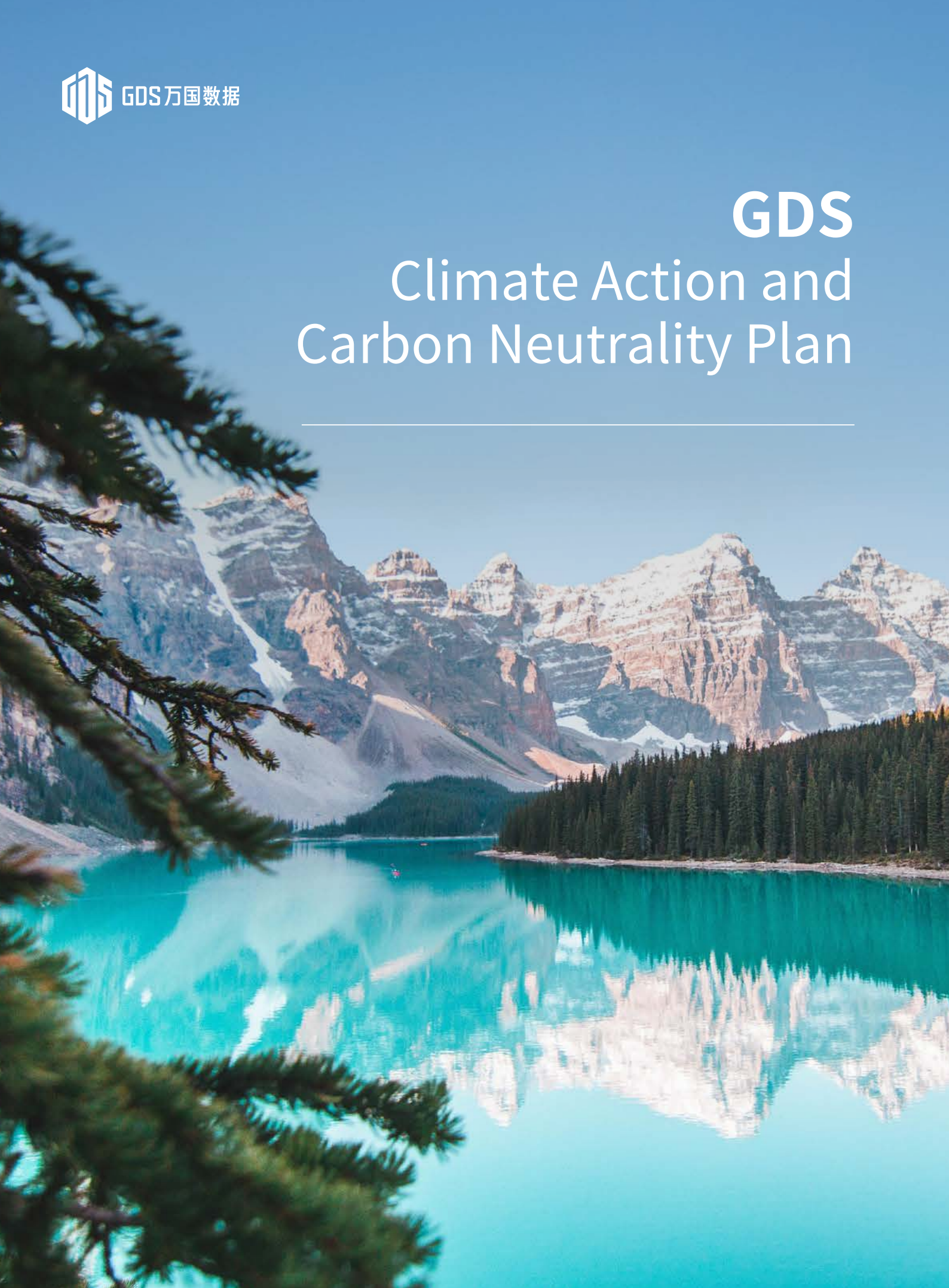
GDS万国数据

GDS
Climate Action and Carbon Neutrality Plan



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About this Report

Overview

We are pleased to present the GDS Holdings Limited (hereinafter referred to as "GDS", the "Company", or "we") *GDS Climate Action and Carbon Neutrality Plan* (hereinafter referred to as "the Report"). This Report outlines the strategic approaches and actions taken by GDS and its subsidiaries in addressing climate change, including the identification of climate-related risks and opportunities, governance structure for climate-related issues, and practices and achievements in green solutions, demonstrating our commitment to achieving sustainable development.

Reporting Standards

This Report has been prepared with reference to the *Environmental, Social and Governance Reporting Code* issued by the Stock Exchange of Hong Kong (SEHK), the *IFRS S2 Climate-related Disclosure* issued by the International Sustainability Standards Board (ISSB), the *ESG Reporting Guide 2.0* issued by Nasdaq, and incorporates the framework of the Task Force on Climate-related Financial Disclosures (TCFD)[1]. It describes GDS's management and performance in addressing climate-related risks and opportunities across four core pillars: governance, strategy, risk and opportunity management, as well as metrics and targets.

Reporting Scope

The scope of this Report includes GDS Holdings Limited and its consolidated subsidiaries, consolidated variable interest entities (VIEs), and other affiliated companies.

Data Sources and Notes

The data and cases of the report are mainly from the statistics and related publications of the Company. We promise that this report contains no false records or misleading statements, and we are responsible for the truthfulness, accuracy, and completeness of its important content.

Forward-Looking Statement

All the events that may or will occur in the future stated in this report, including but not limited to assumptions, greenhouse gas (GHG) emission targets, climate change risk assessment levels, action plans, etc., belong to the category of forward-looking statements. Forward-looking statements entail inherent risks and uncertainties, as numerous factors may cause actual results to differ from what is described in any forward-looking statement. In this report, the forward-looking statements involved are based solely on the information available during the compilation process for assumptions, estimations, and projections. GDS is not obligated or responsible for updating and modifying the aforementioned forward-looking statements.

Obtain and Respond to this Report

This Report is available in both Simplified Chinese and English for the reader's reference. In case of any discrepancy, the Simplified Chinese version shall prevail. The Report can be accessed via the official website https://www.gds-services.com/esg2024/ESG-Library.html. For any feedback or suggestions regarding this Report, please email us at esg@gds-services.com.

[1] The TCFD framework, established by the Task Force on Climate-related Financial Disclosures, is a voluntary disclosure standard structured around four core elements: Governance, Strategy, Risk Management, and Metrics and Targets.

Carbon Neutrality - GDS Approach

Powered by innovation and anchored to a carbon-neutral future, GDS is leading the zero-carbon transition of digital infrastructure. Our strategy is clear and resolute: using technology as the driver and green power as the foundation, we are driving the green transition of the digital ecosystem through sustained shift to renewable energy and energy efficiency innovations. We are now advancing this strategy at full speed, making significant progress towards carbon neutrality in our own operations by 2030, and taking concrete actions to build a sustainable and interconnected zero-carbon future.

Carbon Neutrality Commitment

The international community agrees on the urgent need to address the challenge of global warming, as humanity faces an unprecedented challenge to safeguard our shared living environment. In December 2015, 178 parties worldwide signed the *Paris Agreement*, committing to limit global temperature rise to below 2°C above pre-industrial levels and to constrain it to 1.5°C through nationally determined contributions. Aligning with this vision, China pledged in 2020 to peak carbon emissions before 2030 and achieve carbon neutrality by 2060.

Meanwhile, computing power has become a foundational utility on par with electricity, as AI fuels a new wave of growth and the digital economy emerges as a key driver of global development. As a key infrastructure that supports diverse computing power needs, ranging from traditional business operations to cutting-edge AI applications, the green and low-carbon operation of data centers is of vital importance for implementing China's Dual Carbon strategy and building a green, sustainable digital future. Serving as the "digital cornerstone", data centers are not only the backbone supporting the surge in computing-power demand, but also a central pillar in the green transition, carrying the critical responsibility of driving high-efficiency, low-carbon development.

In 2020, GDS set out its first carbon neutrality target, committing to accelerate the Company's low-carbon transition.

GDS Carbon Neutrality Targets

By 2030

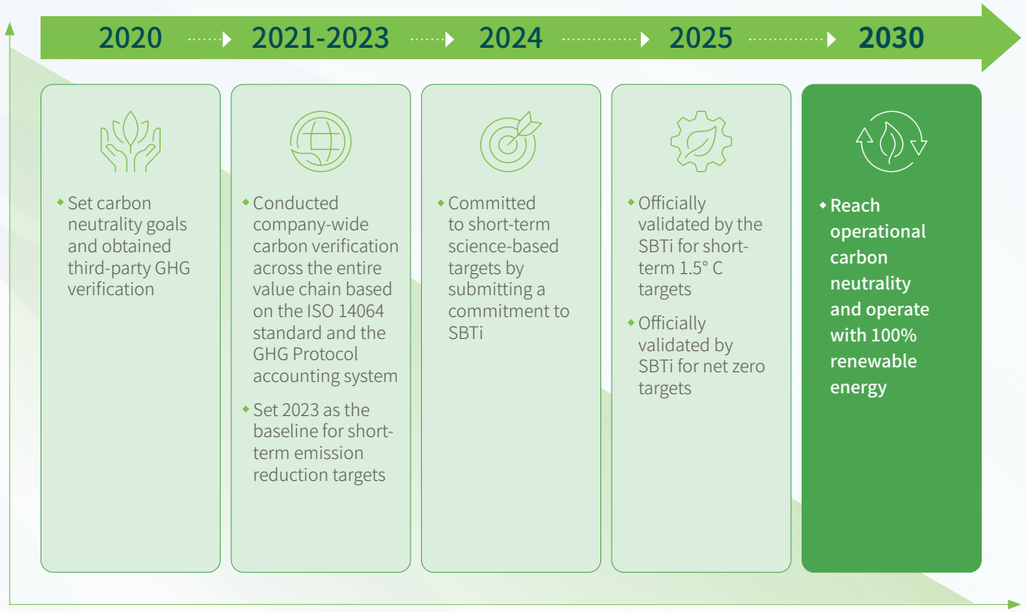
100%

Renewable Energy Usage
Operational Carbon Neutrality

Carbon Neutrality Milestones

To achieve China Dual Carbon goals and limit global temperature rise to within 1.5°C, GDS formulated and submitted short-term science-based carbon targets in July 2024, and officially passed the validation of the Science Based Targets initiative (SBTi)'s[2] 1.5°C short-term targets in January 2025. In October 2025, GDS officially passed the verification of SBTi's net-zero targets. By attaining both SBTi-certified short-term and net-zero targets, GDS has established a comprehensive decarbonization pathway from immediate actions to long-term vision. This demonstrates both our commitment to climate action and our ability to translate strategy into measurable results.

SCIENCE BASED TARGETS



[2] The Science Based Targets initiative (SBTi) is a collaborative organization co-founded by CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). It is dedicated to defining and promoting science-based carbon abatement and best practices, and provides independent third-party assessment of the carbon neutrality targets set by companies.

Carbon Neutrality Pathway

GDS develops its environmental objectives and carbon neutrality pathway based on operational practices, aligning with leading domestic and international low-carbon transition standards and action frameworks. By setting corporate transition targets and establishing a concrete carbon neutrality roadmap, GDS aims for a zero-carbon future and positions itself as the industry pioneer toward decarbonization. We integrate emission reduction targets into the Company's strategic planning for development and transition, treating them as a key focus of the Board of Directors with continuous oversight. Annual target reviews are linked to management performance, ensuring sustained momentum to achieve our 2030 decarbonization goals.

Lifecycle Carbon Reduction

Under current economic condition, GDS has established a carbon neutrality target, initiated GHG emission verification, and comprehensively advanced the Company's low-carbon transformation.

Site Selection	Design and Construction	Operational Efficiency Improvements	Zero-Carbon Management
Establishing a Green Foundation	Low-Carbon Integrated Construction	Pursuing Ultimate Efficiency in Operations	Achieving a "Zero-Carbon" Closed Loop
• Examing favorable climate conditions • Prioritizing regions abundant in renewable energy sources • Advancing the integrated development of generation, grid, load, storage, solar systems, and charging infrastructure	• Green Construction and Building • Engineered Assembly	• Centers on the lean management of Power Usage Effectiveness(PUE)[3] • Employs AI to enable automated, flexible, and precise scheduling • Enabled through integrated digital platforms	• Diversified source of green power • Renewable Energy Certificates (RECs) trading and market-based procurement • Collaborating with the industrial chain for decarbonization

GDS Carbon Neutrality Actions

Direct Emission Reduction

Using low-GWP refrigerants and replacing diesel and gasoline with biodiesel to reduce direct GHG emissions

Efficiency Improvement

Leveraging digital energy and carbon management platforms and AI technology to achieve precise control over energy consumption. Embedding circular economy principles into operation to enhance thermal energy efficiency and supply surplus heat to the neighbourhood by waste-heat recovery

Energy Decarbonization

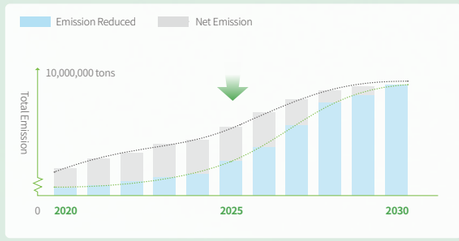
Advancing the renewable-energy transition by expanding investment and adoption through distributed photovoltaics (DPV) and energy storage, direct power purchase agreements (DPPAs) and renewable energy certificates (RECs), to progressively increase the share of renewables in energy consumption and offset remaining carbon emissions

Green Finance

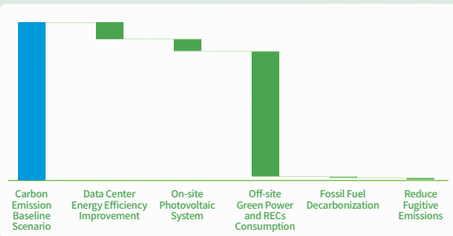
Participating in carbon trading markets and explore innovative green finance products, using financial instruments to support the decarbonization transition and achieve both environmental and economic value

[3] 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.

Operational Emission Projection



Carbon Neutrality Roadmap for Scope 1 and 2 Emissions at the Operational Level by 2030



Renewable Energy Technology Application

The Company vigorously promotes DPV, achieving 100% photovoltaic coverage in the installable areas of data centers in Shanghai and Changshu.

During the reporting period

DPV commissioned capacity over **2.0** MW

with an annual electricity generation capacity exceeding **2** million kWh[4]

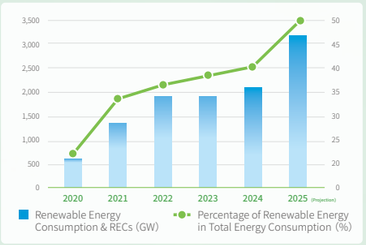
and an annual carbon reduction of more than **1,000** tons

Carbon Trading and Carbon Offset

GDS has established a professional team to actively participate in renewable energy procurement through a combination of DPPAs and RECs, supporting the goal of carbon-neutral operations.

By leveraging DPV, DPPAs, and RECs procurement, the proportion of renewable energy in our total energy consumption has been increasing year by year.

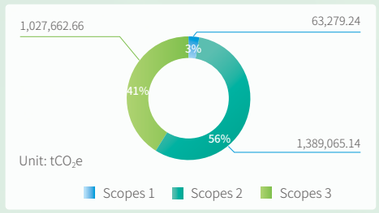
GDS Renewable Energy Consumption and Proportion



Emission Reduction Progress

In 2024, we continued to engage third-party institutions to conduct carbon verification for our operational boundaries in accordance with ISO 14064-1:2018. Aligned with the GHG Protocol classification, we have statistically aggregated and disclosed our annual Scope 1, Scope 2 and Scope 3 market-based emissions. Please refer to the Appendix for the accounting boundaries, methodology, and independent verification statement.

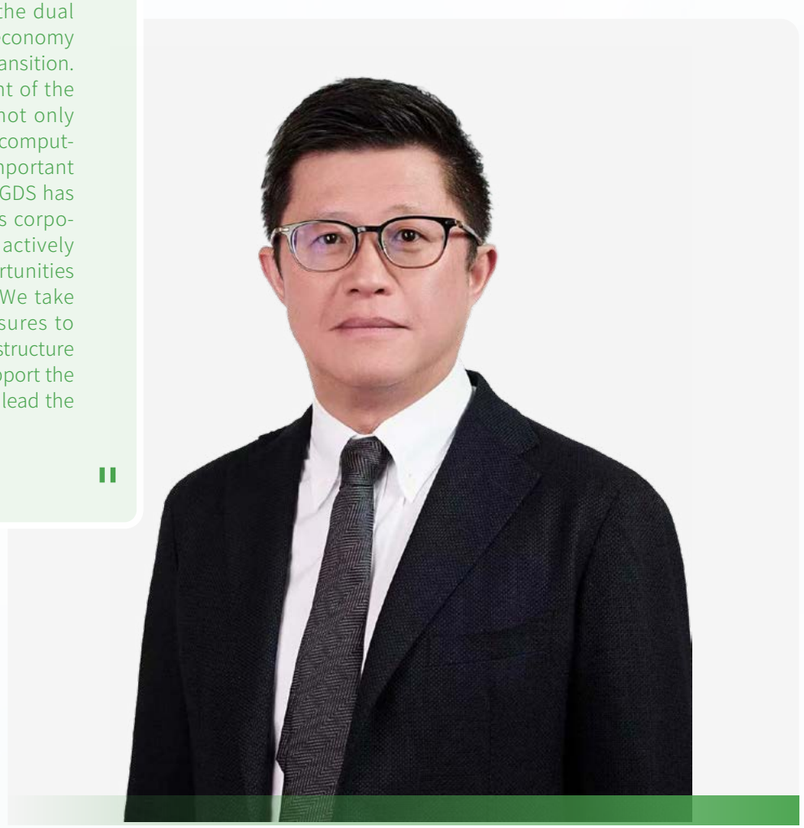
2024 GHG Emissions Proportion of Scopes 1, 2, and 3 (Market-Based)



[4] This represents the power generation capacity assuming all systems remain operational throughout the year.

Message from CEO

> The data center industry faces the dual challenge of developing digital economy while enabling the low-carbon transition. As the basis for the development of the digital economy, data centers not only support the explosive growth in computing demand, but also play an important role for low-carbon innovations. GDS has integrated climate action into its corporate sustainability strategy and actively manages climate risks and opportunities according to TCFD framework. We take innovative and pragmatic measures to build the low-carbon digital infrastructure that is efficient and reliable to support the development of the industry and lead the industrial reformation.



William Wei Huang

Chairman and
Chief Executive Officer of GDS

Decarbonization Action

We firmly believe that tackling climate change and pursuing low-carbon development require targets backed by scientific research and transparent action. GDS first in the industry made to commitment to use 100% renewable energy and the goal to achieve the operational carbon neutrality by 2030 in the industry with traceable results. We Integrate carbon footprint management throughout the entire lifecycle of our operations and have fully disclosed the direct carbon emissions and indirect carbon emissions from the value chain. Building on it, we will continue to reduce and address our carbon emissions to realize GDS carbon neutrality goals.

Digital Transformation

Technological innovation empowers the low-carbon transformation, and we integrated the intelligent measures into efficiency management.

- We collaborated with leading universities to explore how AI can enable low-carbon data center operations.
- We connected energy and carbon asset management to jointly monitor energy consumption and emissions.
- We integrated multiple energy-saving technologies and measures to reduce the carbon emissions of our data centers.

These practices affirmed the feasibility of the collaboration of the decarbonization and the digital intelligence and provided a technical path for the industry to scale up.

Sustainable Operation

Guided by the principle of "8760-hour Operation", we have established a management system in line with international standards. GDS has obtained ISO 14001 Environmental Management System certification and ISO 50001 Energy Management System certification. We continue to promote the concept of green and low-carbon operation, and obtained the "Net Zero Assessment" NZ-2 rating from Moody's NZA as the first data centre enterprise, an achievement that was recognized by the international market for the sustainable operation of GDS. We will further advance our "Powering Ambition" strategy, transforming our carbon neutrality goal into a key driver of resilient growth through technological innovation, energy structure optimization, and a nationwide green footprint. In 2025, our proportion of renewable energy usage exceeded 50%. Through continuous energy efficiency improvements, the deployment of on-site photovoltaic and energy storge systems, green power transactions, and RECs procurement, we have reduced emissions by over 1.5 million metric tons. We are committed to collaborate with partners to build an intelligence-driven and sustainable future in openness and inclusiveness.

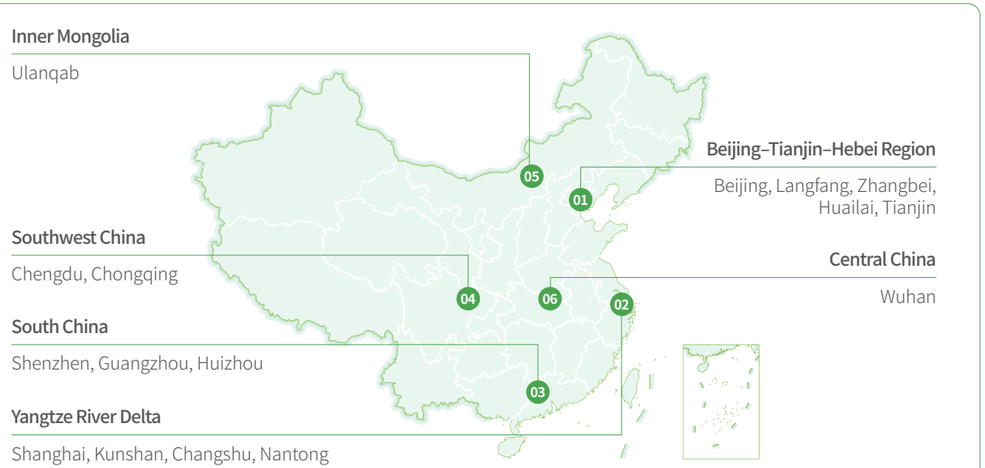
About GDS

Rapid digital transformation and the growing use of cloud computing and artificial intelligence are driving strong demand for data centers. In response, GDS focuses on building reliable IT infrastructure and supporting the long-term growth of the digital economy.

GDS is a leading data center operator and service provider in China, with over 20 years of experience. We provide secure and reliable colocation and data center management services.

Our data centers are located in major economic hubs and are designed to meet carrier-neutral and industry standards. We serve a wide range of customers, including internet and cloud service providers, financial institutions, telecom operators, IT service companies, and large domestic and multinational enterprises.

Our Data Center Footprint：



As of the end of the third quarter of 2025:

Operational Data Centers

Over **653,700 m²** self-built data centers

76 BOT data centers[5]

12

Under Construction

Over **72,700 m²** data centers

7

As an industry leader, GDS has integrated the principles of sustainability into every facet of our strategic practices, and consistently upholds our mission for the industry. The Company remains committed to delivering reliable, open, and sustainable infrastructure for global partners, and collaborate together accelerate end-to-end digital transformation.

[5] Data Centres that we build and operate for specific customers under exclusive-use agreements, with ownership transferring to the customers upon contract completion.

Performance Highlights[6]

Renewable energy over **3,000 GWh**

Renewable energy ratio over **50 %**[7]

Number of green data centers[8] **42**

GDS successfully issued the "CITIC Securities-GDS Holdings 2025 Phase I Sustainability-Linked Data Center Property-Backed ABS", raising a total of **RMB 1.609 billion**

Southern GDS Data Center REIT listed on the Shanghai Stock Exchange, raising a total of **RMB 2.4 billion**

Emissions Avoided Approximately[9] **1,100,000 metric tons**

Carbon trading volume **113,334 metric tons**

Average PUE[10] **1.24**

[6] Unless otherwise specified, all data presented has been third-party verified in 2024.

[7] 2025 data, unverified.

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

[9] A combination of initiatives contributed to this outcome, including improved energy efficiency, direct sourcing of renewable power, on-site photovoltaic generation, and strategic procurement of RECs.

[10] Data center come into operation after 2020, utilization rate ⩾ 30%, with new technology and architecture applied.

Our Sustainability Strategy

GDS has deeply embedded ESG principles into every facet of its corporate operations. Through a structured framework built around four core components—Green Computing, Growing Ecosystem, Resilient Governance, and Smart Engine—we are leading the data center industry toward a greener, smarter, and more sustainable future. We are convinced that sustainable development serves as the core for creating long-term enterprise value. Dedicated to developing green and intelligent data centers, we integrate sustainability throughout the entire lifecycle of our facilities. By leveraging continuous technological innovation, operational excellence, and broad-based ecosystem collaboration, we generate shared value for all stakeholders and contribute substantial momentum toward building an intelligence-drive, sustainable future.

01

Sustainability Strategy

Driven by its vision, "Powering Ambition", GDS lays the foundation for long-term growth. Leveraging robust governance, GDS aims to build a smarter world through its diverse products and solutions. This approach empowers our value chain partners to co-create an intelligent ecosystem and jointly pursue a future defined by greater efficiency, sustainability, and quality.

Powering Ambition

Smart Engine

Building Smart Infrastructure, Powering the Digital Intelligence Era

- Science and technology innovation management
- Reliable and premium solutions
- High-quality service and customer experience

Green Computing

Developing Green Computing Power, Pioneering a Sustainable Future

- Climate change mitigation and energy management
- Water resource management
- Resource recycling and waste management
- Environmental impact of buildings
- Ecological and environmental protection
- Development of environmentally friendly technologies

Growing Ecosystem

Expanding Responsible Networks, Co-Creating a Shared-Value Ecosystem

- Employee health and safety
- Human capital development and talent attraction
- Employee training and development
- Employee rights protection
- Diversity and equal opportunities
- Supply chain management
- Community engagement and social investment

Resilient Governance

Upholding Business Ethics, Establishing Trustworthy Governance

- Corporate governance
- ESG management
- Cybersecurity and data protection
- Privacy protection
- Risk management
- Business ethics
- Intellectual property protection

Honors & Recognitions

ESG Rating and Assessment

- S&P Global CSA Score: 63
- MSCI ESG Rating: A
- Received an NZ-2 rating in Moody's Net Zero Assessment, making GDS the only data center company globally to achieve this recognition
- Scored B rating in the 2024 CDP - Climate Change, with 13 subcategories rated A

External Honors and Recognition

- Ranked on the 2025 *Fortune* China ESG Impact List
- Successfully obtained the SBTi validation for its 1.5°C-aligned short-term science-based target and net-zero target
- The Company has been listed in the *National Green Data Center List* three times
- Received the "2024 ESG Tech Innovation Pioneer Award" among the ESG Model Enterprises List from Observer.com
- Inclusion in *the S&P Global Sustainability Yearbook (China Edition) 2024*
- In 2024, 26 data centers were certified by Uptime M&O
- Awarded seven prestigious titles in the "2025 Asia's Best Management Team" ranking by the internationally renowned financial magazine, *Extel*
- GDS has been named to the *Bloomberg Businessweek* Bloomberg Green Notable List for four consecutive years, receiving the "ESG Leadership Enterprise" award. It is the only data center company in China to have achieved this four-year consecutive recognition
- Ranked No. 1 among third party data center companies for renewable energy performance in Greenpeace's *Green Cloud 2024* report for the second consecutive year
- In the China Academy of Information and Communications Technology's *Analysis Report on Computing Power Center Service Providers (2025)*, the Company ranked first overall, topping the list in the "Leader" category

ISO System Certification

- ISO 14001 Environmental Management System
- ISO 50001 Energy Management System
- ISO 22301 Business Continuity Management System Certification
- ISO 45001 Occupational Health and Safety Management System
- ISO 27001 Information Security Management System
- ISO 27701 Privacy Information Management System

Enhancing Resilience, Addressing Climate Change

Against the backdrop of an escalating global climate crisis, the transformation of energy systems and the management of climate risks have become central topics for global sustainable development. As a leading player in China's high-performance data center industry, GDS deeply recognizes that digital infrastructure serves not only as the foundation of the digital economy but also as a critical force driving the green, low-carbon transition.

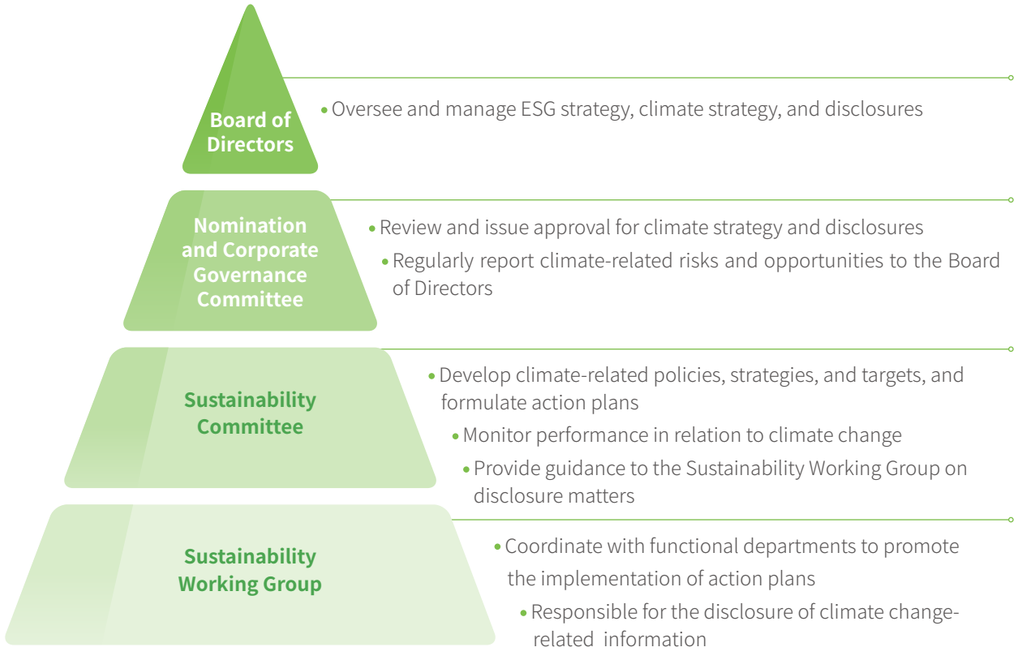
In response to the *Paris Agreement*, we are building a green data center system that balances efficiency and resilience through intelligent, efficient, and low-carbon operational models. The Company continuously benchmarks against the disclosure requirements of the ISSB and regulatory agencies, consistently improving its mechanisms for managing climate-related risks and opportunities, and driving the digital infrastructure industry toward a more adaptive and risk-resilient future.

02

Governance

GDS has established a climate governance structure led by the Board of Directors. The framework comprises the Board of Directors, the Nomination and Corporate Governance Committee, the Sustainability Committee, and the Sustainability Working Group. It embeds climate-related issues into core corporate decision-making.

GDS Climate Change Governance Structure



Strategy

GDS is committed to integrating climate-related risks into its broader risk management framework. Over recent years, GDS has consistently identified and assessed climate-related risks and opportunities across its business operations and value chain. We have also conducted a thorough analysis of potential impacts under various climate scenarios and developed targeted mitigation strategies.

GDS assessed the physical risks using Shared Socioeconomic Pathways (SSPs) from the IPCC 6th Assessment Report (AR6), selecting SSP2-4.5[11] and SSP5-8.5[12] scenarios. For transition risks, the Company adopted the IEA's Net Zero Emissions by 2050 Scenario (NZE)[13] and Announced Pledges Scenario (APS)[14]. A combination of qualitative and quantitative methods was employed to assess risk likelihood and severity across business operations and its value chain under various climate scenarios and timeframes. This enables us to conduct analysis of potential physical and transition risks we may face in the future, thereby enhancing our climate resilience.

Climate Scenario Selection

Risk Type	Developing Organization	Climate Scenario
Physical Risks	Intergovernmental Panel on Climate Change (IPCC)[15]	SSP2-4.5 Scenario
		SSP5-8.5 Scenario
Transition Risks	International Energy Agency (IEA)	Net Zero Emissions by 2050 Scenario (NZE)
		Announced Pledges Scenario (APS)

Responding to Climate Risks

In 2024, we organized more than 10 climate-focused workshops, engaging various functional departments to identify the Company's potential climate risks and opportunities. Based on our business activities and value chain, we analyzed and evaluated our operational data centers. We employed both qualitative and quantitative methods to assess the likelihood and severity of climate-related risks and opportunities under different climate scenarios and time horizons.

[11] Assuming a slow decline in global GHG emissions after peaking in the middle of the century, the global average temperature in this scenario rises between 2° C and 3° C relative to pre-industrial levels.

[12] Assuming that global GHG emissions continue to increase towards the end of the century, this scenario results in a global average temperature increase of more than 4° C relative to pre-industrial levels.

[13] Net Zero Emissions by 2050 Scenario (NZE).

[14] Announced Pledges Scenario (APS).

[15] Intergovernmental Panel on Climate Change (IPCC): This intergovernmental body was established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Program (UNEP).

Physical Risks

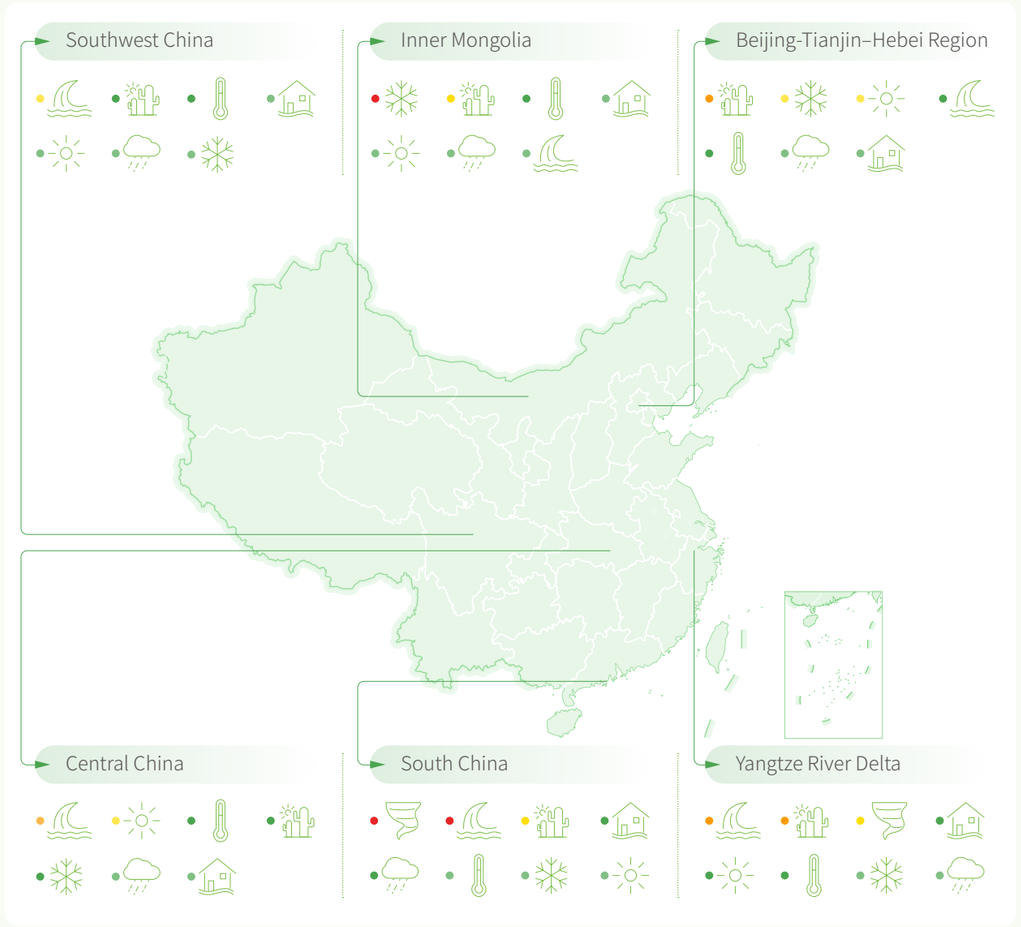
GDS has identified the potential impacts of extreme climate events across its operational scenarios. The Company has thoroughly assessed both acute and chronic climate risks—including heatwaves, torrential rain, typhoons, and droughts—from three dimensions: risk type, time frame, and magnitude of impact. Based on this assessment, targeted adaptation and management measures have been developed to enhance the climate resilience of our overall operations.

Description of Physical Risks, Time Frames and Impacts

Physical Risks		Time Frames[16]	Impacts
Acute	Extreme Heat	Long term	Extreme heat reduces cooling system efficiency and increases energy consumption
	Extreme Cold	Long term	Extreme cold can impact power grids and equipment, though such effects remain limited in scope
	Drought	Medium to long term	Drought can lead to water scarcity and constrain cooling capacity, thereby affecting server room operations
	Flooding	Medium to long term	Flooding can disrupt power supply, cause construction delays, and damage assets
	Typhoon	Medium to long term	Typhoon primarily affects southeastern coastal regions, causing short-term disruptions that are generally manageable
Chronic	Rising Sea Level	Long term	Rising Sea Level poses potential threats to coastal facilities and infrastructure
	Climate Pattern Change	Long term	Change in climate patterns has a relatively minor impact, typically manifesting as periodic fluctuations
	Mean Temperature Increase	Long term	Mean Temperature Increase reduces the efficiency of existing heating and cooling systems

[16] We have defined the timeframes for our climate risk and opportunity analysis as follows: the short term is from now until 2025; the medium term is from 2025 to 2030; the medium to long term is from 2030 to 2040; and the long term is from 2040 to 2050.

Assessment of Physical Risk Likelihood under the SSP2-4.5 Scenario for 2030



Transition Risks

The intensifying global climate change presents us with unprecedented challenges. The frequent extreme weather events, rising sea levels, and loss of biodiversity underscore the pressing need for immediate action. In response, we have developed a decarbonization framework that encompasses the entire value chain. Through technological innovation, operational transformation, and ecosystem collaboration, we are steadily progressing toward a high-efficiency, zero-carbon, and circular business model.

Analysis of Transition Risks

Risk Types	Time Frames[16]	Response Measures
Policy – Regulatory requirements for existing products and services	Short to long term	• Improve management of GHG emissions at all operating locations. • Integrate sustainability throughout the data center lifecycle. • Increase the amount of clean energy. • Engage in carbon market initiatives to reduce compliance risks.
Policy – Compliance risk	Medium to long term	• Stay up to date on global sustainability trends. • Enhance carbon data management and improve the quality of environmental disclosure.
Technology – Transition to low-emission technologies	Medium to long term	• Evaluate and adopt low-carbon technologies through a structured approach, ensuring their feasibility and effectiveness via pilot studies. • Accelerate the large-scale application of low-carbon technologies through pilot projects. • Explore and develop technologies such as liquid cooling and intelligent O&M to build a digital carbon-reduction system.
Market – Rising energy costs	Medium to long term	• Set green power procurement targets and increase the use of renewable energy year by year. • To achieve our goal of being carbon neutral by 2030, the Company is collaborating with energy providers to reduce the cost of procuring renewable energy. • Strengthen the management of energy consumption across data center equipments and continuously optimize the Company's overall PUE.
Market – Shifts in customer behavior	Short to long term	• Survey and understand customers' needs to accurately meet their demand for green services. • Apply low-carbon principles to the entire process of site selection and construction; combine renewable energy with innovation to create green data center solutions.
Reputation – Increased stakeholder concern or negative feedback	Medium to long term	• Adhere to sustainability disclosure standards and strengthen communication with stakeholders.

Climate Opportunities

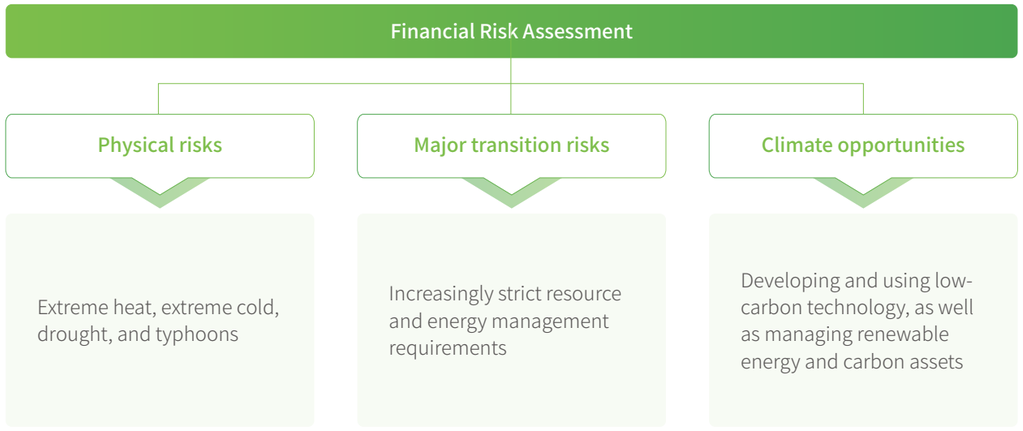
GDS actively embraces climate-related opportunities, advancing low-carbon development across resource utilization, energy transition, market expansion, product services, and climate resilience. The Company continuously reduces construction and operational carbon emissions by optimizing spatial design and energy efficiency management, adopting clean energy and low-carbon materials, and promoting green power and distributed energy resources. Furthermore, by leveraging green digital infrastructure, GDS drives market and technological innovation, responds to customer demand for low-carbon solutions, strengthens climate risk management and response capabilities, and integrates green growth and resilient development.

Analysis of Climate Opportunities

Opportunity Types	Time Frames[16]	Response Measures
Resource Optimization	Short to long term	• Use modular solutions and clean transportation methods to reduce the carbon emissions from equipment transport and minimize construction waste. • Employ digital tools to enhance the design and construction processes, and prioritize the use of eco-friendly building materials. • Build a platform that visualizes energy management to make operations more efficient. • Strengthen value chain collaboration and work with ecosystem partners to iteratively advance energy-saving technologies.
Energy Transition	Short to long term	• Leverage green power and carbon trading mechanisms to generate additional revenue through quota transfers based on our strong carbon performance, thereby lowering net energy expenditures. • Accelerate the transition to clean energy by gradually replacing diesel generators with HVO fuel or hydrogen battery system. • Develop distributed energy networks to support the grid's responsiveness in real time and ensure reliable power.
Innovation in Products and Services	Short to long term	• Deepen the development of green data center solutions and collaborate across the industry chain to refine the low-carbon service ecosystem. • Establish a collaborative customer carbon management system to deliver full lifecycle energy efficiency services. • Upgrade Smart DC solutions to meet customer demands for speed, low-carbon footprint, and intelligence.
Market Expansion	Short to long term	• Develop systems that combine hardware and software to create new data center clusters. • Focus on the zero-carbon data center market, tap into the commercial value of zero-carbon attributes, and expand service boundaries.
Climate Resilience	Short to long term	• Proactively conduct climate change analysis and risk management to enhance adaptability in site selection, design, construction, and operation. • Adopt advanced green-transition technologies and increase the share of clean, renewable energy, using greener and smarter data centers to collaborate with value-chain partners in advancing the carbon-neutral transition of both our operations and business model.
Technological Innovation	Medium to long term	• Build a platform for open innovation and work with academic institutions to develop technologies for carbon capture and storage. • Increase the application of advanced technologies such as immersion cooling in home data centers. • Enhance the integration and application of AI technologies to autonomously manage facility operations using real-time, optimal energy-consumption algorithms.

Financial Risk Assessment

GDS has evaluated the financial implications of the physical risks, material transition risks, and opportunities that have the most significant impact on its overall operations. Building on the current cost of financial responses and the three-year trend of related data, the Company assessed and reasonably projected its expected financial risks. This analysis provides an in-depth view of the potential financial impacts of climate change across the short, medium, and long term, offering strategic insights to inform the Company's climate actions.



We estimate that extreme weather—including heatwaves, cold spells, and typhoons—has an annual financial impact of approximately 10–20 million. Meanwhile, in 2024, we continued to invest in PUE retrofits as well as photovoltaic and energy storage projects, saving approximately 40 million in energy costs. We also actively participated in the carbon market, generating approximately 11 million in carbon assets and allowances. Our practice has demonstrated the successful integration of sustainable development into our business operations. Investments in green technologies and energy efficiency management are made with a focus on balancing environmental benefits with financial costs, thereby fostering the simultaneous development of the economy and the environment.

Financial Analysis of Significant Risks and Opportunities

Risks and Opportunities		Factors Driving Financial Impact
Extreme Weather such as Heatwave and Cold Spell	Physical Risk	• Increased expenditures on energy and equipment maintenance, construction of backup facilities, and emergency response costs, while water-saving measures (e.g., graywater reuse and rainwater harvesting) may partially offset expenditures
Typhoon	Physical Risk	• Disaster prevention engineering, insurance costs, and post-disaster recovery expenses
Tightened Management of Resources and Energy	Risk/ Opportunity	• Increased investment in energy retrofits (PUE optimization, photovoltaic, and energy storage projects) and certifications • Energy price volatility driven by energy trading policies
Renewable Energy and Carbon Asset Portfolio Management	Opportunity	• Energy cost savings, carbon trading revenue, and green power subsidy benefits • Promote the use of renewable energy such as photovoltaic to reduce electricity costs

Risk Management

GDS considers risk management to be a fundamental element in achieving its strategic objectives. Drawing on the Enterprise Risk Management (ERM) frameworks developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the World Business Council for Sustainable Development (WBCSD), and tailored to the Company's operational characteristics, climate risks have been fully integrated into our routine risk management register. During the past year, we have been working with the support of external experts and in accordance with our existing risk management system to assess the potential impact of climate change on our business strategy. Moving forward, we will continue to enhance mechanisms for identifying, assessing, managing, and reporting climate risks, with a focus on dynamically managing identified risks to ensure all significant climate risks remain under effective control.

Identification of Climate Risks

- Analyze external policies and industry trends
- Identify climate change risks and opportunities related to GDS
- Conduct internal interviews with relevant departments
- Establish a list of climate change risks and opportunities for GDS

Climate Risk Analysis, Assessment and Addressing

- Assess the likelihood and severity of climate risks
- Determine overall risk levels using a risk matrix
- Prioritize climate-related risks and identify those considered material
- Analyze financial implications of key risks
- Develop targeted response measures to eliminate, mitigate, or divert risks

Climate Risk Monitoring and Reporting

- Continuous tracking of climate risks and opportunities
- Regular updates to the list of climate risks and opportunities
- Quarterly reporting to management on risk control status

Metrics and Targets

Our ESG vision centers on connecting a sustainable future through a smart infrastructure platform. As a practitioner of green technology innovation, we are committed to becoming an industry benchmark for low-carbon transformation in the digital era and have set cleantech innovation as the core strategy. We have set a 2030 target[17]:

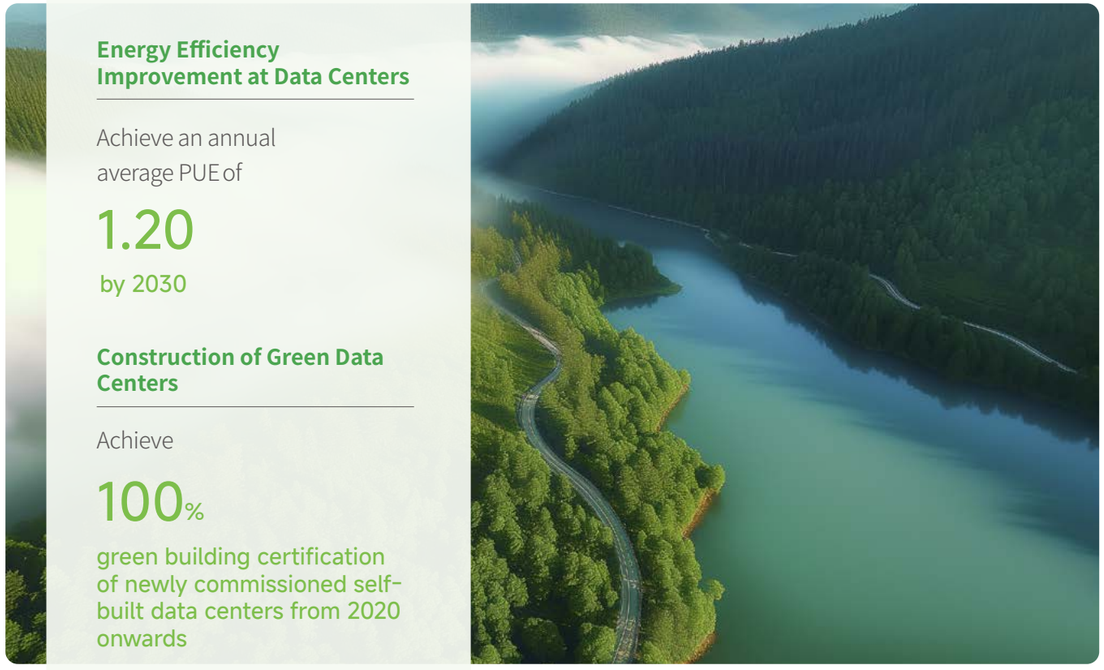
Use of Renewable Energy and Carbon Neutrality

Achieve

100%

renewable energy use and operational carbon neutrality by 2030

In 2024, GDS avoided approximately 1,100,000 tCO_2e through various measures, such as improving energy efficiency, directly sourcing renewable power, generating power on site with photovoltaics, and procuring RECs. In the same year, the Company reduced its annual Scope 1 and Scope 2 GHG emissions by 259,971 tCO_2e compared to the 2023 baseline. For details, please refer to the Carbon Neutrality - GDS Approach.



Energy Efficiency Improvement at Data Centers

Achieve an annual average PUE of

1.20

by 2030

Construction of Green Data Centers

Achieve

100%

green building certification of newly commissioned self-built data centers from 2020 onwards

[17] Data center come into operation after 2020, utilization rate ⩾ 30%, with new technology and architecture applied.

Powering Transition, Sharing Sustainability Value

China's Dual Carbon goals set the context for GDS's development. As a leading data center company, we committed early to achieving carbon neutrality and 100% renewable energy use by 2030 and have continued to follow through on this promise. We focus on green solutions that support low-carbon data center development. We also make active use of carbon trading and green finance to strengthen our transition efforts. In addition, we share our proven green practices and standards with partners to jointly reduce emissions and create shared green value.

Overview of Carbon Emission Reduction Strategy

Green Solutions

GDS embeds green concepts from the design and construction phases, actively advances green construction and green building certifications for new data centers , and supports the development of a net-zero ecosystem. By focusing on optimizing the energy mix and enhancing digital-intelligent capabilities, we provide full-scope solutions covering green energy, green operations, AI-enabled optimization, and green delivery processes, facilitating the green transformation of data centers and promoting the sharing of green value across the entire value chain.

By the end of 2024

- A total of **42** data centers have obtained **56** green data center certifications
- **87%** of self-built data centers commissioned since 2020 have obtained or are applying for green building certifications

Goals

- To achieve **100%** green building certification of newly commissioned self-built data centers from 2020 onwards

Renewable Energy Procurement

GDS has designed green power procurement as one of its action plans to achieve its 2030 goal of operational carbon neutrality and 100% renewable energy usage. For many years, GDS has primarily used direct green power procurement—purchasing renewable power from the grid or power retailers together with corresponding RECs. Currently, against the backdrop of national policies encouraging enhancement of collaboration between power consumers and renewable power plant, GDS actively responds by adopting standardized and flexible procurement strategies to collaborate with these enterprises through multi-year power purchase agreements (PPA). This cooperation model enriches GDS's practical approaches to green power transactions, reduces GDS's operational carbon footprint, and supports the sustainable development of GDS and clients it serves, such as those in the internet and financial sectors.

Case | In 2025, GDS signed three new long-term green PPA with renewable power plants, increasing the proportion of green power used in its data centers

In 2025, GDS signed three new long-term green PPA for two data centers in Eastern China and one in Beijing, each with a three-year term. Through these green electricity procurement initiatives, GDS can significantly reduce the carbon footprint of its data center operations, steadily advancing towards its 2030 goal of achieving operational carbon neutrality and 100% renewable energy usage, while also meeting the growing demand for green electricity from its customers. These long-term agreements deeply reflect GDS's strategic grasp of the future trajectory of green electricity, balancing environmental benefits with stable economic costs. They will also serve as a benchmark for other data center enterprises in achieving a green and low-carbon transformation.

Application of Renewable Energy Technologies

Renewable energy is an important part of GDS's green development strategy. We promoted the use of renewable energy in data centers by advancing DPV and exploring new application scenarios.

As a result, our data centers in Shanghai, Shenzhen, and Changshu achieved 100% DPV coverage in all suitable installation areas. In 2024, we further expanded these projects to Beijing, Tianjin, and Langfang, where new DPV systems were successfully commissioned.

Performance

- 2024 On-site Photovoltaic System electricity generation over **300,000 kWh**
- An emission reduction of approximately **170 metric tons**
- Equivalent to planting over **9,000 trees**[18]

Digital Energy and Carbon Management Platform

The digital energy-carbon management platform is an integrated management system established to cover the entire energy consumption and carbon emissions process. The core functional layer integrates three intelligent control modules: real-time monitoring and early warning, intelligent optimization scheduling, and carbon emission accounting and traceability. This enables full-chain digital management, from energy monitoring and carbon accounting to energy strategy optimization. The platform's built-in log management system provides robust data support for analyzing energy consumption.

Real-time monitoring and early warning

- The platform builds a dynamic tracking system that spans the entire lifecycle. AI algorithms automatically detect abnormal energy consumption and potential emission risks. This triggers multi-level alerts that are promptly sent to management terminals.

Intelligent optimization scheduling

- Based on the proportion of Cooling Load Factor (CLF) and Power Load Factor (PLF), identify and analyze energy consumption issues, and develop improvement measures.

Carbon accounting and traceability

- It delivers precise carbon footprint calculations and enables multidimensional emissions benchmarking for data centers, campuses, and other units.

Three Intelligent Control Modules

[18] As stated by the Ministry of Ecology and Environment, a tree can absorb 18.3 kilograms of carbon dioxide annually, with the estimated results for reference only.

Additionally, the platform integrates energy management with carbon asset management. It offers analysis of traditional efficiency metrics, such as PUE and water usage effectiveness (WUE), and generates carbon management data, such as carbon intensity and emission reduction potential. These features assist the Company in scientifically developing its carbon neutrality pathway. Through this platform, the Company can achieve synergistic optimization and refined management of its energy consumption and carbon emissions, propelling the green and low-carbon transformation to greater heights.

AI-Powered DC Energy Efficiency Improvement

GDS leverages AI to enhance cooling and automation systems, enabling dynamic and precise control of cooling modes while continuously monitoring equipment parameters. This minimizes manual intervention and applies efficiency-enhancing techniques to improve management effectiveness and reduce power consumption.

Case | In collaboration with AIR, GDS launched the "Green and Low-carbon O&M of AI Algorithm-empowered Computing Infrastructure" project

In collaboration with Institute for AI Industry Research, Tsinghua University (AIR), GDS launched the "Green and Low-carbon O&M of AI empowered Computing Infrastructure" project. The initiative successfully developed and implemented the world's first intelligent energy optimization solution for data center air-side cooling systems. The solution has been in stable operation for over 2,000 hours in large-scale commercial data centers, achieving a 14% to 21% reduction in air-side cooling energy consumption. This breakthrough highlights the significant potential of AI technologies in industrial control applications. The project received the "ISCT'24 Innovation of the Year" award in November 2024 and was also awarded first prize in the "2024 Benchmark Application Case Competition for High-Quality Development of Computing Networks" by the Shanghai Computing Power Network Association in February 2025.

Case | Self-developed Industrial-grade Smart Terminal (AI Box) for Intelligent Energy Savings in Cooling Systems

AI Box's core functions focus on the following two innovative algorithm systems dedicated to providing intelligent energy-saving solutions for refrigeration systems.

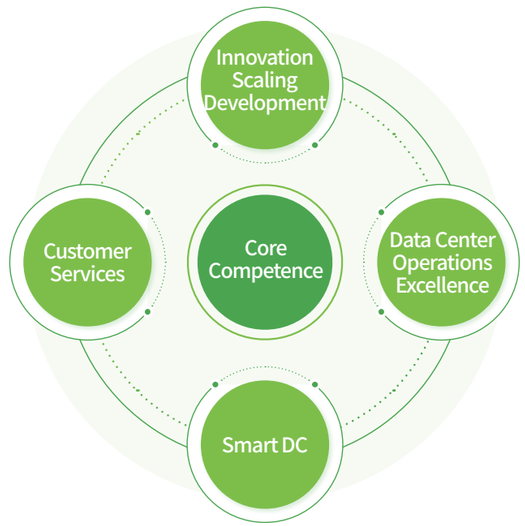
- The precision air conditioning energy-saving adjustment algorithm jointly developed with Tsinghua University builds an intelligent tuning model based on the safe operation boundary. By collecting real-time temperature, humidity, energy consumption and other data, it dynamically optimizes the air conditioning settings and achieves 15%-25% energy savings[19] without compromising equipment safety, suitable for strict environmental control needs of data centers and precision laboratories.
- A smart regulation algorithm for the cold source system is jointly developed with Shanghai Jiao Tong University. Blending thermodynamic characteristics of cooling systems with AI optimization, the algorithm holistically refines operational parameters of equipment such as chillers, cooling pumps, and cooling towers, automatically computing and implementing optimal control strategies to reduce comprehensive energy consumption of cold source systems by 12%-20% while enhancing stability of refrigeration efficiency.

Both algorithmic frameworks support local deployment and cloud-based collaboration, enabling millisecond-level response through edge computing capabilities, and delivering an integrated 'secure + energy-efficient + intelligent' cooling system optimization solution for enterprises.

Smart DC Addresses Multiple Challenges

Drawing on years of extensive experience in data center construction and operations, GDS integrates internal and external platform innovations to achieve "multi-scenario adaptability, agile delivery, intelligent operations, energy efficiency and high-performance". GDS explores valuable products and solutions for the future data center industry, driving the high-quality development of the digital economy.

Building on our agile, prefabricated delivery model, we have integrated deeply customized software and hardware with collaborative electromechanical products with green energy solutions such as liquid cooling and energy storage. With the best operational practices in battery management systems (BMS) and digital, transparent system tools, we have successfully developed the smart DC solution. This solution delivers "more, faster, better, and more cost-effective" outcomes, which strongly supports the rapid expansion and long-term growth of our customers' businesses.



[19] Comparison with industry averages for similar systems or the performance of equivalent systems within the Company.

Smart DC: A Core Company Capability

The Smart DC solution focuses on three core business areas: agile delivery, green and low-carbon, and digital intelligence. It helps customers address challenges such as the rapid deployment of data center services, green and low-carbon initiatives, iterative innovation, and intelligent operations. Additionally, it improves the user experience in building zero-carbon data centers through prefabricated digital construction, delivery and full-stack intelligent management.

Agile Delivery

The D-Pre series leverages end-to-end digital capabilities and is tailored for a wide range of building types. It supports standardized modular design, prefabricated manufacturing, streamlined assembly, and transparent handover and maintenance. The series offers key advantages, including fast and high-quality deployment, consistent replication, flexible scalability, and precise operational visibility.

Green and Low Carbon

Our goal is to build zero-carbon data centers. To achieve this, we are exploring and implementing new energy architectures and technological solutions, such as liquid cooling, energy storage, and hydrogen energy. We are also developing the Turbo product series to support green and low-carbon operations in data centers.

Digital Intelligence

The X-BP product series is based on the best operational practices and self-developed software-hardware synergy. It is designed to deliver highly adaptable electromechanical systems for data centers. These systems enable full-stack intelligent management, optimized total cost of ownership (TCO), and ultimate energy efficiency with security assurance.

Smart DC Solution's Three Core Business Areas

Customized Solutions	Modular Design	Prefabricated Production	Standardized Delivery	Intelligent Operations
Comprehensive Cutting-edge Technologies	Full Infrastructure Coverage	Fully Integrated Production and Construction	End-to-end Delivery and Deployment Process	Fully Intelligent Field Operations
• Compatibility with air/water/liquid cooling • AC/DC adaptation • Flexible design	• Power supply, diesel generators • Cooling sources, air walls • IT systems, utility tunnels	• Centralized factory production • Pre-assembly and testing • On-site rapid delivery	• Digital simulation • Standardized construction • Engineering assembly	• Low-resource consumption • Green and low-carbon emissions • Low operational waste
From DC to AIDC Fulfill diverse requirements	Six major modules DC rapid deployment	Parallel operations at factory site Improve quality, quantity, and speed	Standard process Systematic rapid deployment	AI-powered smart operations Driving green and zero-carbon development

Smart DC Highlights

Carbon Markets and Green Finance

GDS firmly explores a dual-track approach that combines market-based incentives with financial tools to actively utilize carbon market mechanisms and diverse green financial instruments. This approach transforms environmental responsibilities into business competitiveness, fostering a positive resonance between environmental benefits and commercial value. By participating in carbon trading, we convert emission allowances into tangible revenue, while innovatively applying green financial products to broaden financing channels. These efforts accelerate the low-carbon transition and upgrading of the enterprise, supporting the achievement of carbon neutrality and 100% renewable energy usage by 2030.

In terms of carbon trading, GDS continues to explore financial tools such as carbon pledges and carbon repurchase agreements to manage corporate assets, promoting high-quality development for itself and the industry. We actively engage in the national carbon trading market and gradually participate in the China Certified Emission Reduction (CCER) voluntary offset market, seeking diversified market-driven opportunities and contributing to the national Dual Carbon goals.

Performance

In 2024, the carbon trading volume reached **113,334** metric tons, generating revenue of approximately **RMB 11 million**.

In the field of green finance, GDS's innovative initiatives focus on deeply integrating market-based financing with sustainable development, directing capital towards green and low-carbon sectors. The Company successfully issued China's first sustainability-linked asset-backed securities (ABS) scheme backed by data center operational real estate. A key innovation of this product lies in the incorporation of a "sustainability-linked" mechanism, which ties the financing cost to critical energy efficiency indicators such as the data center's PUE. This directly converts environmental performance into economic benefits, driving continuous green operation and technological innovation in data centers.

Case | China's First "Asset Backed Securities (ABS) for Data Center"

In March 2025, GDS successfully launched the CITIC Securities – GDS 2025 Phase 1 Data Center ABS (Sustainability-Linked), raising RMB 1.6092 billion. In April 2025, the ABS was listed on the Shanghai Stock Exchange. This successful issuance marks a significant milestone in GDS's development journey and represents a groundbreaking step for the entire data center industry in accessing capital markets and innovating financing channels. Through this innovative model, GDS will channel the recovered funds into future data center construction, delivering higher-quality and more sustainable digital infrastructure support in the AI era.

Furthermore, the Company's Southern GDS Data Center Closed-end Infrastructure Securities Investment Fund project was successfully listed on the Shanghai Stock Exchange in August 2025. Its underlying asset, the Kunshan Guojin Data Center, demonstrated exceptional operational performance, with a total cabinet scale of 4,192 units, a power capacity of 29,044 kW, a renewable energy usage ratio of 100% in 2024, and a PUE as low as 1.24. The average occupancy rate over the past three years reached 100%. This issuance validates the long-term value of GDS's high-quality assets and provides a replicable asset securitization pathway for the industry.

Case | Southern GDS Data Center Real Estate Investment Trust (REITs) Listed on the Shanghai Stock Exchange

In August 2025, the Southern GDS Data Center Closed-end Infrastructure Securities Investment Fund was successfully listed on the Shanghai Stock Exchange. The underlying asset of the project is the Kunshan Guojin Data Cloud Computing Data Center Project (referred to as the "Guojin Data Center") located in Huaqiao Town, Kunshan City, operated by GDS. The project demonstrates leading PUE levels in the East China region. In 2024, it achieved a 100% renewable energy usage rate and, through green power transactions, reduced carbon emissions by 120,000 tons annually, effectively driving green and low-carbon development within the industry. The product, from its launch to issuance, ultimately raised RMB 2.4 billion with a price of RMB 3 per unit. As one of the first batch of data center public REITs in China and the first successfully implemented on the Shanghai Stock Exchange, its listing represents a key initiative by GDS to support the national "New Infrastructure" strategy and drive the high-quality development of the digital economy. This milestone signifies a major breakthrough in asset securitization within China's digital infrastructure sector, offering an innovative benchmark for the industry's high-quality development.

Industry Collaboration

GDS is committed to developing green data center solutions to provide customers with sustainable, high-quality services, while collaborating with industry chain partners to jointly reduce carbon emissions. By deepening cooperation with our partners, we leverage our respective strengths and expertise to empower more customers with practical carbon reduction solutions and collectively minimize our carbon footprint. It enhances sustainable development competitiveness for us and our clients, while steering the industry toward intelligent, intensive, and low-carbon transition.

Case | GDS and Alibaba Cloud Deepen Collaboration to Advance Carbon Neutrality in Their Data Centers

Alibaba Group has committed to achieving carbon neutrality across Scope 1, 2, and 3 emissions for its cloud computing business unit no later than 2030. GDS had previously pledged, in 2020, to attain carbon neutrality in its own operations by no later than 2030. Against this backdrop of existing collaboration, the Dual Carbon goals have prompted both companies to set new, more ambitious targets. To fully leverage their respective strengths and facilitate the high-standard achievement of carbon neutrality for their data centers, GDS and Alibaba Cloud jointly signed the *GDS-Alibaba Cloud Intelligent Data Center Energy Saving and Emission Reduction Memorandum*. This collaboration aims to synergize GDS's extensive experience in data center infrastructure operations with Alibaba Cloud's technological expertise in cloud computing and artificial intelligence. The partnership will initially focus on data centers linked by their established lease-service relationship, with the objective of steadily advancing and emissions reduction to achieve carbon neutrality.

Case | GDS Delivers Zero-Carbon Server Rooms to Support Green Computing for Global Clients

GDS is turning its green transition into a competitive advantage by building zero-carbon server rooms. The Company achieves 100% renewable energy coverage through strategies including green power and certificate procurement, alongside the deployment of DPV and energy storage technologies. Concurrently, it optimizes PUE by integrating AI-driven energy efficiency management and advanced liquid cooling technologies. These efforts enable GDS to help domestic and international clients in sectors like internet services and finance meet their sustainability and decarbonization requirements and reduce carbon emissions. The Company actively promotes a shift within the industry from isolated carbon reduction efforts to full value-chain collaboration, demonstrating that green transition is not a cost burden but rather an asset that enhances corporate resilience and brand value.

Advancing Digitalization, Achieving Zero-Carbon Operations

As a key driver of the digital economy and a dedicated practitioner of Dual Carbon goals, GDS leverages its comprehensive intelligent management platform and multi-tiered assurance architecture to achieve exceptional operational efficiency. By integrating innovative technologies such as AI and advanced algorithms, the Company pursues ultimate energy efficiency standards while fostering internal engagement and empowering employees to participate in corporate carbon reduction initiatives. We actively promote the synergistic integration of digitalization, intelligence, and sustainability to support the realization of national carbon peak and carbon neutrality.

04

Operation Excellence

GDS leverages its "aviation-grade + financial-grade" security operations as a core strength for supporting partners' business continuity needs. The Company's actual availability metrics exceed the availability standard corresponding to the Uptime Tier IV data center certification[20] by more than 50 times. On this basis, the Company leverages refined operational management and AI-driven enablement to proactively manage operational risks and improve management efficiency, ensuring the safe, stable, and efficient operation of its data centers.

Excellence in Energy Efficiency Management

GDS's energy management efforts focus on three core areas: energy efficiency management, energy transition, and energy resillience. Leveraging a comprehensive intelligent management platform and AI technology, the Company utilizes functions such as real-time monitoring, early warning systems, intelligent optimization, as well as carbon emissions tracking. This provides solid technical support for building efficient, green, and stable developing data centers.

Energy Efficiency Management

Maximizing operational efficiency to improve energy performance and reduce consumption costs

- Green Construction and Buildings
- 8760-hour Operation Excellence
- Digital Energy and Carbon Management System
- AI-Powered Improvements in DC Energy Efficiency
- Diverse Energy-Efficient Technical Revamps

Energy Transition

Promoting a low-carbon transition through multiple renewable energy channels

- On-site Photovoltaic System
- Direct Purchase of Green Power
- Renewable Energy Certificates Offset

Energy Resilience

A diversified approach to safeguard operational stability and strengthen the foundation of computing power

- Intelligent Monitoring
- Redundant Power Supply
- System Maintenance

[20] The theoretical availability of Uptime Tier IV is 99.995%.

Excellence in Operation Management Platform

2012

GDS began its digital transformation. Over the next four years, it standardized operational data, measurement points, and processes, laying a solid foundation for an intelligent platform. In the era of Operational Excellence 3.0, we have established a unique regional operation management center, built upon a multi-layered assurance architecture and centered on a fully intelligent management platform.

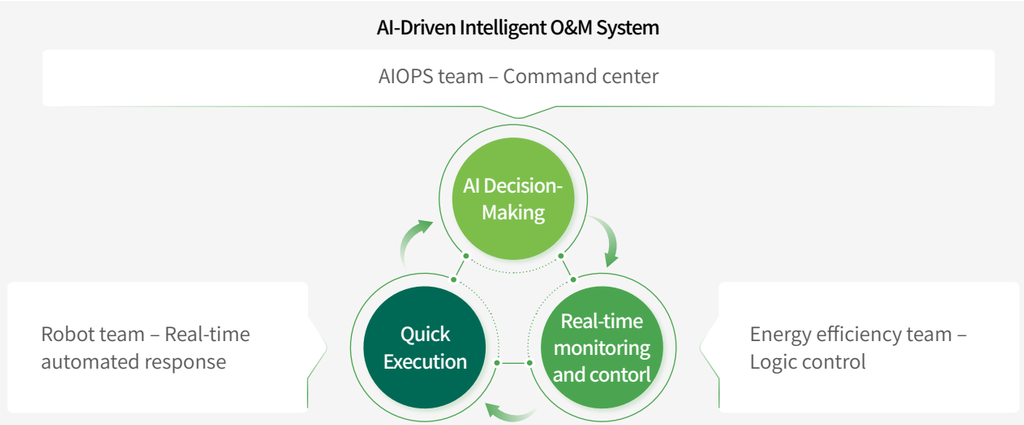
2024

GDS further refined operational-level management, refining control granularity from process-level to each core operation. Through technological innovation, the Company proactively managed potential mistakes in operations in core business operations to achieve risk pre-control. In the regulatory workbench system, we focused on 37 types of core operations. These operations are classified and managed by risk level. We strictly enforce authorization and review mechanisms to minimize the risk of human error, ensuring data center security with "operation-level" control. The self-developed intelligent troubleshooting system allows for on-site fault diagnosis and automated emergency commands. Its trend-based early warning capabilities have reduced the failure rates of precision air conditioning units and UPS systems to 0.4% and 2.2% per 100 units, respectively.

Future

The Company is progressing toward the 4.0 era by establishing AI as the decision-making core, security policies as the governing framework, and sensors and controllers as the execution endpoints, thereby building an integrated intelligent operations and maintenance system that enables closed-loop coordination across decision-making, control, and execution.AI generates operational instructions based on real-time data, which are validated and issued by the policy engine in real time. Robotic teams execute the physical actions, forming an automated emergency response system. This upgrade continuously enhances operational efficiency and reliability, translating technological innovation into a commitment to sustainable development for clients and society.

Operational Excellence 3.0 Journey



In the journey toward the 4.0 era, GDS continues to integrate external resources, uphold an innovation-driven philosophy, and deepen industry-academia-research collaboration. These efforts facilitate continuous iteration and innovation in areas such as artificial intelligence, energy efficiency optimization, and fault risk prediction.

Operational Excellence Platform 4.0 Maintenance System

Operational Risk Prevention

Application of risk assessment models

GDS has developed a Risk Index (RI) model based on six core operational elements of data centers: personnel, equipment, environment, building infrastructure, safeguarding and information security, and fire safety. Through the implementation of regular evaluations that utilize scoring mechanisms, we are able to assess both static and dynamic risks, thereby facilitating a comprehensive evaluation of overall operational risks and the adjustment of management strategies as needed.

Employees' engagement in risk management

The Company has developed an "Operation & Maintenance EHS" tool, which helps employees to interpret current Environment, Health, and Safety (EHS) standards while managing on-site risks at data centers. A key feature, "Snap & Report", allows users to upload photos of on-site hazards, which will then be automatically logged by the platform and routed to the responsible personnel for rectification and complete resolution.

On-site risk response at campuses

GDS has deployed 24/7 on-site support teams at its data center campuses, comprising engineers, equipment technicians, and property management personnel, to ensure prompt responses to customer needs at all times.

Comprehensive Measures for Preventing Data Center Operational Risks

Energy Management

GDS consistently places energy efficiency management at the core of its strategy, unwaveringly exploring advanced scientific technologies and management approaches to power the ultimate operation of its data centers. In 2024, the average annual PUE of our data centers was 1.24, with the most energy-efficient data center achieving a PUE of 1.13.

GDS Data Centers[21] Energy Efficiency Goals

Achieve an annual average PUE of

1.20

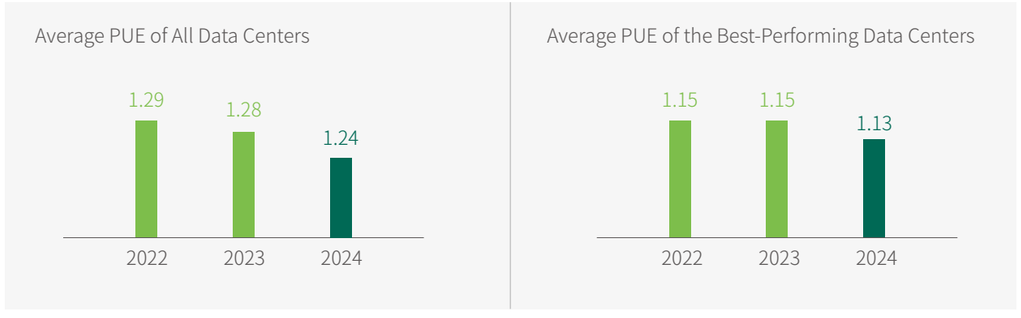
by 2030

8760-hour Operation

GDS follows the ISO 50001 Energy Management System as its guiding framework, systematically establishing a comprehensive energy management system that covers policy formulation, plan execution, performance evaluation, and continuous improvement. This is supported by standardized policy documents and digital management tools. Leveraging its self-developed energy efficiency management platform, the Company further integrates intelligent control measures into the planning, operation, and optimization of data center energy consumption, achieving lean, full-life-cycle management of energy usage.

In terms of operation, the platform aligns closely with the "8760-hour Operations" strategy. Intelligent scheduling and 24/7 real-time monitoring ensure consistent optimization of the physical infrastructure and energy consumption of its data centers throughout the year. The system can automatically identify abnormal energy consumption points and predict energy consumption trends in advance using the platform's algorithmic models. It can also dynamically adjust through the intelligent control system. For instance, the platform can adjust the cooling system's operating parameters in real time based on load and ambient temperature. This ensures that cooling demands are precisely matched, which minimizes energy consumption.

In terms of project implementation, the Company has continued to carry out special energy efficiency optimization projects. Meanwhile, we used algorithms to intelligently analyze and optimize parameters for data center equipment, lighting, and cooling systems. This reduces PUE values and driving data center energy efficiency management to new heights.



Data Center PUE Three-Year Metrics

[21] Data center come into operation after 2020, utilization rate ⩾ 30%, with new technology and architecture applied.

Energy-Saving Retrofits

In exploring, integrating, and implementing energy-saving technologies, GDS pursues high-efficiency and energy conservation as core objectives. By adopting comprehensive measures such as air-liquid dual-coil cooling technology, waste heat recovery systems, and Uninterruptible Power Supply (UPS) DC Power technology, the Company achieves refined management of energy consumption in power distribution and cooling processes. These initiatives continuously optimize key energy efficiency indicators such as PUE, driving data centers firmly toward greener, low-carbon, and intelligent operations.

Hybrid Cooling Solution

Its innovative design, which eliminates the need for traditional chillers, integrates air and liquid cooling systems with an outdoor cooling source, ensuring a simple structure, flexible deployment, space-saving, high compatibility, reliable operation, and energy efficiency. The solution has been implemented in locations including Changshu and Langfang, with a total deployment exceeding 150 MW. To date, PUE has been improved by 8-10% compared with the traditional chiller design, and electricity consumption has been reduced by around 25,000 MWh.

Waste Heat Recovery: Diesel Generator Heat Pump Application

To ensure standby diesel generators remain ready for immediate use, it is essential to regulate their engine jackets at a constant temperature of 35 to 40°C throughout the year. In conjunction with technology partners, GDS has upgraded the conventional electric heating method to a water-source heat pump system that captures and recovers waste heat from the server room. This heat is repurposed to warm the engine jackets using hot air, while also facilitating the cooling of the server room water. Not only does this solution improve energy efficiency, but it also reduces electricity consumption. Each generator has the capacity to save up to 50,000 kWh of electricity on an annual basis. Looking ahead, GDS endeavors to broaden the scope of its heat recovery solutions by exploring similar applications in areas such as office heating and battery room climate control.

Uninterruptible Power Supply (UPS) DC Power Supply Technology

GDS's application of UPS DC power supply technology effectively reduces construction complexity while enhancing overall system efficiency. This technology maintains the same operating current as the conventional AC power supply system but reduces cable quantity by 50%, significantly mitigating construction challenges caused by high-density server cabinet wiring. Additionally, it improves the efficiency of the power supply chain by approximately 1%, enabling highly efficient operation of the power system.

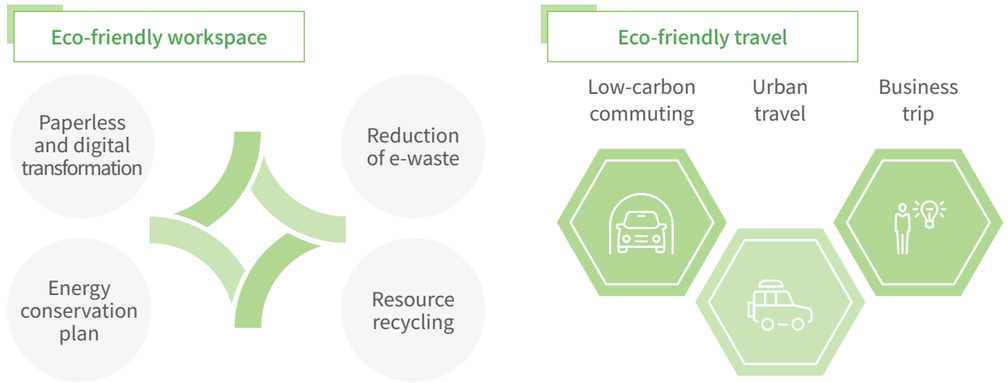
Case | Diverse Technology Applications at Pujiang Zero-Carbon Data Center Campus

- Leveraging a joint R&D project with Shanghai Jiao Tong University on plate-type liquid cooling technology, the center adopted an advanced liquid cooling system that enables variable frequency control of cooling towers.
- UPS systems were implemented to improve overall data center efficiency, power availability, and operations and maintenance effectiveness.
- A waste heat recovery system has been deployed for the collection and reuse of residual heat from data center operations. In 2024, the Pujiang Data Center was recognized in the "Top 10 Outstanding Waste Heat Utilization Cases in Shanghai", a program led by the Shanghai Municipal Commission of Economy and Informatization and the Shanghai Energy Efficiency Center, for its cooling water waste heat recovery for heating project.

Together for a Green Future

Green Office

GDS promotes low-carbon office practices and sustainable commuting through diversified measures, encouraging employees to contribute through daily actions. The Company advocates paper conservation and reduction of e-waste, schedules specific energy-saving hours in office areas, and designates staff from each department to oversee daily energy conservation. Shuttle services are provided for employees in Beijing and Shanghai to encourage low-carbon commuting. For business travel, standards are set prioritizing rail transport for short distances and economy class for long-haul flights, collectively reducing the operational carbon footprint.



Case | Annual Sustainability Lecture Series

To systematically enhance all employees' awareness of sustainable development, GDS has established its annual Sustainability Lecture Series as a crucial initiative for cultural development and capability enhancement. This program is designed to guide employees in practicing sustainability based on well-defined core themes, focusing on three key dimensions: first, clarifying the expectations and goals for both the Company and individuals regarding sustainable development; second, clearly articulating the current state of the business, progress achieved, and challenges faced; third, specifically outlining the action paths toward a sustainable future and the corresponding personal responsibilities. The Company not only shares green case studies but also ingrains sustainable development into employees' shared values and daily behavioral standards, gradually building a participatory culture of sustainability that integrates knowledge with action. GDS aims to mutually support and grow together with all employees during this profound green transition, achieving consensus between personal value and the Company's sustainable development.

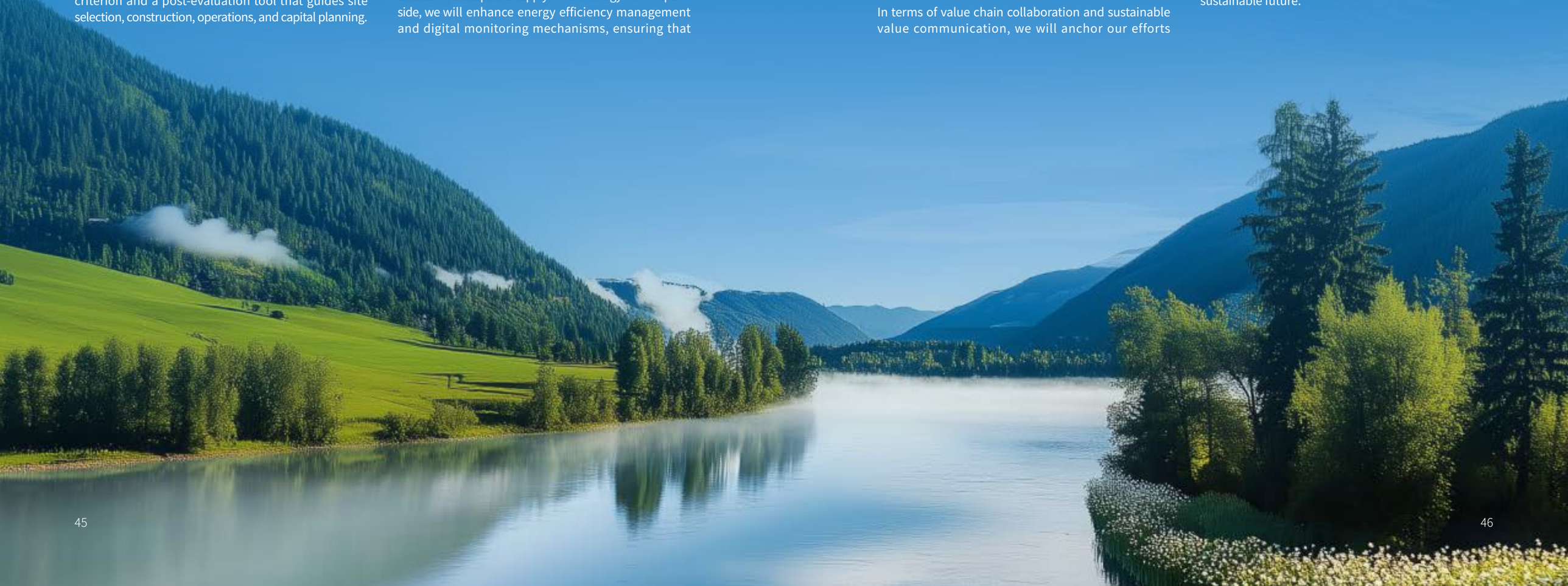
Value Chain Unites for Sustainability

Sustainable operation is not merely a cost item, but an operational approach that integrates performance, resilience, and customer value. Facing dual challenges of increasingly stringent disclosure requirements and operational resilience, we anchor our annual operational rhythm around four pillars—Governance, Strategy, Risk Management, and Metrics & Targets. By adopting more transparent assumptions and robust processes, we integrate climate topics into key daily operational practices, enabling the comparability of disclosures and corporate resistance to volatility. Scenario analysis has moved beyond a simple modeling exercise; it now serves as a forward-looking decision criterion and a post-evaluation tool that guides site selection, construction, operations, and capital planning.

We will continue to integrate sustainability goals into business planning and daily management. Besides, we will enhance the consistency between disclosure and management scope according to the comprehensive decarbonization framework that encompasses the entire value chain and aligns with our carbon neutrality and low-carbon transformation targets.

We will place greater emphasis on "localized and sustainably replicable" action plans. On the energy supply side, we will further advance integrated approaches such as green power trading, on-site photovoltaic systems, and RECs procurement, strengthening regionalized and diversified clean power supply. On the energy consumption side, we will enhance energy efficiency management and digital monitoring mechanisms, ensuring that each optimization contributes to methodological and data assets, with outcomes measured by continuous improvement in key indicators such as PUE. On the delivery side, leveraging the three pillars of Smart DC, Agile Delivery, Low-Carbon, and Digital Intelligence, we will provide reusable and scalable solutions to support rapid customer deployment, comprehensive intelligence, and lifecycle cost optimization. On the technology side, we will continue to explore cutting-edge pathways such as liquid cooling, energy storage, and hydrogen energy, to enhance overall resilience and competitiveness while expanding the area of technology transformation.

In terms of value chain collaboration and sustainable value communication, we will anchor our efforts in established transition goals and SBTi targets, partnering with more stakeholders to explore optimal pathways for value chain decarbonization, advance sustainable procurement, develop the carbon credit and carbon offset methodologies, and expand the boundaries of decarbonization guided by circular economy principles. We will focus on building strategic value chain partnerships, deepening cooperation and evaluation across seven dimensions: sustainability, delivery, collaboration, quality, practice, innovation, and service. We will work with partners to collectively analyze challenges, share experiences during the decarbonization process, and foster a consensus on a sustainable future.



Appendix

GHG Accounting Boundaries and Methodologies

Reporting Period

The GHG data disclosed in this report covers the period from January 1, 2024, to December 31, 2024.

Organizational Boundaries

We define our organizational boundaries based on the operational control approach in accordance with ISO 14064-1:2018, and disclose Scope 1, Scope 2, and Scope 3 emissions in line with the GHG Protocol.

GHG Category

In accordance with the Kyoto Protocol to the United Nations Framework Convention on Climate Change, GHG are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).

Our GHG accounting and reporting involve the following categories:

Category	Included or not	Methodology Description
Scope 1		
Direct GHG emissions (ownership or control)	Yes	The Company's emissions involve three major types of owned or controlled emission sources: stationary, mobile, and fugitive. Internal records track quantities of owned gasoline/diesel vehicles, diesel emergency generators, fire extinguishing agents, refrigerants, and other fugitive sources. Calculations are performed using corresponding emission factors.
Scope 2		
Indirect GHG emissions (purchased energy)	Yes	Both "location-based" and "market-based" calculation methodologies are concurrently disclosed: the former adopts the national grid average emission factor, while the latter reflects the impact of low-carbon power procurement including direct green power purchases, on-site photovoltaic systems, and RECs.
Scope 3		
Others indirect GHG emissions (value-chain activities)	Yes	Referring to the detailed specifications of the GHG Accounting Standard: Corporate Value Chain (Scope 3) Accounting and Reporting for the 15 categories of Scope 3 emissions, we have included 10 categories within our accounting boundary, as detailed below.

Category	Included or not	Methodology Description
Scope 3 Category		
C1 Purchased Goods and Services	Yes	Calculate life cycle emissions based on the amount and category of purchased goods.
C2 Capital Goods	Yes	Calculate life cycle emissions based on the amount and category of purchased capital goods.
C3 Fuel and Energy Related Activities	Yes	Calculate upstream carbon emissions based on the consumption of fuel and energy, and quantify carbon emissions from electricity transmission based on the line loss rate.
C4 Upstream Transportation and Distribution	Yes	Include outbound product shipment services paid for by the Company, and quantify carbon emissions based on transportation method, weight, and distance (inbound logistics for purchased goods and capital goods are already included in C1 and C2).
C5 Waste Generated in Operations	Yes	Quantify carbon emissions based on the categories, weight, and disposal methods of waste.
C6 Business Travel	Yes	Quantify carbon emissions from cars, trains, airplanes, and other business travel vehicles based on the reimbursement amount.
C7 Employee Commuting	Yes	Quantify carbon emissions from employees commuting based on the commuting methods and distances acquired through questionnaires.
C8 Upstream Leased Assets	Yes	For assets leased from third parties but used for company operations, calculated using the activity data method based on obtainable energy bills and data provided by the asset owners; avoids double-counting with Scope 2.
C9 Downstream Transportation and Distribution	No	Not applicable.
C10 Processing of Sold Products	No	Not applicable.
C11 Use of Sold Products	No	Not applicable.
C12 End-of-Life Treatment of Sold Products	No	Not applicable.
C13 Downstream Leased Assets	Yes	Calculate emissions based on the electricity consumption data of third-party managed properties in leased areas.
C14 Franchises	No	Not applicable.
C15 Investments	Yes	Calculated per the PCAF standard: only includes unconsolidated investments, calculated by multiplying the investee's annual Scope 1 and Scope 2 emissions by the Company's equity share.

GHG Verification Opinion

Bureau Veritas Certification

Greenhouse Gases Verification Opinion

is awarded to

GLOBAL DATA SOLUTIONS CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by Global Data Solutions Co., Ltd. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

Boundaries covered by the verification:

- Verification site name: Global Data Solutions Co., Ltd.
- Verification site address: 5th Floor, Building C, Sunland International Building, No.999 Zhouhai Road, Pudong New District, Shanghai, China
- Reporting period covered: January 1, 2024 to December 31, 2024
- Base year: 2023

Organizational boundaries: Activities and facilities of Global Data Solutions Co., Ltd. under operational control approach.

Reporting boundaries: GHG emissions generated in provide internet data center services (including hosting services, information system operation and maintenance outsourcing services), IaaS cloud computing service (including cloud server and cloud storage) and disaster recovery services, connectivity service and related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions.

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 63,279.24tCO_2e
- Category 2: Indirect GHG emissions from imported energy (location-based): 2,537,784.78tCO2e
- Category 2: Indirect GHG emissions from imported energy (market-based): 1,389,065.14 tCO2e
- Category 3: Indirect GHG emissions from transportation: 9896.58 tCO_2e
- Category 4: Indirect GHG emissions from products used by organization: 121,430.49 tCO_2e
- Category 5: Indirect GHG emissions associated with the use of products from the organization (location-based): 512,644.09 tCO_2e
- Category 5: Indirect GHG emissions associated with the use of products from the organization (market-based): 345,975.25 tCO_2e
- Category 6: Indirect GHG emissions from other sources: 550,359.70 tCO_2e

  Total quantified emissions(location-based): 3,795,395.52tCO2e

  Total quantified emissions(market-based): 2,480,007.04 tCO_2e

Limitations and exclusions: Excluding other non-significant indirect GHG emissions

GHG verification protocol used to conduct the verification:

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

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- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Level of assurance:

- Reasonable assurance （Category 1 & 2）, Limited assurance (Category 3, 4, 5 & 6)

GHG verification methodology:

- Interview for relevant personnel.
- Review of the documentary evidence.
- Evaluation of the methodology and information systems for data collection, aggregation, analysis and review.
- Audit of sampled sites and data to verify source.

Verification conclusion:

- Based on the verification process and findings, the GHG emission data in the GHG inventory report from Global Data Solutions Co., Ltd. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals and Greenhouse gas (GHG) protocol corporate accounting and reporting standard.

Statement of independence, impartiality and competence:

Bureau Veritas 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 Global Data Solutions Co., Ltd. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

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

Lead verifier: ROGER HU
No.: EMI26207289
Version No.: No.1

Verification date: 2025-4-25
Issue date: 2025-6-18

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59683888

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In the process of compiling this report, we have extensively referenced the *Environmental Social and Governance Reporting Code* issued by the Stock Exchange of HongKong(SEHK) and the *IFRS S2* issued by the ISSB. For chapter references, please see below.

Indicator	Chapter Reference
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	Enhancing Resilience, Addressing Climate Change
b) Describe management's role in assessing and managing climate-related risks and opportunities.	Enhancing Resilience, Addressing Climate Change
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Enhancing Resilience, Addressing Climate Change
b) Describe the organization's processes for managing climate-related risks.	Carbon Neutrality - GDS Approach, Enhancing Resilience, Addressing Climate Change, Powering Transition, Sharing Sustainability Value, Advancing Digitalization, Achieving Zero-Carbon Operations
c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Carbon Neutrality - GDS Approach, Enhancing Resilience, Addressing Climate Change, Powering Transition, Sharing Sustainability Value, Advancing Digitalization, Achieving Zero-Carbon Operations

Indicator	Chapter Reference
Impact, Risk, and Opportunity Management	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Enhancing Resilience, Addressing Climate Change
b) Describe the organization's processes for managing climate-related risks.	Enhancing Resilience, Addressing Climate Change
c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Enhancing Resilience, Addressing Climate Change
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes.	Carbon Neutrality - GDS Approach, Enhancing Resilience, Addressing Climate Change, Powering Transition, Sharing Sustainability Value
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions and related risks.	Carbon Neutrality - GDS Approach, Enhancing Resilience, Addressing Climate Change
c) Describe the targets used by the organization to manage climate-related risks and opportunities and its performance against these targets.	Carbon Neutrality - GDS Approach, Enhancing Resilience, Addressing Climate Change, Powering Transition, Sharing Sustainability Value


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