

# INCLUSIVE COMPUTING POWER FOR A DIGITAL FUTURE

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# About this Report

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## Report Overview



This Report is the fourth Environmental, Social, and Governance (ESG) report published by Chindata Group Holdings Limited (“Chindata Group”), aiming to showcase the management and performance of the Group in the areas of Environment, Society, and Governance (ESG), deepening the understanding of various stakeholders regarding the Group's sustainable development strategies and actions. This Report has been reviewed and approved by the executives of the Group, with supervision over the content presented.

## Reporting Scope



This Report covers Chindata Group and its subsidiaries. The time frame spans from January 1, 2022, to December 31, 2022. In order to facilitate comparability and provide a forward-looking perspective, certain information included in this report extends to the preceding and subsequent years.

## Data Sources



This Report utilizes data from internal statistics, public reports or publications within Chindata Group, as well as third-party surveys or interviews, government departments, professional institutions, and other publicly available data etc.

## Reference Guidelines



This Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards, Nasdaq ESG Reporting Guide 2.0, recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) standards, and the United Nations Sustainable Development Goals (UNSDGs).

## Terminology Explanation



For ease of expression, in this report, “Chindata Group,” “the Group,” and “we” refer to “Chindata Group Holdings Limited” and “BDC” refers to “Bridge Data Centres”, the overseas subsidiary of Chindata Group.

## Content Explanation



This report does not contain false or misleading statements. Chindata Group warrants the accuracy, balance, clarity, comparability, completeness, timeliness and verifiability. Unless otherwise stated, the amounts disclosed in the report are in renminbi (RMB).

## Reporting Assurance



According to the Group's requirements, an external verification agency SGS-CSTC Standards Technical Services Co., Ltd. reviewed the 2022 ESG report of Chindata Group and issued an independent verification report. Please refer to page 129-130 of this Report for details.

## Availability



This report is available in both printed and electronic versions, offering simplified Chinese and English versions. To access this report, please visit the website:

<https://www.chindatagroup.com/about/sustainability.html>.

For obtaining a printed version of the report or providing any suggestions and recommendations regarding the Report, please send an email to [marketing@chindatagroup.com](mailto:marketing@chindatagroup.com).

# Letter to Stakeholders

“

China is seeing the boom of the digital economy. As the development of the new generation of information technology, represented by 5G, cloud computing, and artificial intelligence, picks up speed, they require greater computing power and larger storage capacity. As a result, data centers have emerged as the main driving force behind the digital economy. Meanwhile, China's "dual carbon" goals and the "Digital China" building plan have posed a more stringent demand for the green construction and operation of data centers. These factors have fueled a new round of industrial revolution inside the IDC (Internet Data Center) industry, and "green, low-carbon, intensive, and efficient" development principles have been the key to synthesizing the green economy and digital economy.

In this context, we put our efforts on the nature of computing power and data while imbuing new connotations into our ESG strategies. With "SAFE" as the core, "stable, advanced, forward, and eco-friendly" are deeply wired into the Groups genes. By "transforming electricity into cutting-edge computing power" in a stable, green, and high-quality manner, Chindata Group is the source of computing power that is inclusive, inexhaustible, and ready to support a digital future.

”



**Huapeng WU**  
CEO of Chindata Group

**Work consistently on the digital economy and set a gold standard of high-quality development.**

Chindata Group currently is a hyper-scale data center solution provider with its brand presence both in China as "Chindata" and overseas as "Bridge Data Centres (BDC)". As one of the builders of the eight hubs of China's "East Data West Computation" (a national project for channeling computing resources) and largest-scale third-party data center companies that have been in operation, Chindata Group offers solutions to the hyper-scale data centers. By providing customers and its users with safe and reliable business deployment, and enabling a digital economy with intelligent and efficient computing power, Chindata Group has established a professional corporate image in the industry.

**Establish a stable and transparent corporate governance system and solidify the foundation of development.**

Chindata Group has been putting its hyper-scale development mode and green energy strategy, etc. into action and thus has maintained revenue growth for ten consecutive quarters. We're consistently adding more intrinsic value to the Group by shoring up sustainable development, preventing operational and commercial ethics risks, and responding to the expectations and concerns of stakeholders. In 2022, we boosted the engagement of the executives so that they played a more concrete role in ESG supervision and decision-making. By completing the ESG mechanism and corporate governance scheme, we have bolstered investor confidence.

**Create a prominent defense line of data safety and offer a secure, reliable computing power basis.**

As the "base" and "head" of the digital economy world, data centers are turning into key infrastructure, of which a stable computing power is the most critical factor. As a response, Chindata Group takes into account the overall performance of information, internet, and physical safety and has set up a safety plan to safeguard its data centers from hazards. In 2022, Chindata Group kept its stellar record of faultless operation for most of the year and zero major incidents. We committed to technology innovation by increasing R&D investment and expanding talent pool. By the end of 2022, Chindata Group had 423 patents granted and pending, up by 51% year on year, which far exceeded the industry average.

**Map out the blueprint to act towards a zero-carbon era and boost green, low-carbon productivity.**

Dedicated to zero carbon vision, Chindata Group has been exploring green site selection, design, construction, and operation, and has formed roadmap to data carbon reduction and is driving the low-carbon transition of traditional data centers. We streamline electricity supply, optimize cooling, save water, and manage to lower the average PUE of the Group and maintain it at 1.21. Our "X-Power" smart power supply module and "X-Cooling" waterless and liquid cooling systems, have been applied at scale to solve the technical issue. We also explore ways of application of renewable energies, propose the solution of "Generation-Grid-Load-Storage" integration and has rolled out zero-carbon solution for 2050.

**Build an all-in-one platform of corporate values and share our achievements with stakeholders.**

Upholding the "customer first, professional, and efficient, honest and responsible, openness and innovation" culture, vision, and values, Chindata Group has been championing diversity throughout its growth and sharing the created values with its employees, customers, partners across the supply chain, and communities. In 2022, 100% of our suppliers signed *Compliance and Integrity Agreement*.

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As we are about to write a new chapter of development, Chindata Group will continue to support China's digital economic development and press ahead towards the carbon peaking and neutrality goals. As we expand our global presence and support computing power development in the world, we will continue to exploit our competitive edges in hyper-scale data centers, full-stake service capacities, strategies for green data centers solutions entering overseas markets, and policy integration to support the digital transformation and upgrading of traditional industries abroad, provide users with new digital life experiences, build new Asia-Pacific computing nodes, and provide strong core productivity for the flourishing development of the regional digital economy!

# About Chindata Group

Chindata Group (NASDAQ: CD) is a carrier-neutral hyperscale data center solution provider in Asia-Pacific emerging markets and a first mover in building next-generation hyperscale data centers in China, India and Southeast Asia markets, focusing on the whole life cycle of facility planning, investment, design, construction and operation of ecosystem infrastructure in the IT industry. Chindata Group provides its clients with business solutions in major countries and regions in Asia-Pacific emerging markets, including asset-heavy ecosystem chain services such as industrial bases, data centers and network services.



Chindata Group operates two sub-brands: “Chindata Group” and “Bridge Data Centres.” Chindata Group operates hyper-density IT cluster infrastructure in the Greater Beijing Area, the Yangtze River Delta Area and the Greater Bay Area, the three key economic areas in China, and has become the engine of the regional digital economies. Bridge Data Centres, with its top international development and operation talents in the industry, owns fast deployable data center clusters in Malaysia, India and Thailand, and seeks business opportunities in other Asia-Pacific emerging markets. By the end of 2022, Chindata Group’s network includes 32 data centers in operation and under construction in emerging markets in Asia Pacific, with a total IT capacity of 871 MW.



Domestic brand Chindata Group



Overseas brand Bridge Data Centres (BDC)

Since China issued the “dual carbon” goals, the data center industry has been optimizing energy efficiency and boosting green development. Keenly aware that low-carbon development has become a top concern of the industry, Chindata Group is seeking a growth path that is responsive to climate and environmental challenges, driving the green and low-carbon development of the digital economy, and contributing to a shared community with a shared future for mankind. Chindata Group joined the United Nations Global Compact (UNGC) in 2021, adhering to the Ten Principles of the UNGC, and aligning our actions with the UN’s Sustainable Development Goals (SDGs). The Group considers ESG the core philosophy to guide its development and an important part of its corporate operation and keeps pushing up the benchmarks for corporate social responsibilities. By contributing to the sustainable development of the data center industry, Chindata Group is creating a sustainable future.



### Key Performance (In the fiscal year of 2022)



The Group's revenue totaled RMB

**4.552** billion



Year-on-year growth of approximately

**59.6%**



The total IT capacity reached

**871** MW



The total electricity consumption of the Group's data centers was

**3.032** billion kWh



The average annual PUE of the Group's data centers was

**1.21**



Total number of owned and pending patents

**423**



# Chindata Group's Milestones

Chindata Group has been committed to innovation, focusing on key businesses, and leading the development of the industry. The Group keeps bolstering the service capacities of its data centers, facilitating digital transition and pushing forward digital industrialization. Along the way, the Group has landed multiple technology innovation awards. The Group has aligned the construction and day-to-day operation of data centers with its green and low-carbon development philosophy and brought its competitiveness in green development to the next level. Going forward, Chindata Group will remain keen on innovation, aim at excellence, and write the splendid development chapter of Chindata Group.

## Organizations and Initiatives that Chindata Group has been part of

- Open Data Center Committee
- China Communications Standards Association
- The Green Gauge Standard Committee
- United Nations Global Compact (UNGC)
- RE100





## Leadership in Technological Innovation

China Association for Engineering and Construction Standardization (CECS)

First Prize of 2022 Data Center Technology Achievement Award

- X-Cooling·High-Density Data Center Composite Evaporative Cooling Technology

China Association for Engineering and Construction Standardization (CECS)

Second Prize of 2022 Data Center Technology Achievement Award

- Liquid Cooling Technology for Prefabricated Module Data Center

W.Media

Cloud and Data Center Hyper-Scale Innovation Award in Southeast Asia

- Johor Bahru Hyper-Scale Data Center (MY06) Phase I won a W.Media award

W.Media

Cloud and Data Center Hyper-Scale Innovation Award in Northeast Asia

- Chindata Group headquarters project

CHIND

CHIN DATA

DATA

CHIN DATA



## Industry Recognized Leadership

Ministry of Industry and Information Technology

National Industrial Demonstration Base of New Industry Models

- Lingqiu Economic and Technological Development Zone in Datong City is the first national-level data center industry demonstration base in Shanxi province

Ministry of Industry and Information Technology

Representative case of national new data center

- Pan-Beijing Taihang Mountain Energy Information Technology Industrial Campus

Ministry of Industry and Information Technology

Representative case of the national new data center in 2022

- Guanting Lake New Media Big Data Industrial Base

Ministry of Industry and Information Technology

The national green data center in 2022

- Guanting Lake New Media Big Data Industrial Base

China Academy of Information and Communications Technology, Publicity Center of the Ministry of Industry and Information Technology, and Open Data Center Committee

Data Center Level Evaluation

- The first phase of Guanting Lake New Media Big Data Industrial Base has won the "Carbon Neutral" Data Center Leader AAAAA award
- The first phase of Guanting Lake New Media Big Data Industrial Base has also acquired the Data Center Service Capability Level AAAAA certification
- The first phase of Guanting Lake New Media Big Data Industrial Base have been rated as CP-H4 Intelligent Computing Power Level 4 and CE-H5 Intelligent Computing Efficiency Level 5

Organizing Committee of China Computing Power Conference

Award for Innovation Pioneer in Low Carbon Computing

- Pan-Beijing Taihang Mountain Energy Information Technology Industrial Campus

China Communications Industry Association Data Center Committee (CIDC)

Outstanding Case of High-Quality Operation of New Data Centers in 2022

- Pan-Beijing Taihang Mountain Energy Information Technology Industrial Campus



## Brand Attractiveness of the Group

China Academy of Information and Communications Technology, Publicity Center of the Ministry of Industry and Information Technology, Open Data Center Committee, and New Data Center Promotion Plan

Top 10 Influential Third-Party Data Center Operator in China

《APAC CIO Outlook》

Top 10 Data Center Solution Supplier in the Asia Pacific Region

《The CEO Views》

Best Company of 2022

CYZONE

Excellent Case of Digital Transformation and Innovation in 2022 - "Quality Technology Service Provider" Award

01CAIJING

"01caijing 2022 Top 50 Digital Technology Company in China" & "Top 50 Digital Industrialization Enterprise"



## ESG Awards for Green Development

《Harvard Business Review》 China

Ram Charan Management Practice Award - Enterprise ESG Practice Award

FUTU

Outstanding ESG Governance Enterprise Award

PR Newswire

ESG Annual Communication Award



CHINDATA  
GROUP

01

Sound Operation

## SDGs in this chapter:



## Material sustainable topics in this chapter:

- Compliance operation
- Risk control
- Responsible tax principle
- Business ethics
- Corporate governance

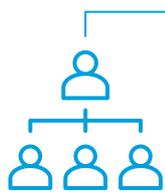
Chindata Group has established a sound corporate governance structure. Committed to compliance and steady growth, the Group has been optimizing corporate governance. With a robust operational environment in place, we meet the expectations of various stakeholders. With ESG as a thread in corporate culture and business decision-making, the Group has deepened responsible operation, regulated corporate governance, prevented and controlled operational risks, abided by financial regulations, and fulfilled tax payment obligations according to law. Through these practices, we reinforce commercial ethics and improve resilience in operation, competitiveness in business, and corporate values.

# Excellent Corporate Governance

Chindata Group has established a corporate governance structure with the Board of Directors at the core. At Chindata Group, decisions are approved by the Board of Directors and collectively made by the Management Committee to strengthen corporate governance and ensure the stable operation and continuous profitability of the Group.

## Corporate Governance Structure

The Board of Directors has established the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. The Group has formulated *Audit Committee Charter*, *Compensation Committee Charter* and *Corporate Governance and Nominating Committee Charter* to guide the work of these committees and regulate the responsibilities of these committees. During the Reporting Period, the Group convened 9 board of directors meetings. Related issues were approved by the Board of Directors 3 times through emails.



**Audit Committee**

Mainly responsible for overseeing accounting and financial reporting processes and audits of the financial statements to ensure that Chinadata Group meets legal and supervisory requirements; in accordance with the provisions of *Audit Committee Charter*, require all management, independent auditors, and internal auditors to review and disclose all related transactions to ensure compliance with legal and regulatory requirements.



**Compensation Committee**

Responsible for reviewing, evaluating, and revising the compensation plans, policies, and programs to assure that employee interests are aligned with the interests of the Group's shareholders.



**Corporate Governance and Nominating Committee**

Responsible for identifying and recommending qualified director nominees, conducting the annual review of the composition of qualified candidates, and monitoring compliance with the Group's code of business conduct and ethics.

## Diversity and Independence of the Board of Directors

During the appointment and reappointment of board members, Chindata Group promotes board diversity by considering factors including but not limited to gender, age, cultural and educational background, race, and professional experience. The Board is composed of directors with different backgrounds and experiences to promote the balance of decision-making.



So far, the Board of Directors is made up of 9 members, including 3 independent directors. Female directors make up 10% of the Board. The board members of Chindata Group possess extensive professional knowledge and experience in various fields, including economics, finance, IDC, information security, and privacy protection. They actively participate in the development of the Group's strategic planning, providing guidance and supervision for corporate governance, and advancing the Group toward its strategic objectives. Their commitment to excellent corporate governance ensures the protection of stakeholder rights and interests.

Chindata Group values board independence and adheres strictly to laws and regulations applicable to its place of operation as well as the *Nasdaq Listing Rules*. This approach ensures that independent directors do not have any relationships that may negatively affect their independent performance. Therefore, independent directors could float impartial opinions based on their expertise, make recommendations for the Company objectively and freely, and promptly remind the Board of Directors to publicize related disclosures or corrections. In this way, the integrity of the Board's decision-making process could be maintained.



### Key Performance

Board of Directors

**9** persons

Independent directors

**3** persons

Female directors make up

**10%**

# Operational Risk Management and Prevention

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Compliance with laws and regulations is fundamental to the stable operations of Chindata Group. The Group strictly adheres to legal requirements in countries and regions where business is conducted, such as the *Company Law of the People's Republic of China*. Based on the guidelines and regulations issued by regulatory agencies, the Group has established a legal management system overseeing its domestic and overseas businesses, providing targeted localized legal support. In addition, the Group has enhanced control measures in internal controls, tax compliance, and business ethics to ensure steady and sustainable development.

## Prevention and Control of Operational Risks

To safeguard the rights and interests of stakeholders and to ensure stable business operations, Chindata Group places the foremost emphasis on risk management and prevention. By establishing a robust line of defense in day-to-day business activities, the Group has improved its resilience in business operations.

### ■ Construction of an Internal Control Framework

The Group integrates the COSO Framework into its business operations to construct an internal control system geared toward the Company's risk management needs and corporate development strategies. In every business process and unit, the Group has established a risk control framework to identify, evaluate, monitor, and manage risks in business processes. The Group concentrates on compliance risks in key business areas, identifies and analyzes risks, and provides corresponding recommendations for risk prevention and control. In addition, the Group periodically reviews and checks the implementation and effectiveness of risk management, providing timely risk warnings or optimizations to minimize potential risks.



### Strict Adherence to Local Laws and Regulations to Avoid Operational Risks

Under the constantly evolving external compliance requirements, enterprises face potential operational risks of being sanctioned. Chindata Group has collected relevant supplier sanction lists released by overseas and domestic government regulatory agencies and analyzed the sanctioned targets, purposes, and types of sanctions on each list. Based on preliminary evaluations, the Group deemed the overall risk of sanctions was low. Meanwhile, the Group conducted a supplier counter-sanction screening at the Group level based on the sanction lists. The findings of the screening revealed that the Group's business with suppliers did not fall within the scope of sanctions, and thus confirmed that the Group has avoided significant risks in the value chain.

### Improving Financial and Tax Compliance

Regarding finance and taxation, the Accounting and Reporting Department of the Finance Center of the Group enhances the accuracy of financial and business data through statistical processes including the backward tracing of financial results and the coordination between procurement and costs. The Fund Operation Department has completed multiple financing approvals, realizing high growth in overseas financial returns. Under the guidance of the Taxation Department, the Group has complied with the legal and regulatory principles outlined in *Chindata Group Tax Management Rules*, completing various tax declarations and providing data support to the Company's management. In this way, the Group maintains and deepens regional tax-enterprise relationships.



## Investors Communication

Chindata Group highly values the rights and interests of investors and stakeholders and fully considers the position of investors, actively interacting with investors, ensuring their engagement in major decisions of the Company, and protecting their rights and interests. To ensure the accuracy, timeliness, and consistency of information disclosure, the Group's Investor Relations Department maintained a market strategy featuring proactive communication throughout 2022. Through performance communication meetings, investment bank meetings, email communication, non-trading roadshows, and regular annual and quarterly reports, the Group reached out to capital market players, and demonstrating the Group's business philosophy and achievements to investors to inform them of the Group's corporate culture and business dynamics in real-time. During communication, the Group highlights its highly stable performance and the supporting rationales and communicates with investors about potential concerns about market trends such as regional competition, supply and demand within the industry, new technological innovations, and potential business risks, thereby bolstering investors' confidence in the long-term sustainability of the Company.



### Key Performance

In 2022, a total of 900 investor conference calls and roadshows were held to showcase the Group's performance.

# 900

## Business Ethics Risk Control

Chindata Group strictly adheres to laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition*, the *Interim Regulations on Prohibiting Commercial Bribery*, and the *Law of the People's Republic of China on Enterprise Income Tax*, as well as local laws and regulations where Chindata Group's listed and where Chindata Group's subsidiaries are located, such as the *U.S. Foreign Corrupt Practices Act*. The Group practices anti-bribery, anti-corruption, anti-fraud, and anti-unfair competition in its business operations, and requires every employee to strictly abide by the bottom line, jointly creating a transparent business environment.

## Optimization of Business Ethics Management System

With regard to business ethics risk prevention and management, the Group has joined the Trust and Integrity Enterprise Alliance and the Enterprise Institute for Internal Controls and has constructed and improved a series of compliance systems, preventing, detecting, and stopping violations against business ethics, ensuring the fairness and justice of Company’s business practices.



### Organizational System

Chindata Group sets a Compliance Committee, which reports directly to the Audit Committee of the Board of Directors and is responsible for major decision-making and overall control in internal compliance construction. Correspondingly, compliance management work is regularly reported to the Compliance Committee which gives quarterly reports to the Audit Committee.



### Regulatory System

Chindata Group has developed and improved systems, policies, and processes concerning business ethics, incorporated the risk management framework into business operations, and managed business ethics risks in a conscious and proactive manner. For example, the Group has made available to the public *Chindata Group Business Conduct and Occupational Ethics Code* and *Chindata Group Insider Trading Prevention Policy*, two documents that aim to standardize and refine the Company’s compliance management requirements.



### Operation System

Chindata Group has been focusing on the business ethics risks in key areas of operations, conducting risk identification, analysis, and evaluation, and reviewing and proposing management recommendations and response measures on a regular basis.



### Culture System

Chindata Group has set the tone regarding compliance and business ethics for the management (such as “A Letter from the CEO to All Employees”), organized business ethics training sessions, and constantly promoted the Group’s compliance culture and a zero-tolerance attitude towards fraud, corruption, and other illegal and non-compliant behaviors.

## Business Ethics Audit

For more effective business ethics management, the Internal Control and Compliance Department shall conduct audits on high-risk projects related to business ethics, investigate fraud clues, and crack down on and contain corrupt behaviors, to create an integral and transparent development environment. The Group adheres to *Chindata Group Management Measures on Employee Reward and Punishment* and *Guidelines for Chindata Group Employees on Work, Integrity, and Self-Discipline* to manage business ethics violations.

## Fair Competition

Chindata Group is committed to promoting a fair and just environment for competition across the industry. The Company abides by the *Law of the People's Republic of China Against Unfair Competition*. In business practices, the Company requires employees not to discredit competitors and safeguards the trademark rights and intellectual property rights of Chindata Group itself and its competitors alike. If competitors engage in unfair competition behaviors, the Group will promptly take legal measures to safeguard its own rights and interests.



### Key Performance

In 2022, the company's business activities have not been deemed "unfair competition" by regulatory authorities or judicial bodies due to violations of domestic or international laws and regulations. Hence, the losses of money incurred were also

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## Complaint and Reporting

In accordance with *Chindata Group Anti-Corruption Regulations* and *Chindata Group Whistleblower Investigation System*, as well as relevant laws and regulations, the Group has formulated processes of whistleblower acceptance, case investigation, and punishment implementation. The Group implements closed-loop management on whistleblowing matters that are reported to the Group's Compliance Committee and Audit Committee to be supervised and instructed.

The Group has established multiple reporting channels on the official website, regulations, documents, and internal communication emails. In addition, the Group regularly maintains these channels to collect and resolve negative events reported. These reporting channels are open to all personnel of Chindata Group, namely, all employees (including temporary employees), interns, part-time employees, dispatched personnel, suppliers, customers, business partners, contractors, or other partners.

The Group strictly maintains the confidentiality of the whistleblower's identity and the information provided. Any form of retaliation against individuals who lawfully submit complaints or reports, as well as witnesses or other individuals cooperating with investigations, is strictly prohibited by the Group. The Group reserves the right to hold individuals accountable for fabricating facts, making malicious accusations, or defaming employees of Chindata Group.



**Chindata Group's whistleblower email:** [jubao@chindatagroup.com](mailto:jubao@chindatagroup.com)

**Chindata Group's whistleblower hotline:** (010) 59033287

## Business Ethics Training

The Group attaches great importance to the embedding and implementation of business ethics. At Chindata Group, in-depth and high-frequency training is deemed inevitable to implement compliance and integrate it into every part of the Group. The Group conducts training sessions on business ethics and anti-corruption compliance for all employees and partners to convey a zero-tolerance attitude towards fraud, corruption, and other illegal and irregular behaviors, and enhance their awareness of integrity and strives to prevent dishonest conduct and business ethics violations such as commercial bribery, creating a transparent and honest development environment.

### Anti-Corruption and Compliance Training for All Domestic Employees

The Group provides online compliance training for all employees both domestically and internationally through video tutorials. Additionally, a “Letter from the CEO to All Employees” is released with the theme of “Adherence to Compliance Standards and Ethical Values: The Way to Move Steadfastly Towards the Future.” The Group promotes its business ethics values and compliance concepts, mandating that all employees participate in the related training sessions. The Group assesses the effectiveness of the training through examinations and requires employees to sign *Commitment Letter on Anti-Corruption Compliance*. Moving forward, these video tutorials will maintain a mandatory online course for new employees, with the ultimate goal of having all Group personnel complete it.

### New Employee Training

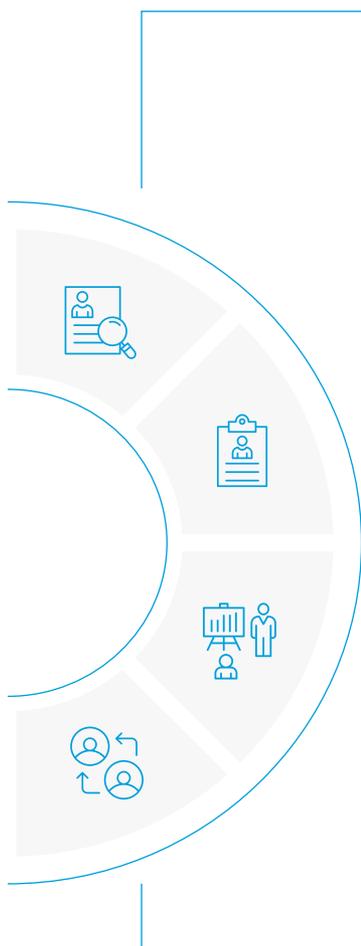
Business ethics are highlighted during the training for new employees, and all new employees are required to sign *Confidentiality Agreement* and *Non-Compete Agreement* upon employment. All employees are also mandated to sign *Statement on the Compliance of Anti-Bribery and Anti-Corruption Policies* and *Statement on the Compliance of Insider Trading Prevention Policies*.

### Publicity and Promotion

The Group publishes important clauses and training materials to promote compliance regulations on anti-corruption and anti-commercial bribery which employees are required to learn and reference, and are synchronously posted on the notice platform of Lark for easy access.

### Partners

With a considerable range and number of suppliers, the Group integrates the promotion of business ethics and compliance concepts into its daily business operations with all suppliers by requiring them to sign a commitment letter regarding compliance, integrity, and confidentiality before submitting bids and compelling all supply chain personnel to pledge to and follow the guidelines outlined in the Transparent Supply Chain Code.





### Key Performance

Chindata Group will continue to increase the coverage of training at home and abroad, helping employees to enhance their awareness of business ethics. In 2022, Chindata Group (China Region) achieved a 100% participation rate in anti-corruption training organized for its employees.

# 100%



02

ESG Strategies

SDGs in this chapter:

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Material sustainable topics in this chapter:

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- Corporate governance
- Risk control
- Communication with stakeholders

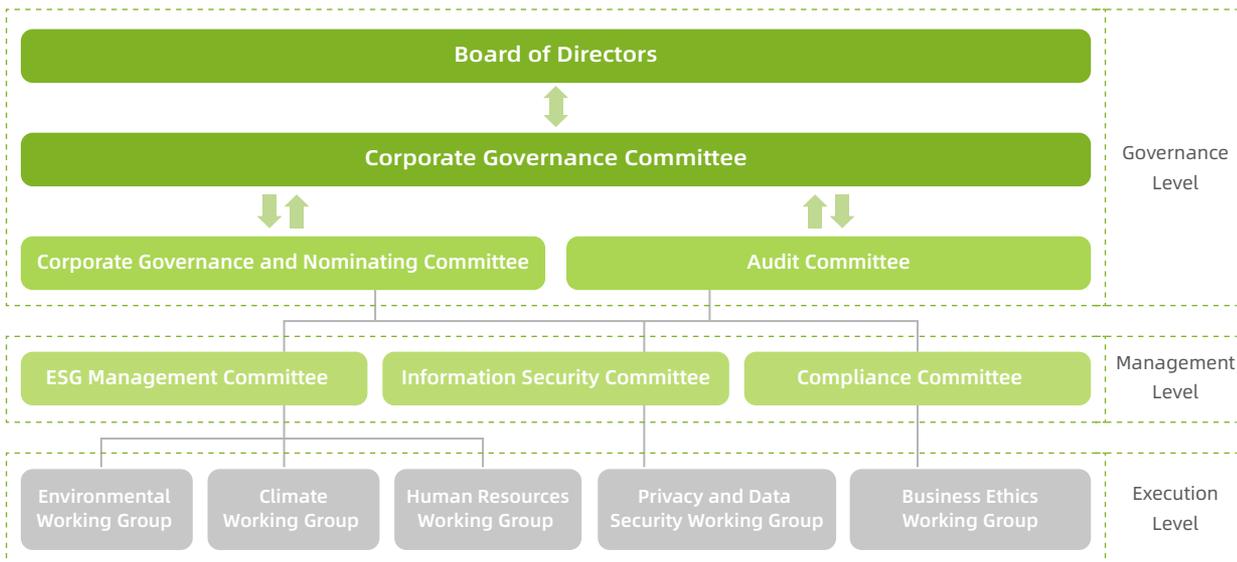
As Chindata Group further expands its global presence, it places a strong emphasis on ESG concepts, with a particular focus on key areas such as enterprise operations, data security and privacy protection, carbon neutrality, and value chain management. Through ongoing optimization of its ESG strategies and management toolkit, the Group is enhancing its ESG risk and opportunity management practices, and building a firm foundation for compliant business operations. In meeting the growing demand for domestic and international computing power, Chindata Group endeavors to maximize economic, environmental, and social value.

# Management Architecture of Sustainable Development

Chindata Group places significant emphasis on ESG governance, fully integrating it into the Group's business processes and resource allocation. The Group combines ESG risk management with its internal control management system, consistently enhancing the Board's involvement in ESG matters, and constructing a comprehensive ESG governance architecture across all decision-making, management, and execution levels. The Group strives to promote synergy between ESG work and stakeholders including government, investors, customers, employees, suppliers, and social organizations, to create long-term value.

## ESG Governance Architecture

Chindata Group is committed to transparent operations and continually enhances its ESG governance capabilities. In 2022, the Group updated and improved its ESG governance architecture by refining the optimization roadmap of the three-level coordinated mechanism of “governance-management-execution” and delineating the responsibilities and roles of each level. The Group’s Board of Directors oversees its ESG work by means of the Corporate Governance and Nominating Committee and the Audit Committee and listens to updates from relevant working groups dedicated to environmental, climate, human resources, data security, and business ethics through the ESG Management Committee, Information Security Committee, and Compliance Committee. Going forward, the Group will continue to implement the ESG governance system, integrating ESG principles across all levels of the Group, and enhancing the Group's overall ESG governance capabilities.



The Optimisation Roadmap of the Chindata Group ESG Governance Architecture

## Roles and Responsibilities of Each Level of ESG Governance Architecture

Governance Level		
Board of Directors	 Board Composition	As the central decision-making and highest governance entity for ESG governance within the Group, the Board of Directors will hold the responsibility for guiding and overseeing the Group's overall ESG governance endeavors.
Corporate Governance Committee		As the permanent director body responsible for ESG within the Group's highest governance body, it will deploy and promote the Group's overall ESG management, participate in the deliberation and decision-making procedures of major ESG matters, including the formulation of relevant strategies and policies, and review the Annual ESG Report and ESG Practice Projects.
Corporate Governance and Nominating Committee		As the highest ESG decision-making center within the Group, the Corporate Governance and Nominating Committee will be responsible for reviewing and making decisions on major ESG issues.
Audit Committee		The Audit Committee is proposed to consist of three independent directors, and it will serve as the Group's top internal supervisory body for ESG matters. It will oversee the implementation of the Group's ESG strategy, policies, and related sustainable development goals, and report progress directly to the Board of Directors.
Management Level		
ESG Management Committee	 Composed of the main persons in charge of the relevant department	The ESG Management Committee will serve as a collaborative platform that spans multiple departments, focusing on environmental conservation, climate control, and human resources. The committee will be entrusted with the task of pinpointing significant ESG matters, crafting action plans, regularly monitoring the progress and implementation of ESG vision, strategy, policies, and performance objectives, and overseeing an inclusive gamut of management, coordination, examination, and oversight. Additionally, the committee will coordinate and execute special tasks such as information disclosure and project implementation.
Information Security Committee		The Information Security Committee will be the top-level platform and organization for managing information security and data security and privacy issues. It will review information security management systems and processes and their changes, propose management measures and implementation opinions for data security, and organize, guide, supervise, and coordinate various departments to fulfill their duties of protecting data security and privacy.
Compliance Committee		The Compliance Committee will promote the Group's business ethics culture and oversee and improve the construction and implementation of risk management systems.

Execution Level		
ESG Working Group	 <p>Comprised of liaisons from various departments of the Group's headquarters</p>	<p>The ESG Working Group will be divided into several subgroups, including the Environmental, Climate, Human Resource, Privacy and Data Security, and Business Ethics working groups. These subgroups serve as the main oversight, inspection, and execution bodies for various issues. The Working Group will be responsible for organizing the formulation of tasks on special issues and targets of work performance for the Group, maintaining effective communication with key stakeholders in the ESG field, and ensuring that relevant governance work is fully implemented.</p>

### ■ The Discussion and Reporting Procedure of the ESG Governance Framework

Chindata Group plans to require each working group to report its work plan and outcomes to the ESG Management Committee, Information Security Committee, and Compliance Committee every six months. Each committee holds at least one meeting per year to discuss ESG strategies and decisions on data security risk control and significant internal controls, and reports on these matters to the Board of Directors. The Board of Directors is responsible for reviewing the Group's ESG strategy, participating in major ESG issue reviews and decision-making, promoting the organic integration of ESG strategy with the Group's overall strategy and corporate culture, and promoting the creation of long-term value for the Group and substantial optimization of ESG performance.

### ■ ESG Management and Performance Evaluation

Chindata Group is exploring internal mechanisms for integrating sustainable performance with corporate incentive policies, making the implementation of ESG strategy one of the key responsibilities of the Group's leadership team. The Group has incorporated climate targets and response strategies into job functions for employees holding specific positions and has used these performance targets as an essential part of employee performance assessments. This part has been included in the evaluations of overall performance and target achievements, thereby encouraging employee participation in sustainable development initiatives.

### ■ Exploration of Risks and Opportunities in ESG Management

Chindata Group is committed to integrating ESG risk prevention and control with opportunity management into its business operations. In 2022, the Group conducted a thorough alignment with industry-related ESG risk exposure pinpointed by mainstream rating agencies, identifying and exploring business risks and opportunities. In the future, following the guidance issued by the World Business Council for Sustainable Development, the *Enterprise Risk Management: Applying Enterprise Risk Management to Environmental, Social and Governance-related Risks*, the Group will integrate ESG risk and opportunity management seamlessly into the internal control system under the Group's existing risk management and development strategy, helping the Group create long-term value.



### Business Ethics

Implementing robust corporate governance and transparent management practices to prevent ethical risks such as corruption, embezzlement, insider trading, and unfair competition. This will enhance operational certainty and instill confidence in investors and other key stakeholders.



### Human Resources

By adhering to lawful labor and employment practices, safeguarding the rights of employees, implementing transparent and democratic management, and providing unhindered channels for employee development, we aim to ignite a sense of ownership among our workforce. This will ensure that employees become the driving force behind the growth of the company.



### Supply Chain Management

The Group is regulating supplier behavior through three key aspects: admission, assessment, and supplier exit. The Group is committed to improving its supply chain management system to better identify and address potential ESG risks in the supply chain, working together with suppliers for mutual success.



### Data Security and Privacy Protection

Strengthening data security and privacy protection, establishing comprehensive systems and policies to manage information security, fortifying defenses for data security and privacy, and enhancing the ability to respond to data security risks. Continuously improving the coverage of training for employees and suppliers on data security and privacy protection to better safeguard the rights of customers and partners in an ecosystem, thereby consolidating the stability of business operations.



### Regulatory Compliance

With the increasing stringency of regulatory requirements from both domestic and foreign governments and regulatory bodies, the Group is facing higher demands in terms of its ESG governance systems and information disclosure. This means that the Group may encounter greater compliance risks and heightened investor scrutiny regarding ESG issues. To mitigate operational and financing risks, it is imperative for the Group to enhance its ESG governance system and optimize its ESG information disclosure.



### Climate Change

The uncertainties associated with climate change can give rise to acute or chronic climate risks, which in turn may result in more stringent regulatory requirements, shifts in market sentiment and expectations, and uncertainties surrounding the utilization of resources and energy in data centers. These factors have the potential to lead to asset depreciation and a decline in business revenue.



### Environmental Management

In data center operations, we are committed to our "zero-carbon computing" strategy, focusing on key environmental indicators such as PUE, WUE, and CUE. Our primary goal is to address challenges such as the significant increase in server power consumption and the mounting pressure for server cooling through technological innovation. By doing so, we aim to establish a green computing center providing computing power that surpasses customer demands while also prioritizing environmental sustainability. This approach will strengthen our core competitiveness as a company.

# ESG Strategy System

## "SAFE" ESG Value Model

Currently, the digital economy embraces coordinated development in the eastern and western regions, the data center industry sees a greener and more low-carbon trend, and green data centers solutions going global is becoming mainstream. Against this backdrop, Chindata Group keeps an eye on future competitiveness, with a focus on the innate attributes of computing power and the data industry. In 2021, the Group optimized and upgraded its sustainable development concept of the "DATA" ESG strategy system by centering on "Stable, Advanced, Forward, and Eco-friendly (SAFE)." The Group has organically blended the characteristics unique to the industry with its own business strategy, with the operating characteristics and corporate culture integrated. With reference to the United Nations Sustainable Development Goals, the Group has formed its "SAFE" ESG strategy system, with "Stability and transparency (Stable)," "Innovative excellence (Advanced)," "Shared future (Forward)," and "Green and efficient development (Eco-friendly)" as the core elements. The system aims to convert electricity into high-quality computational power in a stable, eco-friendly, and high-quality manner, thereby increasing operational stability, enhancing partner confidence, and building a more sustainable brand.



"SAFE" ESG Strategy System

	<h1>S</h1>	<h1>A</h1>	<h1>F</h1>	<h1>E</h1>
	<b>Stable</b>	<b>Advanced</b>	<b>Forward</b>	<b>Eco-friendly</b>
	<b>Stability and Transparency</b>	<b>Innovative Excellence</b>	<b>Shared Future</b>	<b>Green and Efficient Development</b>
Stakeholders	<ul style="list-style-type: none"> <li>Government and regulatory agencies</li> <li>Investors and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Non-profit organization</li> <li>Industry association</li> <li>Business organization</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Partners</li> <li>The public and communities</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Government and regulatory agencies</li> <li>Customers</li> </ul>
Material Issues	<ul style="list-style-type: none"> <li>Honesty and Compliance</li> <li>Risk Management and Prevention</li> <li>ESG Governance</li> </ul>	<ul style="list-style-type: none"> <li>Data and information security</li> <li>Privacy protection</li> <li>Technology innovation</li> <li>Industry guidance</li> </ul>	<ul style="list-style-type: none"> <li>Resilient organizations</li> <li>Value chain co-existence</li> <li>Empower Regional Development</li> </ul>	<ul style="list-style-type: none"> <li>Climate change</li> <li>Eco-friendly operations</li> </ul>
Key Indicators	<ul style="list-style-type: none"> <li>Board diversity</li> <li>Board independence</li> <li>Business ethics and practices</li> </ul>	<ul style="list-style-type: none"> <li>Data security and privacy protection</li> <li>Clean energy investment and R&amp;D</li> <li>Industry initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Employee development</li> <li>Employee satisfaction</li> <li>Supply chain</li> <li>sustainability</li> <li>Community</li> <li>engagement and investment</li> </ul>	<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Renewable energy utilization</li> <li>Resource utilization efficiency</li> </ul>



# Communication with Stakeholders

Chindata Group places great emphasis on the integrity and coordination of industry development. Throughout its business operations, the Group actively listens to the voices of stakeholders, continuously improves the transparency of corporate operations, and strives to foster sincere communication, trust, and cooperation with stakeholders. The Group encourages stakeholders to participate in its ESG management and to synthesize strengths from all partners to create a sound external business environment that facilitates the Group’s sustainable development.

## Stakeholder Participation

Chindata Group’s stakeholders comprise both internal and external parties, including employees, government and regulatory agencies, investors and shareholders, customers, value chain partners, and the wider communities. The Group pays attention to the impact of its production and business activities on external stakeholders, the economy, society, and the environment. At the same time, the Group remains vigilant towards these impacts that may impinge on its financial stability, business, and development. The Group has established a standardized mechanism for communication to understand the expectations and demands of its stakeholders. The Group also actively encourages stakeholder participation in decision-making and activities related to corporate sustainability. Through practice, the Group continuously enhances the effectiveness of stakeholder participation.

Stakeholders	Demands and Expectations	Measures	Channels of Communication
 <p>Government Securities Regulatory Commission and other regulatory agencies</p>	<ul style="list-style-type: none"> <li>• Compliance operation</li> <li>• Responsible tax principles</li> <li>• Data security and privacy protection</li> <li>• Energy replacement and consumption management</li> <li>• Waste and pollution management</li> <li>• Water resource management</li> <li>• Climate change response</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Compliance with business ethics</li> <li>• Regular submission of reports for supervision</li> <li>• Active tax payment and contribution to the national and local economy</li> <li>• Full life-cycle green management and PUE, WUE, and CUE optimization</li> <li>• Optimization of carbon emission paths and disclosure of carbon emissions information</li> </ul>	<ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Supervision and inspection</li> <li>• Daily management</li> <li>• Meetings and communications</li> <li>• Special reports</li> <li>• Statistical reports</li> <li>• Public consultation</li> </ul>

 <p>Investors and shareholders</p>	<ul style="list-style-type: none"> <li>• Sustainable and steady business growth</li> <li>• Corporate governance</li> <li>• Compliance operation</li> <li>• Business ethics</li> <li>• Risk control</li> <li>• Climate change response and carbon emissions management</li> <li>• Energy replacement and consumption management</li> <li>• Product responsibility and safety</li> <li>• Communication with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Operational efficiency improvement</li> <li>• Improvement of corporate governance structure and system</li> <li>• Improvement of ESG governance structure</li> <li>• Strengthening of risk management</li> <li>• Long-term trust with investors</li> <li>• Regular updates on climate actions</li> <li>• Regular disclosure of financial reports and ESG reports</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Information disclosure</li> <li>• Company website</li> <li>• Investor Q&amp;A</li> <li>• Performance briefings</li> <li>• Phone conferences</li> <li>• Email exchanges</li> <li>• Media and research institute briefings</li> <li>• Online meetings and roadshow</li> <li>• Open Day for investors</li> <li>• Investor conference offline</li> </ul>
 <p>Customers</p>	<ul style="list-style-type: none"> <li>• Customer experience and satisfaction</li> <li>• Data security</li> <li>• Privacy protection</li> <li>• Product responsibility and safety</li> <li>• Communication with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Physical, data, and information security protection for data centers</li> <li>• Compliance in sales and services</li> <li>• Ensuring service quality and improving the customer experience</li> <li>• Complaint handling mechanism</li> <li>• Protection of customer data and privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Meetings</li> <li>• Public inquiries</li> <li>• Complaint feedback</li> <li>• Company website and new media channels</li> </ul>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Job creation and equal employment for employees</li> <li>• Employee rights protection and compensation benefits</li> <li>• Employee safety and health</li> <li>• Employee development and training</li> </ul>	<ul style="list-style-type: none"> <li>• Safeguarding employee freedom and values, and protecting labor rights</li> <li>• Creation of a diverse and inclusive corporate culture</li> <li>• Establishment of a competitive salary system</li> <li>• A broad career development platform for employees</li> <li>• A focus on employee mental and physical health</li> </ul>	<ul style="list-style-type: none"> <li>• Staff training</li> <li>• Employee satisfaction surveys</li> <li>• Complaint feedback</li> <li>• Regular meetings</li> <li>• Communication channels for employees</li> <li>• Performance evaluation</li> <li>• Whistleblower email</li> </ul>
 <p>Value chain partners</p>	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Compliance operation</li> <li>• Business ethics</li> <li>• Risk control</li> <li>• Innovation research and development and intellectual property management</li> </ul>	<ul style="list-style-type: none"> <li>• Sincere cooperation with suppliers</li> <li>• The gradual integration of ESG management with supplier management policies</li> <li>• Reinforcement of supplier compliance audits</li> </ul>	<ul style="list-style-type: none"> <li>• Training for suppliers</li> <li>• Evaluation of suppliers</li> <li>• Tender and procurement procedures</li> </ul>
 <p>Communities</p>	<ul style="list-style-type: none"> <li>• Social engagement and investment</li> <li>• Philanthropy and volunteer services</li> <li>• Energy replacement and consumption management</li> <li>• Waste and pollution management</li> <li>• Water resource management</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of the construction of regional digital infrastructure and coordinated economic development</li> <li>• Support for rural revitalization</li> <li>• Social assistance programs</li> <li>• Giving back to society</li> </ul>	<ul style="list-style-type: none"> <li>• Public/community services</li> <li>• Volunteer activities</li> <li>• Public inquiries</li> <li>• Communication with the media</li> </ul>

## Identification of Material Issues

Chindata Group optimizes the process of identifying, categorizing, and validating material issues based on the *Global Reporting Initiative (GRI) Standards* issued by the Global Sustainability Standards Board (GSSB) and other ESG disclosure guidelines. By doing so, the Group gains insights into stakeholders' anticipation and future focuses about the Company which provides a reference for the Group to adjust operational practices and refine business decisions. It also helps to determine the focus of ESG practices of the year and promote continuous optimization of sustainable management.

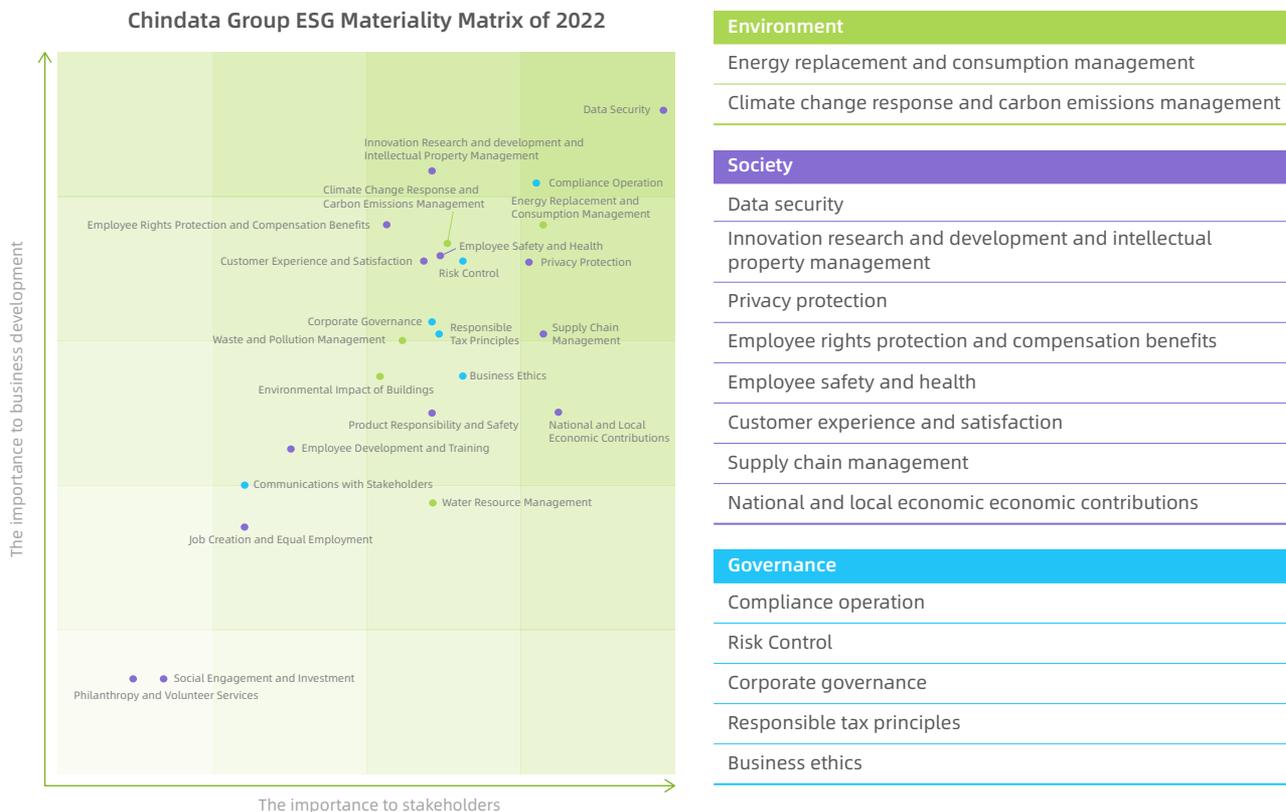
### Process of Identifying Material Issues



## Chindata Group’s Matrix of Material Issues

On top of the ESG issues of the previous year, the Group has introduced nine additional issues: “Product Responsibility and Safety,” “Job Creation and Equal Employment,” “Employee Rights Protection and Compensation Benefits,” “Philanthropy and Volunteer Services,” “Responsible Tax Principles,” “Risk Control,” “Communications with Stakeholders,” “Environmental Impact of Buildings,” and “National and Local Economic Contributions.” The issues of “Energy Management” and “Renewable Energy” have been integrated into “Energy Replacement and Consumption Management,” while “Carbon Emissions” and “Climate Change Mitigation” have been integrated into “Climate Change Response and Carbon Emissions Management.” The issue of “Data Security and Privacy Protection” has been split into “Data Security” and “Privacy Protection.” The names “Customer Experience,” “Community Contribution,” and “Innovation Development” have been adjusted to “Customer Experience and Satisfaction,” “Social Engagement and Investment,” and “Innovation Research and Development and Intellectual Property Management,” respectively. The topics of “Diversity and Inclusion” and “Respect for Human Rights” have been removed. These adjustments to the major issues better align with the ESG development trends of the industry and respond to the concerns of stakeholders.

The Company comprehensively evaluates the significance of 24 environmental, social, and governance dimensions based on the dimensions of “Importance to Corporate Sustainable Development” and “Importance to Stakeholders.” As a result, 15 highly substantive major issues have been identified, which establish the boundaries for disclosure and pivotal content of this report. The Matrix of Material Issues for Chindata Group in 2022 is shown in the following table:



# 03

## The Trailblazer of the Supercomputing Era

## SDGs in this chapter:



## Material sustainable topics in this chapter:

- Data security
- Privacy protection
- Innovation research and development and intellectual property management
- Customer experience and satisfaction

In 2022, the world entered the "Era of Supercomputing", where powerful and robust computing power has become the foundation for the flourishing development of the digital economy. It greatly unleashes the potential of various industries, drives the digital transformation of industries and society, and promotes the digitalization of cities. Chindata Group, as the foundation builder and forerunner of the digital era, actively responds to China's policy guidance for the digital economy. The Group closely focuses on the needs of our partners and prioritizes customer satisfaction, providing secure, private, reliable, and high-quality services and solutions. Furthermore, Chindata Group drives the flourishing development of the entire value chain, collaborates with ecosystem partners to contribute to the digital transformation and shares the economic benefits of the era.

# Safeguard the Bottom Line of Data Security

Chindata Group strictly complies with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other relevant laws and regulations on data security and information security protection in the Company's operating locations. The Group focuses on the comprehensive performance of information security, network security, and physical security. The dedication to enhancing information security management system and assurance mechanisms enables the Group to consistently achieve breakthroughs in data center stability and security. Chindata Group's utmost commitment lies in delivering exceptional computing power services and unparalleled customer experiences.



### Business Continuity Commitment:

- Uninterrupted operation of customer business 24/7 throughout the year.



### Information Security Commitment:

- No personal information will be provided to external parties for illegitimate purposes.
- The collection and storage of user data are within the necessary scope of business requirements.
- If necessary, data will be masked or deleted.



### Key Performance

The occurrence rate of major incidents was

**0**

The customer retention rate remained at

**100%**

## Enhance Data Security Assurance Capability

Chindata Group has established an all-encompassing and multidimensional information security mechanism, covering all employees of the Group and its subsidiaries. The Group encourages adherence to these measures among our value chain partners. Through a top-down data security governance framework, comprehensive operational support mechanisms, and a combination of internal and external data security auditing measures, Chindata Group ensures all-around protection of information security from start to finish.

### Establish Supervisory and Management Divisions

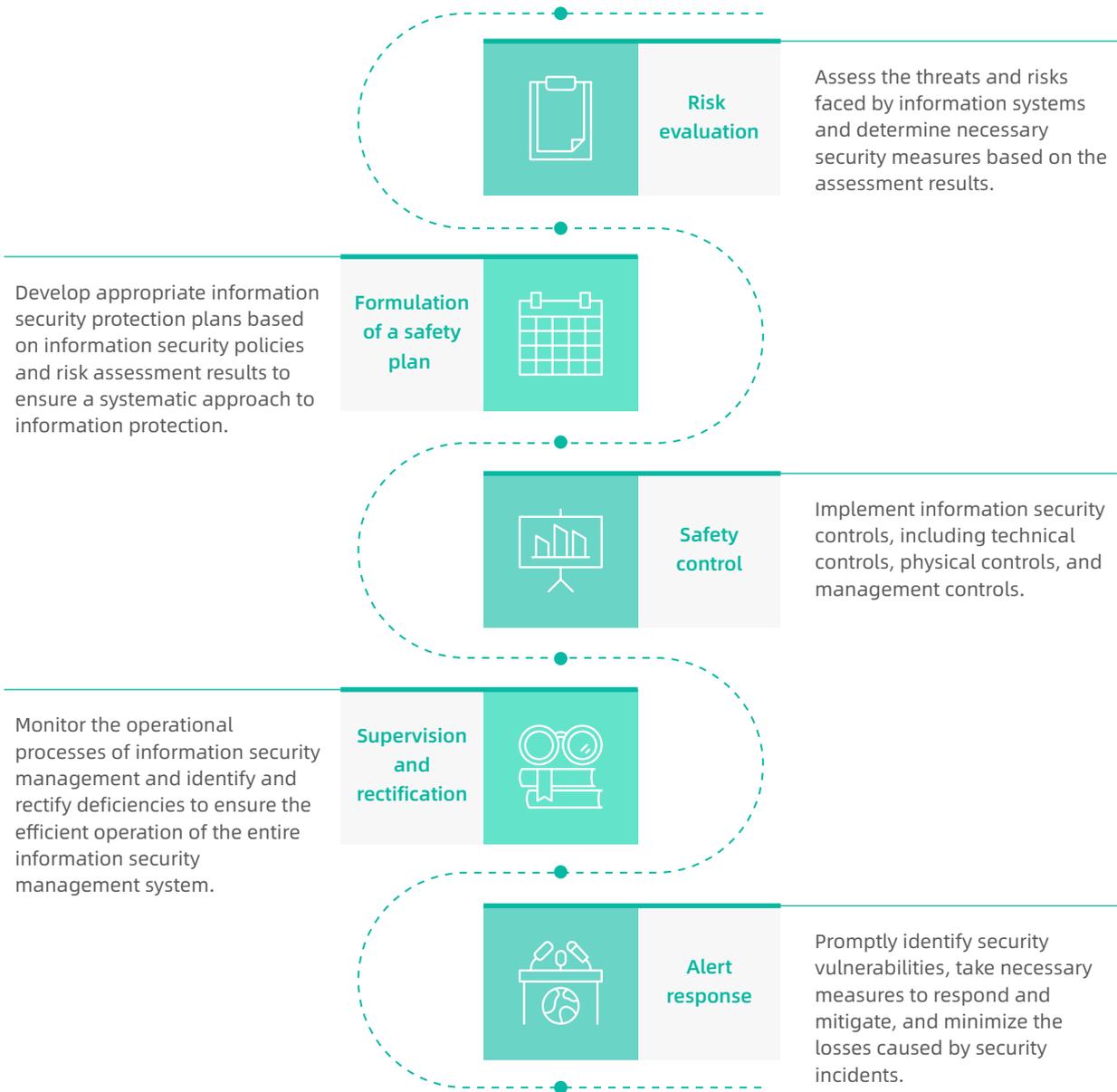
As information security holds paramount importance as a critical management issue in the data center industry, a well-established management system is fundamental to safeguarding information security. The members of the board of directors of Chindata Group attach great importance to information security and privacy protection, promoting the establishment of an Information Security Committee to ensure the efficient operation of the management system and effective control of information security risks.



Key Responsibilities of the Chindata Group's Information Security Committee

## Improve Operational Support Procedures

Chindata Group has developed and improved information security management systems such as *Business Continuity Management Manual*, *Employee Information Security Management Regulations*, and *Network Security Management Regulations*. The Group has established comprehensive information security management processes and emergency response measures to assess and manage potential data security risks associated with the products and services, ensuring compliance with information security requirements in all operational locations.



Information Security Management Process of Chindata Group

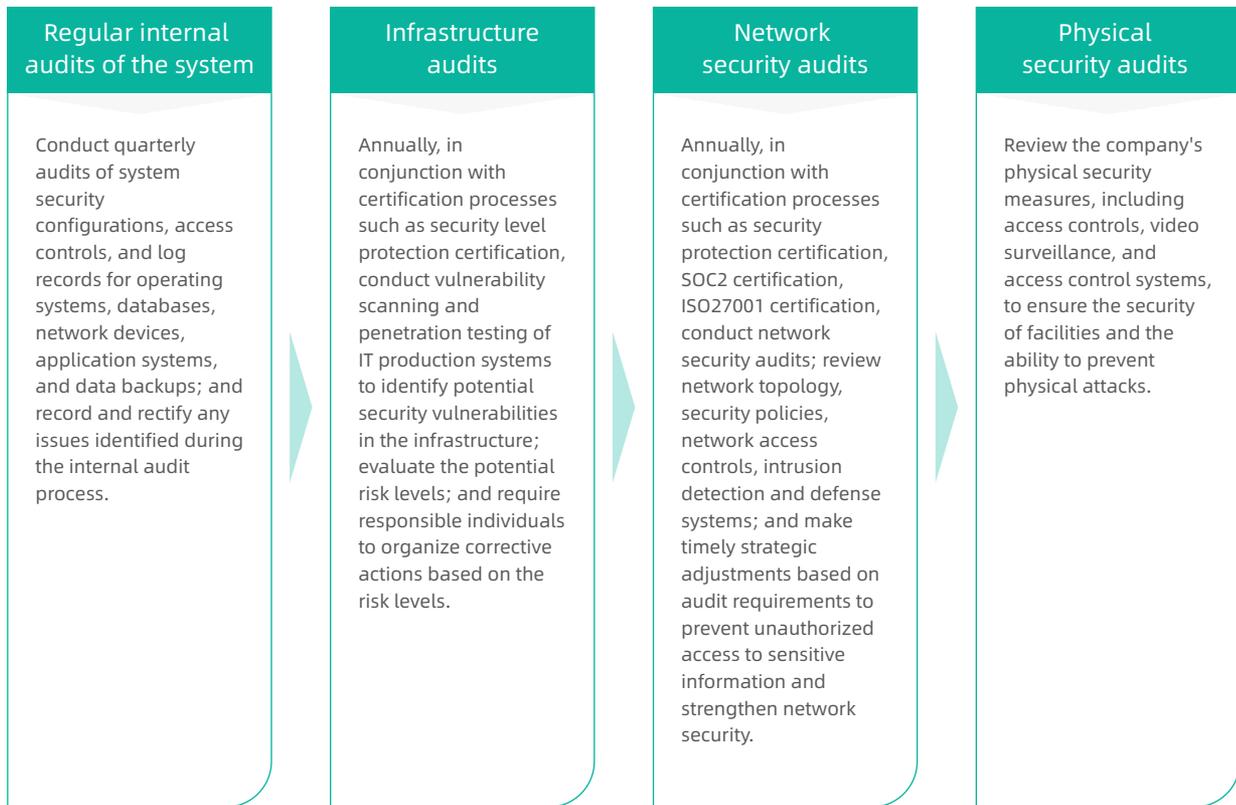
## ■ Obtain International Security Certifications

The business units related to the main operations of Chindata Group have obtained certifications for information security systems such as ISO/IEC 20000-1 Information Technology Service Management System Certification and ISO 27001:2013 Information Security Management System Certification. These certifications have facilitated optimization and breakthroughs in technical prowess, security management, privacy management, and business continuity, effectively protecting information assets and ensuring the sound, well-organized, and sustainable development of the Group's computing power.



## Conduct Information Security Audits

Chindata Group regularly conducts information security audits and third-party certification audits and evaluations in accordance with the requirements of the information security level protection certification and ISO 27001:2013 Information Security Management System Certification. The Group strives for full coverage of security audit work, ensuring objective assessment and comprehensive supervision of data security.

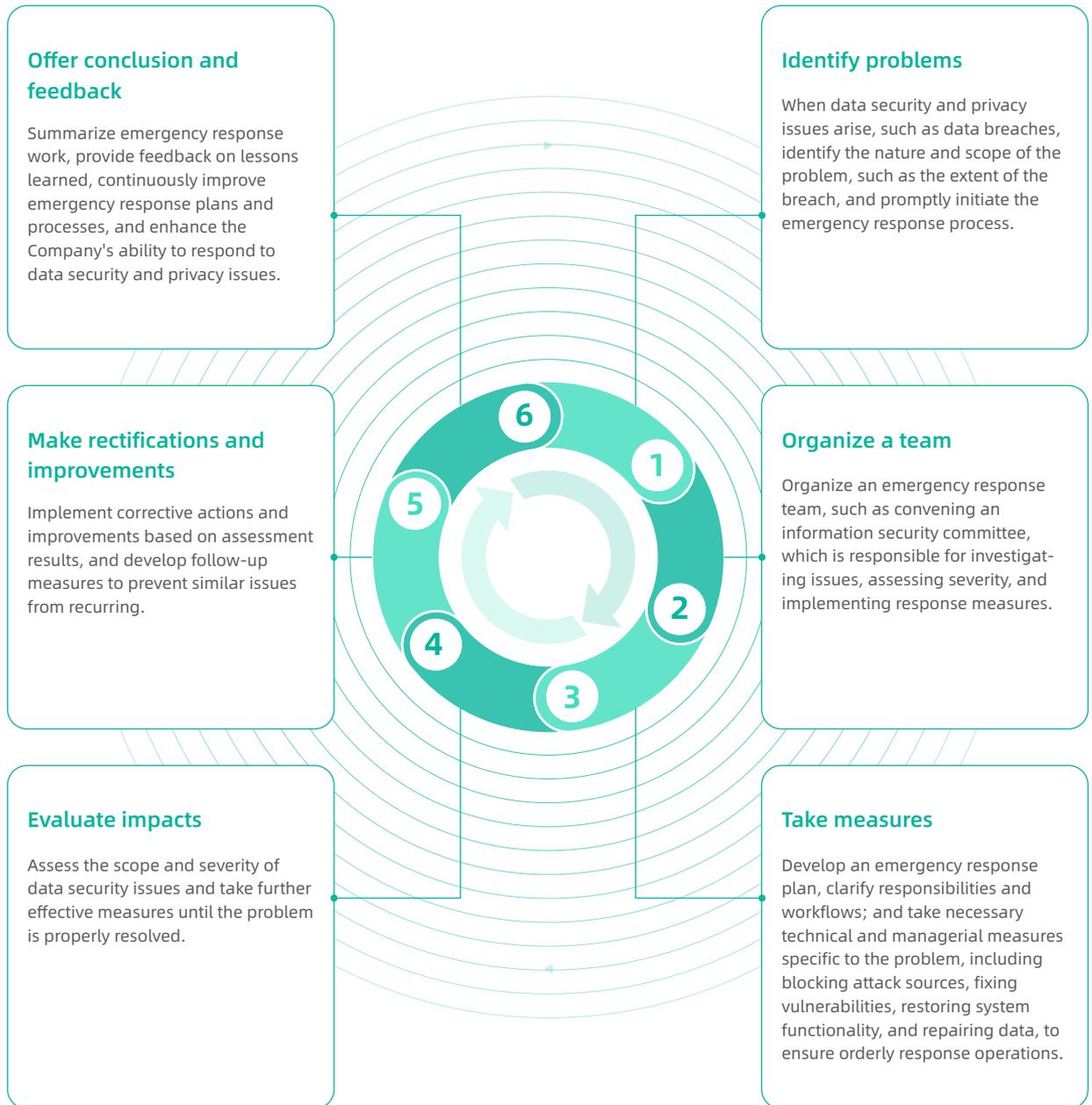


Information Security Audit Measures of Chindata Group



## Strengthen Emergency Response Capabilities

Chindata Group boasts a comprehensive process for responding to information security incidents, ensuring timely response and effective resolution of potential information security incidents such as system irregularities, infrastructure anomalies, cyber attacks, and physical security instability. This is achieved through seamless coordination, orderly time analysis mechanisms, and closed-loop management protocols.



Chindata Group's Closed-Loop Response Process for Information Security Incidents

## Deepen Information Security Principles

Chindata Group attaches significant importance to ingraining information security principles. The Group provides security awareness training to its employees and promotes relevant concepts on a regular basis to customers and value chain partners, fostering a data security culture that involves everyone. The Group incorporates data security and privacy training as a mandatory course in the onboarding training for new employees. The Group also provides online resources and regular training to all employees, thereby reinforcing their awareness of data security and privacy protection and enhancing their ability to recognize and address information security risks.

## Protect Stable Operation of Computing Power from Three Dimensions

During the provision of data center operation services to customers, Chindata Group achieves thorough network segregation between the Group and customer service areas, eliminating any potential detriment to customer information security from the source. At the same time, the Group continuously optimizes the maturity of digital security, fortifies its own digital security measures, and safeguards customer digital assets effectively from three dimensions: information, network, and physical environment.



### Key Performance

In 2022, leveraging a stable anti-leakage mechanism and robust anti-leakage system, Chindata Group's data leakage prevention system effectively thwarted 6,011 instances of sensitive data being transmitted externally

**6,011**

The number of data breach incidents is

**0**

## Empower Information Security Management from Multiple Dimensions

"Managing information with technology" is an essential capability for Chindata Group as a digital technology company. The Group fortifies its information security management by creating and implementing an array of digital systems, encompassing online platforms, visitor management systems, network segregation, and data storage backup systems, all harnessed through precise and efficient technologies.

### Implement the Enterprise Service Bus (ESB) system.

- Systematically manage and monitor data interfaces between various business systems, and provide a range of security access controls in areas such as authentication, authorization, encryption, data compression, and error handling, to achieve more reliable and secure applications and services.



### Implement an application data storage backup system.

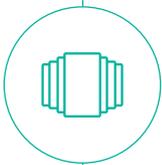
- Develop a *Data Backup and Recovery Management Method* that combines full backups and incremental backups to ensure data security for business systems.
- Conduct quarterly backup data recovery drills for each business system to mitigate the risk of data loss.



Preventing information leakage is a crucial aspect of ensuring information security. The Group's departments categorize and manage data across four tiers: confidential, restricted, internal, and public. They provide information on data classification types, identification methods, application scenarios, and confidentiality levels. The IT Department maintains and updates the corresponding data classification and data leakage prevention rules in the data leakage prevention system, thereby activating vigilant monitoring. Additionally, the data leakage prevention client, installed on employees' computers, enables real-time monitoring and imposes stringent controls on document uploads, sharing, and downloads. These controls include key management, download limits, watermark control, and expiration dates. Employees are unable to transmit documents containing the utmost level of confidential data, which effectively curtails the risk of data leakage.

## Support for Network Security Operations through Institutions

To create a secure and stable operating environment, ensure the smooth operation of network systems, and effectively prevent virus intrusion, Chindata Group implements gateway isolation between internal office areas and service areas within each industrial park. The Group also enforces segregation between internal and external employee logins and establishes internal network connectivity among different industrial parks. Furthermore, the Group has developed *Network Security Management Regulations* and *Network Management Regulations* that cover the entire Group, systematically mitigating network security risks.



### ***Network Security Management Regulations***

- The Group implements firewall isolation for the outside network, with continuous monitoring of firewall devices.
- Regular updates of hardware firewall versions are conducted to address evolving attacks and virus intrusions. Immediate upgrades are implemented upon the detection of high-risk vulnerabilities, while cumulative security updates are applied to address general security vulnerabilities.
- Review network monitoring logs on a weekly basis to analyze network attack incidents and attack types. In the event of identifying network security risks, report to the Senior Manager of Information Infrastructure for appropriate handling.



### ***Network Management Regulations***

- The Group harnesses and capitalizes on the strengths of its network resources, guaranteeing the normal, secure, and reliable operation of the network system, standardizing network construction, and establishing an information network system to foster a harmonious network-powered office environment.

## Protect Physical Environment Security through Two Channels

Data center assets are exposed to not only the threat of network intrusion but also face substantial risks arising from physical intrusions. In terms of stable operation, Chindata Group has installed integrated power modules, which use efficient UPS (uninterruptible power supply) or HVDC (high-voltage direct current) power supply modes, to support direct supply of municipal electricity at the end and use redundant power sources as backup, to improve power stability. Besides, since its inception, Chindata Group has been mindful of the development trends of security and the potential threats. From the dimensions of security and visitor authorization, the Group safeguards the secure and stable operating environment of the data center.

### ● Park Security

The Group has devised *Chindata Group's Park Security Management System* to standardize and regulate park security management. Adhering to the principles of physical security, this system guarantees smooth and organized security operations within the park. The Group's Property Management Department verifies the identities of visitors, conducts security checks, and performs exit checks to ensure the physical security of the data center. The Group appoints security officers responsible for formulating and revising management systems for physical security, as well as emergency response plans for the park, and conducts regular training sessions and drills.

### ● Visitor Authorization

In 2022, in accordance with the ISO 27701 Privacy Management System certification, the Group's visitor system underwent iterative upgrades in park security and personal information security. These upgrades have enabled comprehensive standardized management and preventing unauthorized access to the park and minimizing security risks to the park and computer rooms. In addition, visitors are fully informed about the use of their personal data and can clearly understand the Group's purpose behind collecting their information. The Group added explanations of personal information used in the visitor system. To comply with the requirements on the system page, employees submitting reservation applications are required to send personal information usage instructions and park safety notices to the visitors awaiting entry. After the authorized date has passed, the visitor system will automatically perform scheduled tasks to mask visitor personal information. After information masking, the visitor's personal information will be rendered inaccessible and irretrievable.

# Explore Cutting-Edge Technology

Chindata Group staunchly upholds that technological innovation serves as the linchpin for efficient operation and green development, ceaselessly venturing into the field of cutting-edge technology. Harnessing the advantages of the big data industry, the Group continues to bolster its R&D investments, enhance its independent R&D capabilities in pivotal areas, and carry out core technology research and development cooperation domestically and abroad. This approach injects a continuous stream of vitality into cultivating its distinctive competitive edges, empowering industry advancement, and providing digital infrastructure support for the digital upgrade and transformation.



## Key Performance

In 2022, Chindata Group continued to increase its investment in technology R&D, reaching approximately

**83.5** million yuan

representing an 10.8% increase compared to the previous year

**10.8%**

## Technological Innovation

Chindata Group places great emphasis on the safeguarding of intellectual property rights, adhering to laws and regulations such as the *Copyright Law*, the *Patent Law*, the *Trademark Law*, and the *Measures for the Registration of Computer Software Copyrights*. The Group has established a robust intellectual property management system, ensuring the protection of innovative achievements at their very origin and enhancing the quality of patents. Furthermore, the Group has promulgated *Chindata Group's Intellectual Property Incentive Measures*, aiming to elevate the competitive edge of its intellectual property, mitigate risks associated with intellectual property, foster a culture of intellectual property within the organization, and encourage employees to engage in technological innovation and intellectual property endeavors.

For consecutive years, the Group has maintained an advantageous position in terms of the patent quantity within the industry, having patents in various domains such as big data, cloud computing, computer graphics interfaces, mechanical equipment, power distribution systems, renewable energy data centers, and architecture. Looking ahead, the Group will continue to strategically expand its presence in patent development both domestically and internationally. It will refine its hierarchical classification management system for patents, safeguard the legal rights and interests of the Group's trademark and brand, and implement patent achievements while avoiding any potential patent infringements and litigation disputes.



### Key Performance

By the end of 2022, the Group has accumulated or applied a total of 423 patents

**423**

with a year-on-year growth of

**51%**

## Industry Guidance

As a trailblazer in the industry, Chindata Group consistently strengthens exchanges with peers, explores industry development trends, actively participates in various industry organizations, and continuously showcases its professional capabilities. It fully demonstrates its exceptional technical prowess, contributing its own strength to promote the industry's standardized, orderly, and thriving development. Leveraging its technological advantages and extensive computing power scenarios, the Group explores industry-specific energy technology standards with enhanced applicability. Simultaneously, it actively contributes to the compilation of whitepapers such as *Intelligent Heat Pipe Variable Frequency Fluorine Pump Technology in Data Centers*, *Highly Efficient Integration Technology for Data Center Cooling Systems*, and *Handbook of Green New Data Center Technologies*. Through these efforts, the Group shares its industry-guiding concepts and resources, empowering clients and companies across the cloud computing, high-end equipment manufacturing, AI, and internet industries, as well as the entire industrial chain.

### Chindata Group's Involvement in Standard Development

Standard Name	Standard Type
Overall Technical Requirements for Internet Data Centers (IDC)	National Standard
Requirements for the Capabilities of Data Center Infrastructure Operation and Maintenance Personnel	Industrial Standard
Series of Standards for Sustainable Development of Computing Infrastructure	Industrial Standard
Intelligent Operation and Management of Data Center Infrastructure	Associational Standard
Capability Requirements and Evaluation Methods for the Empowerment of Data Center Computing	Associational Standard
Accounting and Reporting Requirements for Greenhouse Gas Emissions in Data Centers	Associational Standard
Technical Requirements for the Assessment of Data Center Intelligent Construction Capabilities	Associational Standard

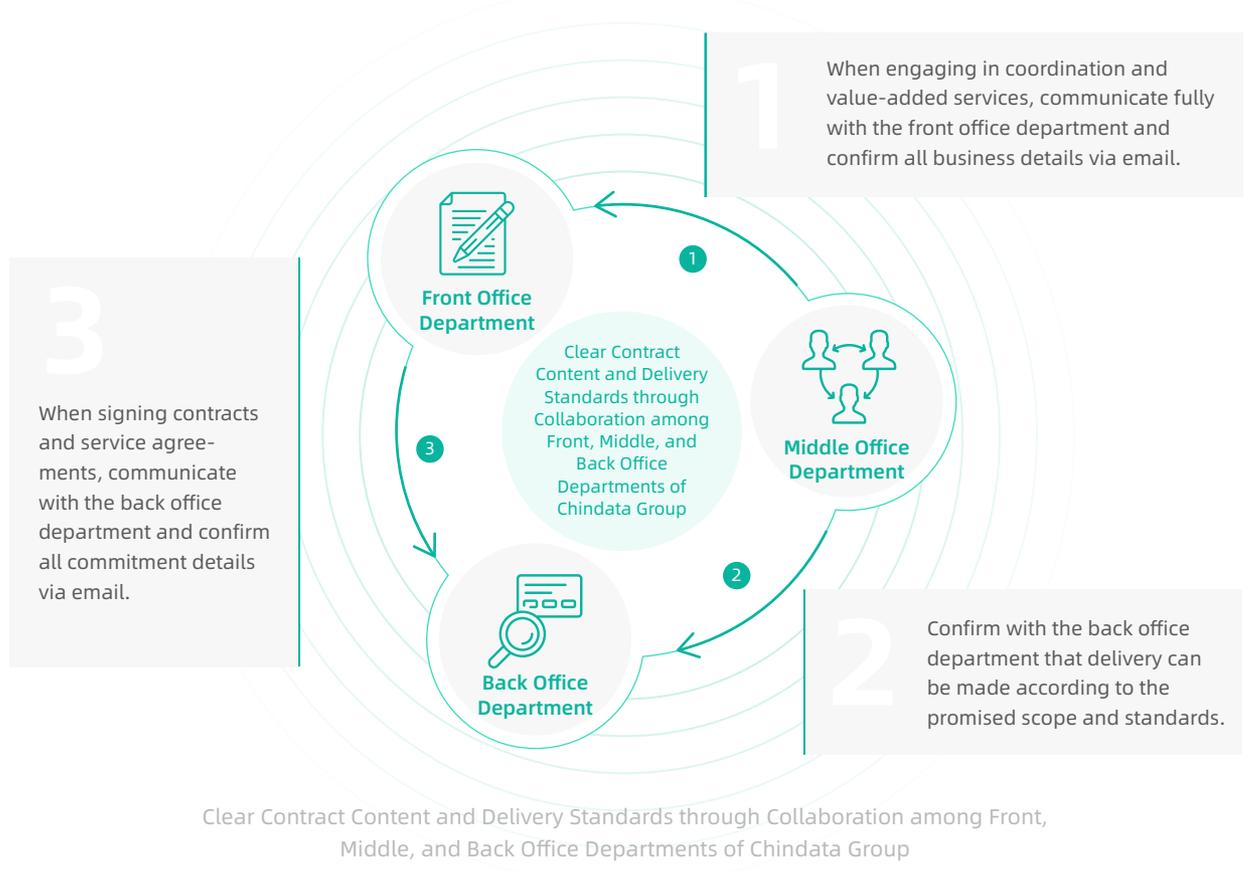


# Service Computing Power Demand

Chindata Group always adheres to the concept of "customer first" and has won the favor of customers by providing rich experience in computing power services, secure and reliable customized solutions, efficient delivery, and high-standard after-sales support, all aimed at facilitating rapid business development for our customers.

## Responsible Marketing

Chindata Group has a strong sense of social responsibility in its business activities. The Group actively expands marketing and cooperation channels, and forges connections with operators, industry peers, and diverse partners. In terms of pre-sales and solution support, we deeply understand our customers' business and future infrastructure support needs, providing customized services to meet their requirements. Through collaboration across the front, middle, and back offices, we ensure that the scope, functions, and identification of IDC services are clearly defined in the service level agreements (SLAs) and their attachments, ensuring that customers enjoy their rights in accordance with the law.



## Customer Satisfaction

To continuously improve customer satisfaction and strengthen cooperative trust, Chindata Group has set the goal of "sustained, healthy, and stable development of core clientele." This goal is pursued through a dual focus on deepening the value of core clients and bolstering service support capabilities across six dimensions.



### Key Performance

By 2022, the rate of customer complaints due to human factors was

0

Customer service satisfaction reached

100%



### In the field of "deepening the value of core clients"

Identifying customer pain points in a timely manner, exploring the potential for expansion of projects of our existing clients, developing upstream and downstream business cooperation in the industry chain based on existing projects, and matching corresponding ecological resources to create win-win cooperation projects.

- Expanding business scale
- Uncovering customer potential
- Leveraging ecological synergy



### In the domain of "bolstering service support capabilities"

Aiming to establish robust cross-departmental communication mechanisms and service systems, as well as assessment frameworks, for major clients and commercial retail clients. This entails actively monitoring customer needs and concerns, mobilizing internal resources to address them, and providing timely feedback to enhance overall customer satisfaction. To foster strong client relationships, the Group regularly organizes executive-level exchanges, business presentations, technical forums, and engaging events centered on the theme of "Exploring the Charm of Chindata Group" parks etc. Additionally, Chinadata Group establishes and refines a comprehensive monthly report and operational analysis mechanism, which enables us to analyze data and information from various dimensions such as resources, operations, risk alerts, and customer dynamics. This empowers the business development through data-driven insights.

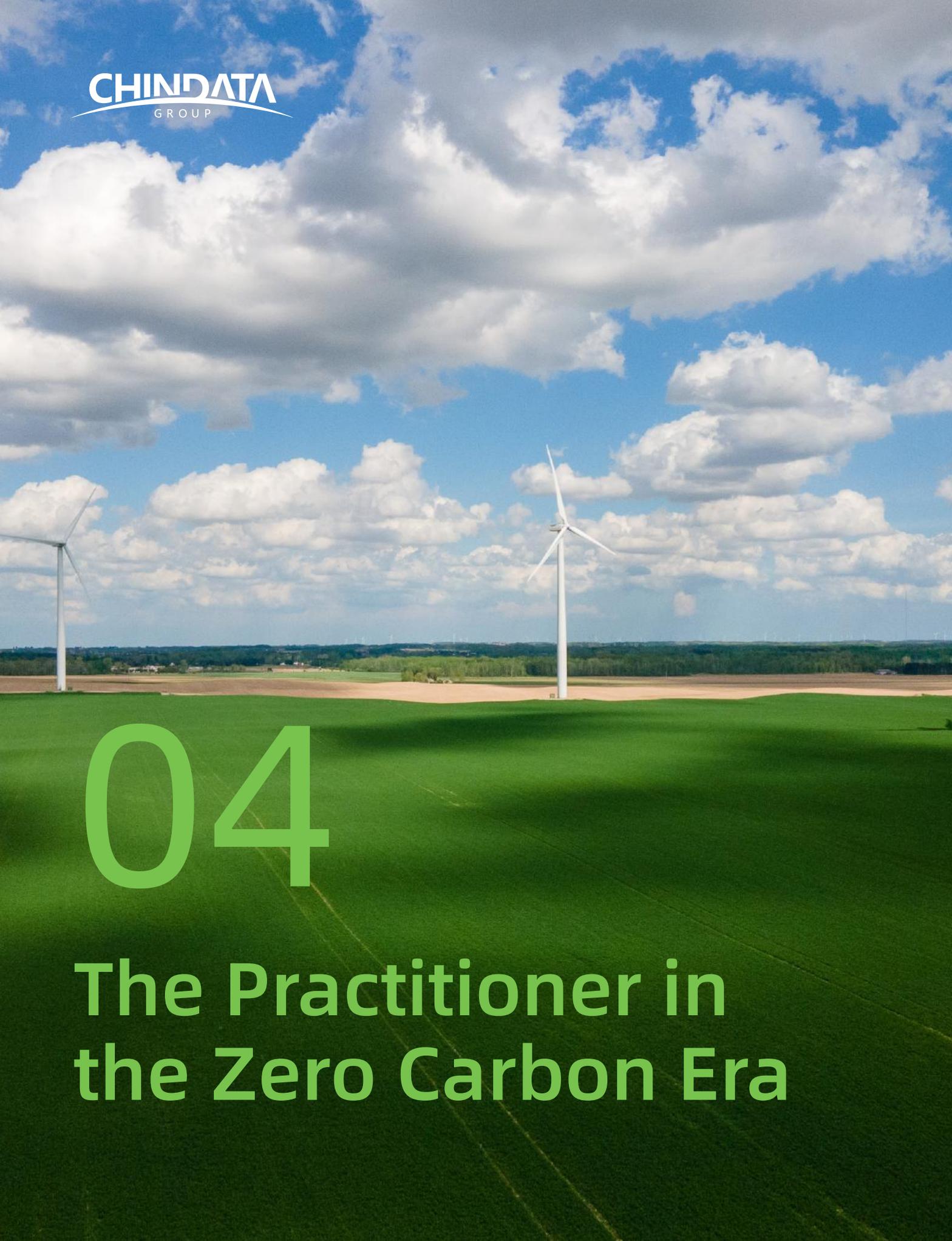
- Ensuring service quality
- Deepening client relationships
- Enhancing operational analysis capabilities

Furthermore, in order to respond to customer needs in a timely manner, the Group has established a dedicated service response department, aiming to swiftly address issues related to service quality, complaints, and customer feedback, ultimately enhancing customer satisfaction.



#### Focusing on maintaining relationships with existing clients

In 2022, Chindata Group remained committed to a "customer-first" service philosophy. During serving and communicating with significant existing clients in China, various departments of Chindata Group collaborated closely, focusing on improving service quality and maintaining client relationships. This efficient approach successfully met the client's business needs. When serving overseas clients, customized and integrated service solutions received comprehensive recognition, leading to the signing of contracts for multiple projects and the recognition of long-term expansion potential for some additional projects. Through exceptional service capabilities, the Group empowered overseas digital infrastructure development.



04

The Practitioner in  
the Zero Carbon Era



SDGs in this chapter:



Material sustainable topics in this chapter:

- Energy replacement and consumption management
- Climate change response and carbon emissions management

Chindata Group actively responds to the "East Data West Computation" project's call for "adhering to green development in data centers." The Group has taken the lead in proposing and implementing the strategic concept of "Zero Carbon Computing," demonstrating our commitment to green development in the industry. Through meticulous efforts, the Group efficiently converts electricity into computing power and leverages the Group's technological expertise to promote green computing technologies globally. By supporting sustainable development and regional coordination goals, the Group strives to become a practitioner in the zero-carbon era.

# Create Eco-friendly Projects

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Chindata Group adheres to the principle of "Zero Carbonism" and integrates green and environmental concepts throughout the entire lifecycle of data centers, from site selection, planning, design, and construction, to operation. During design and site selection, the Group strives to achieve harmony with nature. The Group continuously innovates green construction technologies and improves EHS management, aiming to create data centers that meet customer expectations and are environmentally friendly.

## Principles of Eco-friendly Site Selection

As the Group builds digital granary to contribute its computing power to the entire world, site selection is considered a crucial factor. In addition to safety factors such as seismic zones and the frequency and probability of natural disasters, the Group takes into account environmental factors such as climate. The Group selects sites in cool climate regions that allow for efficient utilization of natural cooling sources, reducing operational costs and avoiding irreversible environmental impacts. At the same time, the Group fully considers the availability of power resources to ensure a stable electricity supply, thereby guaranteeing the secure, stable, and reliable operation of servers and network equipment.

### ■ Principle of "Three-in-One" Site Selection

In site planning, the Group adheres to the "Three-in-One" principle of integrating the "energy flow," "business flow," and "data flow," seeking the optimal solution among multiple factors such as energy distribution, proximity to users, and network connectivity. Priority is given to locating data centers in areas rich in renewable energy and with a high proportion of "wind power curtailment," making data centers more eco-friendly. Data centers are also deployed in regions with high demand for data processing, reducing energy loss during data transmission.

## ■ Principle of Minimizing Negative Environmental Impacts in Site Selection

Chindata Group consistently prioritizes ecological preservation, resource conservation, and environmental friendliness. The Group strictly complies with international and national regulations such as the *United Nations Convention on Biological Diversity*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Regulations on Environmental Protection Management for Construction Projects*, and the *Data Center Design Specification (GB 50174-2017)*. Environmental impact assessments and approvals are conducted before the commencement of construction projects. The Group avoids negative impacts on environmentally sensitive areas such as nature reserves and scenic spots. The Group implements measures for ecological protection, environmental pollution prevention and control, and ecological compensation to protect the natural resources and ecological environment of the data center and its surroundings, minimizing negative impacts. The Group follows standardized processes for data collection, on-site investigations, and field surveys to ensure the effective implementation of the above site selection strategies.



### Chindata Group's Co-building Energy-saving and Low-carbon Computing Power Hubs

In participating in the national computing power network's hubs, Chindata Group focuses on characteristics such as "green, intensive, and secure" to serve the computing power demand in the region. During the construction of the hub in Qingyang City, Gansu Province, Chindata Group fully utilized the natural attributes of renewable and clean energy sources such as wind, solar, and natural gas abundant in Gansu. The Group is committed to achieving the ultimate goal of "zero carbon" in computing power infrastructure in a large-scale cluster with a total IT capacity of 150MW through the development of "Generation-Grid-Load-Storage" integration for renewable energy.

## Eco-friendly Building Design

Chindata Group has rich technical expertise and experience in green design for data centers. The Group innovates holistic solutions for data centers, optimizes green construction processes, and empowers green construction with relatively high infrastructure construction standards, low energy consumption, high efficiency, and green, low-carbon technological capabilities. The Group promotes the transformation of data center construction from quantitative to qualitative improvements in environmental quality.

## Eco-friendly Assembly Technology

The Group combines the concept of green design with the international *Uptime Tier IV-ready Standard* (the current industry standard for data center reliability and resilience) and the *National Standard of the People's Republic of China (GB-50174): Data Center Design Specification*. This ensures that the design goals of the data center are achieved with technological advancement, economic feasibility, safety applicability, energy efficiency, and environmental friendliness. In terms of architectural design, the Group has delved deep into the R&D of multi-functional modular factory prefabrication and modular assembly methods. The aim is to reduce the complexity of product packaging and construction, minimize energy consumption, overall costs, and carbon emissions during transportation, and enhance the stability and security of data center operations.



### Large Flat Model

The Group launched the groundbreaking "Large Flat Model," a solution of prefabricated framework for data centers, with complete physical isolation of power distribution, cooling equipment, and pipelines within independent areas. From construction and power distribution to HVAC and IT, the "prefabrication production + modular assembly" approach ensures the high-quality construction of data centers, significantly shortening construction time and reducing costs. It also minimizes pollution and emissions from on-site construction. In the future, the Group will further enhance energy and cooling efficiency to meet the requirements of low-carbon economic development.



### Double-layer Model

The "Double-layer Model" features a two-story architectural structure, with the data center located on the second floor and the power distribution room on the first floor. This physical separation ensures maximum independence and security for the data center.



### Multi-layer Model

The Group has developed the high-rise data center in China by utilizing multi-level layout and modular configuration of power and air conditioning units. This enables the rapid deployment and delivery of the next-generation, large-scale data centers, promoting centralized and standardized development.



### Container Model

By integrating the building, wind, fire, water, and electrical products into shipping containers, the Group can deploy data centers rapidly through on-site lifting and assembly. This approach saves space and construction time, reduces the impact on surrounding buildings, and protects land resources and the natural environment.

## Eco-friendly Construction

Chindata Group incorporates eco-friendly concepts into data center construction and building. The Group prioritizes the procurement of environmentally friendly materials, innovates and optimizes green construction techniques, accelerates prefabricated modular construction, improves constraint mechanisms, and establishes a green and rule-abiding construction management system. This promotes resource conservation and environmental protection in the construction of data centers.

### ■ Selection of Environmentally Friendly Materials

In terms of selecting building materials, Chindata Group prioritizes comprehensive considerations of data center operations, such as heat dissipation and ventilation. While ensuring durability and safety, the Group gives priority to using recyclable materials, reusable materials, and building materials made from waste materials. For example, when selecting materials for exterior walls, the Group not only focuses on their insulation performance but also prefers lightweight and low-carbon materials. Instead of traditional steel and cement materials commonly used in construction, the Group prioritizes the use of metal alloy materials that can be recycled. In addition, the Group gives priority to using energy-efficient, environmentally friendly, detachable, and recyclable components and materials that are factory prefabricated and assembled on-site. The Group also prefers materials that have obtained environmental certifications and the green building material evaluation label, which is in line with the Group's sustainable development.

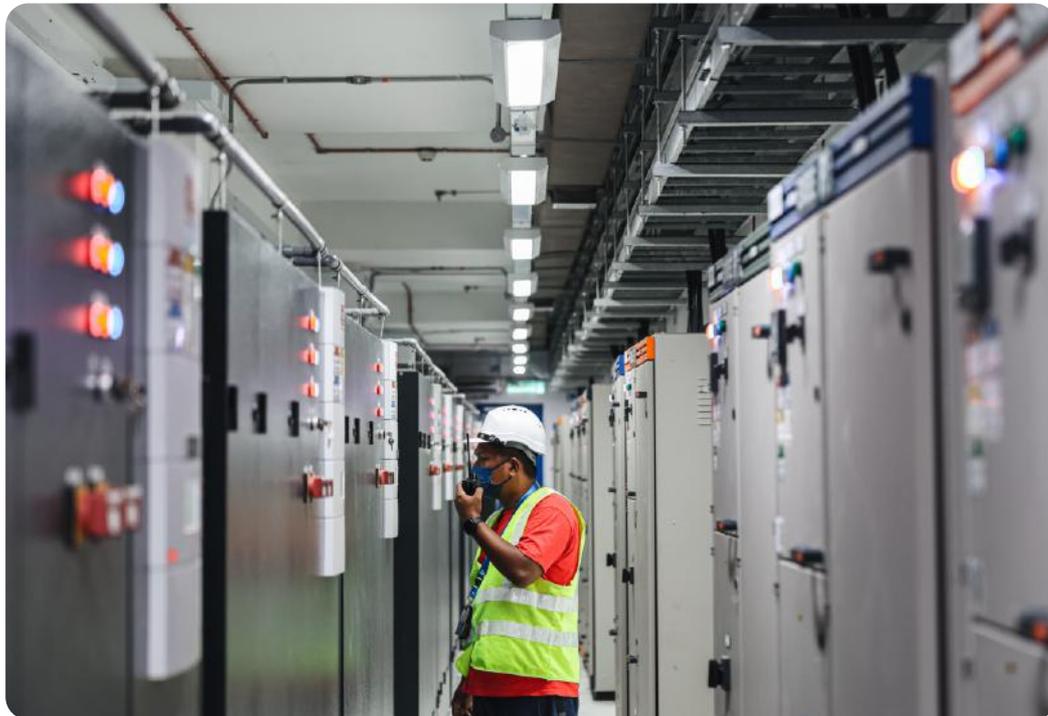
### ■ Prefabricated Modular Construction

In expanding our full-stack, large-scale data center solutions, Chindata Group explores modular and prefabricated construction technologies such as "steel structure multi-story buildings + indoor prefabricated modules + outdoor fully prefabricated containers." The Group strives to gain multiple competitive advantages, including green and low-carbon features, cost savings, and rapid delivery. By replacing on-site construction, which is often featured by experience, with standardized assembly lines in factories, the Group achieves transparent and precise material control. This reduces on-site civil construction, assembly, welding, wiring, debugging, testing, and other work, thereby significantly reducing potential environmental pollution, noise pollution, and potential hazards. It also effectively saves material usage, controls costs, and improves engineering quality.



## A project in Malaysia adopts container data center solution

Chindata Group built a large-scale container-based prefabricated data center in the first phase of a mega-scale data center project located in Johor, Malaysia. This marked the first success of delivering a fully assembled container-based data center on a super large scale. In the entire project, 326 container modules designed and developed by Chindata Group's Chinese team were used. These modules integrated structural, interior, mechanical, electrical, fire protection, and management systems. They included container IT buildings, container AHU cooling equipment, container power cabins, and container diesel generators. All containers were prefabricated, factory-integrated, and tested in China before being delivered to Malaysia. Within the 11-month delivery period, the local civil foundation and module assembly in Malaysia took only 6 months, achieving rapid delivery. The project not only took 40% less time of construction time than traditional data centers but also avoided large-scale civil construction, reducing negative environmental impacts.



## Eco-friendly and Rule-abiding Construction

Chindata Group strictly adheres to national laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessments*, the *Regulations on Environmental Protection Management of Construction Projects*, and the *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*. The Group has established a sound, eco-friendly, and rule-based construction management system and successively released management systems such as *EHS Management Plan*, *Waste Management Plan*, *Indoor Air Quality Management Plan*, *Civilized Construction*, and *Work Permit Procedures*. These measures enhance our capabilities in eco-friendly and rule-based construction and take multiple measures to protect the operational environment of the data center.

### Waste Disposal

During construction, the Group incorporates the concept of carbon reduction through "minimizing resource consumption and maximizing resource recycling." The Group continuously optimizes the waste management mechanisms in construction. *EHS Management Plan* requires contractors to develop waste management plans and submit them for review by the project management team, making clear the identification, management, and disposal processes for hazardous waste, flammable waste, non-hazardous waste, and liquid waste. Furthermore, the Group has developed *Waste Management Plan* to limit materials and packaging used in construction to only those necessary for the project. This helps reduce the total amount of construction waste generated, realizes more reuse of materials, and minimizes landfill waste.



#### Before construction

The Group identifies the types of materials used and anticipates whether they can be recycled or reused, so that the Group can implement different disposal measures accordingly.



#### During construction

The Group strictly adheres to regional disposal regulations and requirements, designating construction waste recyclers to handle specific materials.



#### Waste Management record

The Group closely monitors, tracks, and maintains records of waste management. Information of waste categories and quantities is regularly updated in the "Waste Management" records, which facilitates systematic monitoring of disposal progress.

## Air Pollution Prevention and Control

The Group strictly adheres to the *Law of the People's Republic of China on Air Pollution Prevention and Control* and relevant regulations formulated by local governments. The Group enhances the identification and control measures for air pollution sources in *Indoor Air Quality Management Plan* and *EHS Management Plan*. This ensures that volatile organic compounds (VOCs), combustion by-products, and suspended particles generated during the construction process are within the national emission limits, reducing the harm of air pollutants to human health.



### In-door air pollution control

To prevent pollution from the very source, the Group prioritizes the use of environmentally friendly products as substitutes for those that may emit VOCs (Volatile Organic Compounds), dust, and odors. During construction, the Group employs various measures to minimize and control air pollution, such as covering the work areas, planning construction schedules thoughtfully, implementing hourly ventilation, and ensuring continuous ventilation for 72 hours after installation completion. These efforts aim to mitigate any lingering indoor air quality issues that may arise after construction.



### Air quality of construction sites

The Group requires contractors to develop an action plan for dust pollution control that includes the use of low-energy and low-emission equipment. Measures such as installing windbreak panels, dust collection bags, and implementing water spraying or cleaning operations are taken to minimize dust emissions. Regular inspections of the construction site are conducted, and in the event of severe air pollution, prompt remedial actions are demanded. If necessary actions are not taken in a timely manner, construction activities may be temporarily suspended to prevent the persistence of negative impacts.

## Noise Management

The Group strictly adheres to laws and regulations such as the *Law of the People's Republic of China on Environmental Noise Pollution Prevention and Control*. In *Contractor Environmental Health and Safety Guidelines*, specific measures for noise management are outlined. Contractors are required to reduce the exposure of construction personnel by implementing engineering controls, limiting contact, and providing hearing protection measures. Warning signs must be placed in areas where noise is present, and it is mandatory for construction personnel to wear hearing protection devices while operating in such areas to safeguard their hearing from any potential damage. For any noise that exceeds the statutory standards, it is imperative for contractors to promptly notify Chindata Group to ensure the protection of the rights and interests of construction personnel. During construction, contractors are required to maintain noise levels below the national standards, avoiding any noise disturbances to nearby residents outside of regular working hours, thus creating a tranquil environment for them.

# Eco-friendly Operations

As a data center enterprise with strategic foresight and a visionary outlook, Chindata Group adheres to the principles of "Zero Carbonism" and the belief in "converting green energy into computing power in the most efficient manner." The Group diligently cultivates and refines its practices in green and low-carbon development. Leveraging the "Panshi" modular data center architecture, X-Power intelligent power modules, X-Cooling waterless cooling, and X-Cooling liquid cooling, Chindata Group drives a rich portfolio of operational practices through technologies, continuously reducing costs and enhancing operational efficiency to maintain lasting competitiveness.

Year	Award	Data Center
2019	Data Center Green Rating (Operational Class): AAAAA	Phase 1 of Guanting Lake New Media Big Data Industrial Base
2019	Beijing Green Data Center	Chindata Group's Wangjing Data Center
2020	National Green Data Center	Around the Capital - Taihang Mountain Energy Information Technology Industrial Base
2021	Data Center Green Rating (Operational Class): AAAAA	Phase 1 of Around the Capital - Taihang Mountain Energy Information Technology Industrial Base
2021	<ul style="list-style-type: none"> <li>• Evaluation of the Low Carbon Level of Data Centers</li> <li>• Pioneer in Carbon Neutral Data Centers</li> </ul>	Phase 1 of Around the Capital - Taihang Mountain Energy Information Technology Industrial Base
2022	<ul style="list-style-type: none"> <li>• Evaluation of the Low Carbon Level of Data Centers</li> <li>• Pioneer in Carbon Neutral Data Centers</li> </ul>	Phase 1 of Guanting Lake New Media Big Data Industrial Base
2023	National Green Data Center	Phase 1 of Guanting Lake New Media Big Data Industrial Base

## Enhance Environmental Management Capability

Chindata Group, with its ultimate goal being "carbon neutrality," establishes a robust environmental management system and regulatory framework. By harnessing clean technologies and fostering innovative research and development, the Group empowers the enhancement of its environmental management capabilities. Through efficient and precise environmental management, Chindata Group strives to unlock new momentum for green development.

### ■ Environmental Management System

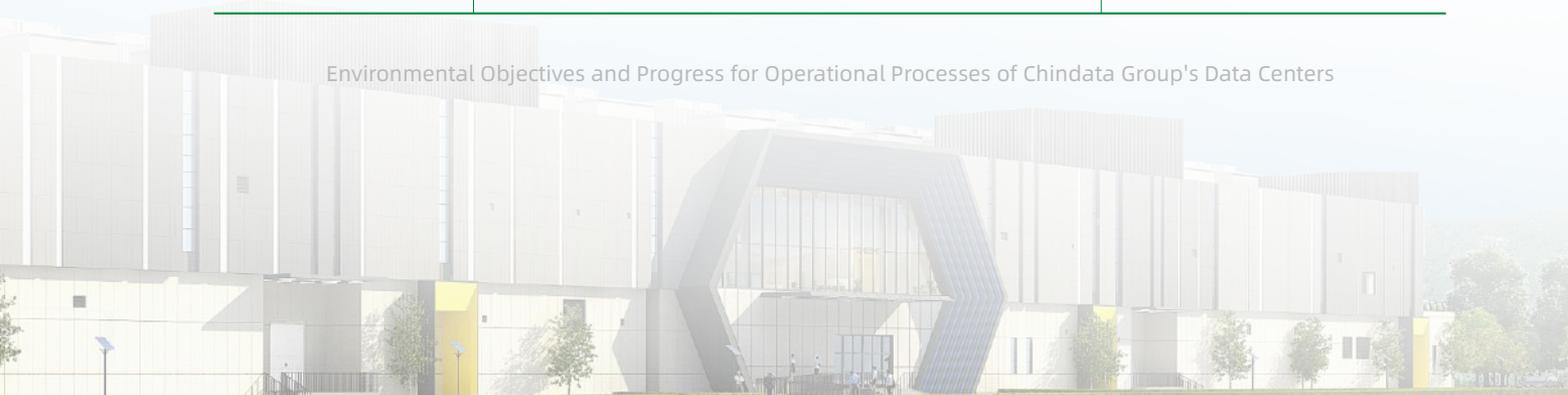
Chindata Group places great emphasis on the environmental impact of its operations. It strictly adheres to the requirements of ISO 14001:2015 the environmental management system certification and incorporates the guidelines of the *National Green Data Center Evaluation Index System* and *Green-development Grading for Data Centers (for Operations)*. Taking into account the operation of data centers, the Group has formulated various internal environmental management policies, including *Data Center Energy Efficiency Management Regulations* and *Data Center Water Conservation Management Regulations*, aiming for green management throughout the entire lifecycle of data centers. Under the umbrella of the Group, each data center regularly submits monthly reports on cooling systems, power systems, and electricity, continuously optimizing operational processes to achieve superior environmental performance while ensuring business stability.

With a focus on "efficiency, energy, development, and computing power," the Group identifies the key links for practicing energy-saving and low-carbon concepts as "PUE (Power Usage Effectiveness) - WUE (Water Usage Effectiveness) - CUE (Carbon Use Effectiveness)." It sets clear environmental management goals for operational processes, promotes governance practices and operational plans with ESG implications within the Group, and provides regular updates on the latest progress towards environmental objectives, thus achieving the eco-friendly upgrade of data centers.



	Objectives for Environmental Protection	Progress in 2022
 <p><b>PUE (Power Usage Effectiveness)</b></p>	<ul style="list-style-type: none"> <li>By intensifying R&amp;D in environmental protection, the Group always seeks new breakthroughs in areas such as power supply, cooling, and monitoring technologies in data centers. The aim is to achieve an average long-term PUE of 1.21 or lower.</li> </ul>	<ul style="list-style-type: none"> <li>The Group's data centers in China maintained a PUE of 1.21, achieving a significantly lower PUE than the average of international data center of 1.55.</li> </ul>
 <p><b>WUE (Water Usage Effectiveness)</b></p>	<ul style="list-style-type: none"> <li>Over a long period, the Group is committed to enhancing water-saving cooling solutions through technological innovation, such as waterless cooling and heat recovery. The goal is to gradually reduce overall water consumption and ultimately achieve a WUE of 0.</li> </ul>	<ul style="list-style-type: none"> <li>"X-Cooling" Waterless Cooling Technology with a WUE of 0</li> </ul>
 <p><b>Greenhouse Gas Emissions</b></p>	<ul style="list-style-type: none"> <li>A clear roadmap for carbon neutrality is established for the next-generation hyper-scale computing centers in the central industry bank. The aim is to achieve the carbon reduction goal before 2060 and to position the Group as a benchmark for zero-carbon computing power.</li> </ul>	<ul style="list-style-type: none"> <li>The Group clearly defined the carbon reduction path, focused on carbon reduction technologies and technological upgrades to improve energy efficiency, and continued to use clean energy.</li> </ul>
 <p><b>Comprehensive Utilization of Renewable Energy</b></p>	<ul style="list-style-type: none"> <li>By 2030, all domestic next-generation hyper-scale data centers within the Group will rely 100% on renewable energy sources.</li> <li>By 2040, all of the Group's data centers worldwide will exclusively harness renewable energy sources to power their computing capabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 769 million kilowatt-hours of green electricity were obtained through trading.</li> </ul>

Environmental Objectives and Progress for Operational Processes of Chindata Group's Data Centers



## Technological Advancements in Operations and Management

Chindata Group has strategically implemented smart monitoring and smart operation systems, infusing environmental management capabilities with digital and intelligent technological innovations. This has established a standardized, streamlined, digitized, and intelligent paradigm for managing the intricate ecosystem of data centers.

### Smart Monitoring

Through the research and development of X-Monitor smart monitoring system, the operational, functional and monitoring systems are deployed, and the stability of the data center is maintained. Leveraging intelligent control over temperature, equipment parameters, and carbon input, the system undergoes continuous optimization, ultimately achieving the objectives of energy conservation, reduced consumption, and enhanced energy efficiency.



### Smart Operation

The Kunpeng IDC Operation Platform empowers real-time monitoring of system and equipment statuses, facilitating swift data collection from the data center's monitoring infrastructure. This enables the timely detection of system faults or issues. In 2022, the Group expanded the integration, management, and unification of monitoring and real-time data. These advancements significantly diminished operational energy consumption and mitigated the security risks associated with data center operations, thereby effectively supporting the 7\*24 hours uninterrupted, safe, and dependable functioning of data centers, throughout the year.



## Optimize Energy Utilization

Chindata Group strictly adheres to laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, leveraging its technological advantages to improve power supply, cooling, and waste heat recovery techniques, etc. This continuous effort leads to a constant enhancement in energy utilization efficiency. The Group explores innovative approaches such as generation-grid-load-storage, distributed photovoltaics, and green electricity trading to continuously optimize its energy structure, thereby contributing to the goal of zero-carbon computing power.

## Energy Consumption Overview of Chindata Group

Indicators (unit)	2022	2021
Total Electricity Consumption (GWh) <sup>1</sup>	3,032.27	1,796.45
Diesel (MWh)	54,721.50	47,791.96
Gasoline (MWh)	366.55	283.21
Renewable Energy (MWh)	219,732.46	188,128.90

## Enhance Energy Efficiency

In order to better adapt to the changing layout of computing power, ranging from low-density (3-5 KW) to ultra-high density (30 KW and above), and to address the unbalanced distribution of resources, such as hydropower, which restrict the stable operation of the data center, Chindata Group has commenced large-scale commercialization of various cutting-edge technologies developed in-house. These technologies aim to improve the energy utilization efficiency of computing power from the very source.

### Efficient power supply

Developed the "X-Power" module 2.0 to improve the power supply efficiency of the link; optimized equipment integration to save floor space; factory prefabrication, factory inspection, integrated prying blocks, overall transportation and installation to achieve quality control and effectively reduce installation time. Used efficient UPS equipment and efficient modes to achieve up to 99% efficiency, effectively reducing power loss and saving electricity costs.

### Efficient cooling

The Group has conducted research and developed various cooling technologies such as "X-Cooling" composite evaporation cooling, waterless cooling, cold plate liquid cooling, immersion liquid cooling, self-developed AHU (air handling unit), indirect evaporative cooling, and magnetic levitation phase change cooling. These technologies meet the multiple requirements of cooling in water-scarce areas, maximizing the use of natural cooling sources, and reducing water resource consumption.

### Heat recycling

By conducting research, developing and installing heat recovery using water-source heat pump units, the Group recovers heat from the part that would otherwise be dissipated through cooling towers. After raising the water temperature to 60°C, the recovered heat is used for external heating, reducing the consumption of coal or natural gas energy. This approach enables self-sufficiency in winter heating for the headquarters and Lingqiu base.

Enhance Energy Utilization Efficiency through Multiple Technologies

1. Chindata Group put eight new data centers into operation in 2022. As the data center deployment rate is gradually increasing, for the first time, the figure in this Report includes overseas operating locations, meaning that the scope of data statistics has been expanded.

### Environmental Performance of the Cutting-Edge X-Cooling Waterless Technology

<p>"X-Cooling" Composite Evaporative Cooling Technology</p>	<p>Incorporating compound evaporative cooling technology and sub-wet bulb water supply technology.</p>	<ul style="list-style-type: none"> <li>• A <b>20%</b> reduction in wind resistance, resulting in a natural cooling duration of over <b>8,600 hours</b>, extends the cooling period by <b>43%</b> compared to traditional chilled water systems.</li> </ul>
<p>"X-Cooling" Liquid Cooling Plate</p>	<p>By utilizing a temperature-controlled water cooling system and innovative energy-saving systems such as wind walls and in-row cooling, this technology achieves year-round natural cooling.</p>	<ul style="list-style-type: none"> <li>• The annual Power Usage Effectiveness (PUE) can be as low as <b>1.15</b>, resulting in a <b>50%</b> increase in energy utilization efficiency compared to traditional refrigeration systems.</li> </ul>
<p>"X-Cooling" Immersion Liquid Cooling</p>	<p>By implementing a single-phase immersion liquid cooling system, the low-power CDU (Coolant Distribution Unit) exchanges heat with the outdoor natural cooling source, achieving natural cooling.</p>	<ul style="list-style-type: none"> <li>• The Power Usage Effectiveness (PUE) of the data center can be as low as <b>1.09</b>, with an annual average PUE not exceeding <b>1.1</b>.</li> <li>• This technology makes data centers <b>40%</b> more efficient than traditional data center projects.</li> </ul>
<p>"X-Cooling" Self-developed AHU and Indirect Evaporative Cooling</p>	<p>With indirect evaporative cooling technology, the system switches between different operating modes based on varying weather conditions, maximizing the utilization of natural cooling sources.</p>	<ul style="list-style-type: none"> <li>• The annual average PUE can be as low as <b>1.2</b>.</li> <li>• Additionally, the system achieves a water-saving rate of over <b>70%</b>.</li> <li>• The data center's average cost is below <b>\$3 million per ITMW</b>.</li> </ul>
<p>"X-Cooling" Maglev Two-phase Cooling</p>	<p>The Group applied large-scale fluorine magnetic levitation phase change cooling solutions.</p>	<ul style="list-style-type: none"> <li>• Compared to traditional air-cooled machines, the overall system efficiency is improved by over <b>30%</b>, and the annual energy consumption is reduced by approximately <b>16%</b> compared to conventional air-cooled fluorine pump dual-cycle air conditioning.</li> <li>• The system achieves a Power Usage Effectiveness (PUE) as low as <b>1.096</b>, and the Cooling/Power Load Factor (CLF) is reduced to <b>0.096</b>.</li> </ul>



## Complete natural cooling achieved with composite evaporative cooling technology at Lingqiu base

In the Lingqiu phase of Around the Capital-Taihang Mountain Energy Information Technology Industrial Base, the latest artificial intelligence high-density computing project applies X-Cooling high-density data center composite evaporative cooling technology, which meets the requirements of high-power density air-cooled systems. It is expected that mechanical refrigeration will not be required for over 358 days throughout the year, meaning that complete natural cooling is achieved. This technology not only maximizes the utilization of natural climatic conditions but also provides cooling for high-density artificial intelligence computing. It has achieved an annual average PUE as low as 1.167, with energy efficiency approaching the optimal level of liquid cooling and far surpassing traditional chilled water solutions.



## Utilize Renewable Energy

To advance towards the Group's carbon neutrality strategy and achieve the commitment that "by 2040, 100% of the computing power in our global data centers will be powered by green energy," Chindata Group collaborates with multiple parties to explore high-quality renewable energy investment projects and customized renewable energy power solutions. The Group is gradually expanding opportunities for the application of renewable energy sources and increasing the proportion of renewable energy in all energy consumption. The Group is steadily increasing the proportion of clean energy in our operational processes, contributing to addressing climate change.

## Explore Photovoltaic Resource Utilization Models

Chindata Group conducts a resource inventory of all its industrial parks nationwide, analyzing the local policies, grid access, and technical and economic feasibility of self-built distributed photovoltaics, centralized photovoltaics in surrounding areas, and integrated projects of generation-grid-load-storage. In Shanxi province and northern Hebei province, the Group collaborates with power generation groups and other social resources through multiple channels, applying for renewable energy projects and generation-grid-load-storage integration project indicators from multiple aspects, continuously optimizing its energy mix.

As its data centers consume electricity in a large and consistent manner, the Group proposes a solution for hyper-scale data centers integrating generation-grid-load-storage. With large-scale renewable energy wind and solar project bases in place, the high-quality wind and solar complementary system is combined with the self-built 220kV and 110kV substations in the park, making reasonable use of renewable energy generation and grid resources to consume clean energy nearby. Also, the Group plans to build a virtual power plant centered around data centers, integrates adjustable resources in the park, and enhances system regulation capacity. This will optimize the allocation of power supply and load-side energy storage, use peak shaving during high demand periods and valley filling during off-peak hours, and smooth out power generation fluctuations, creating the next-generation "zero-carbon" data center demonstration bases.



### Support the construction of the green digital economy base in Datong, Shanxi Province through concrete actions

Since setting up its base in Datong, Shanxi province, Chindata Group has been leveraging the region's rich natural resources, pleasant climate, and abundant energy. With competitive edges in green energy sources like photovoltaics and wind power, the Group innovatively promotes the "self-use + energy storage + big data center" industrial model, aiming to foster the "renewable energy + data center" industrial cluster and build an innovative, open, collaborative, and agglomerated digital industry ecosystem. The Group is accelerating the planning and construction of large-scale renewable energy projects, and has completed the preparation work such as the feasibility study report, land surveying and exploration, and partial photovoltaic array layout design. After the project is fully connected to the grid, it will generate an average of 200 million kilowatt-hours per year, reducing greenhouse gas emissions by approximately 212,000 tons of carbon dioxide equivalent per year.

## Actively Engage in the Green Electricity Market

Chindata Group closely monitors the national green certificate trading and carbon trading markets, as well as the trends in national green certificate prices. The Group selects more favorable offsetting methods for procurement and actively participates in green electricity trading, continuously increasing the proportion of green electricity in the overall energy consumption. On the power generation side, the Group is expanding low-cost power sources through multiple channels and ensuring sufficient resource reserves. The Group prioritizes cooperation and communication with power generation companies across the country that have abundant green electricity resources. The Group aims to sign long-term framework cooperation agreements at the appropriate time, laying the foundation for future green electricity trading, affordable renewable energy certificate trading, and joint construction projects.

In overseas regions, the Group engages in extensive communication with international organizations such as climate organizations. The Group increases investments and procurement of clean energy in East Asia, Southeast Asia, South Asia, and other regions. By doing so, the Group explores the possibilities of zero-carbon computing power solutions, leveraging corporate strength to contribute to carbon neutrality efforts in Asia-Pacific countries.



### Key Performance

By the end of 2022, Chindata Group had cumulatively acquired green electricity through trading

**769** million KWh

In the entire year 2022, the trading volume of green electricity reached approximately

**220** million KWh



## Comprehensive Water Resource Management

The secure and stable operation of data centers necessitates a substantial amount of water consumption. Chindata Group attaches great importance to the comprehensive management of water resources. The Group strictly adheres to relevant laws and regulations such as the *Water Law of the People's Republic of China* and the *Law of the People's Republic of China on Water Pollution Prevention and Control*. The Group develops innovative water-saving technologies and enhances the management of water extraction, usage, and recycling processes to improve overall water resource utilization efficiency.

### Water Consumption and Reuse of Chindata Group

Indicators (unit)	2022	2021
Water Consumption (tons) <sup>2</sup>	2,402,966.19	1,511,875.72
Water Intensity (tons/million yuan)	527.89	530.48

### "X-Cooling" Waterless Cooling Technology

Chindata Group has developed the "X-Cooling" waterless cooling technology, which utilizes an alternative solution of indirect evaporative cooling for air handling units (AHUs). This groundbreaking technology effectively addresses the layout challenges faced by the industry and data centers in water-deficient regions. It achieves a remarkable zero Water Usage Effectiveness (WUE), an advancing achievement in the data center industry. In collaboration with clients, Chindata Group conducted persuasive scientific tests at the headquarters in Huailai, Zhangjiakou, demonstrating the waterless energy-saving benefits of the "X-Cooling" waterless cooling technology.



2. Chindata Group put eight new data centers into operation in 2022. As the data center deployment rate is gradually increasing, for the first time, the figure in this Report includes overseas operating locations, meaning that the scope of data statistics has been expanded.

## ■ Industry-Leading Wastewater Recycling Solutions

Chindata Group has applied wastewater recycling solutions to minimize wastewater discharge and reduce water resource waste. Through implementing these schemes, the Group achieves a recycling rate of up to 95%, significantly reducing wastewater discharge. While reducing water consumption, the desalinated water produced by the system also improves the water quality of the circulating water system. As a result, the method enhances the efficiency and stability of the system's operation. This results in substantial annual savings of millions of yuan in water costs.

## ■ Install Wastewater Recycling and Rainwater Collection Systems

Chindata Group has installed a wastewater recycling and rainwater collection system at the headquarters in Huailai, Zhangjiakou. As the first on-site water resource discharge and recycling facility of the Group, the system has greatly enhanced the water utilization efficiency of the park, reduced pollutant discharge, and achieved a comprehensive wastewater recycling utilization rate of over 50%. This has reduced the consumption of fresh water and the discharge of wastewater, effectively conserving and utilizing precious freshwater resources. It sets a benchmark for improving water efficiency and achieving green and water-saving operations, with significant social and environmental benefits.

# Climate Commitment and Ambition

As an enterprise achieving the honor of “National New Data Center” and “National Green Data Center”, Chindata Group actively responds to the call in the “Three-Year Action Plan for the Development of New Data Centers (2021-2023)” to establish green and low-carbon new data centers. The Group also aligns with the goals of the *Paris Agreement* which aims to limit the global temperature rise to 2°C and strives to further limit it within 1.5°C. Leveraging advantages in the industry's green and low-carbon transformation, the Group refers to the Task Force on Climate-related Financial Disclosures (TCFD) framework, integrating climate change response into the Group's strategy and major decision-making. The Group continuously improves the climate response strategies and is committed to achieving low-carbon and zero-carbon computing.

In 2022, the Group invited third-party organizations to conduct carbon inventories and data verification of Scope 1 and Scope 2 greenhouse gas emissions, as well as partial Scope 3 emissions, for all operational data centers both domestically and internationally. This was done based on international standards such as *ISO 14604-1:2018 Quantification and Reporting of Greenhouse Gas Emissions and Removals at an Organizational Level*. These efforts lay the foundation for setting carbon reduction targets, planning pathways, implementing energy-saving and emission-reduction actions, and improving energy structures.

## Greenhouse Gas Emissions of Chindata Group<sup>3</sup>

Indicators (unit)	2022	2021
Total Greenhouse Gas Emissions (Scope 1 + Scope 2) (tons of CO <sub>2</sub> equivalent) <sup>4</sup>	1,788,023.13	920,286.06
The intensity of greenhouse gas emissions (Scope 1 + Scope 2) (metric tons of CO <sub>2</sub> equivalent per million yuan) <sup>5</sup>	392.80	322.91
Scope 1 (metric tons of CO <sub>2</sub> equivalent) <sup>6</sup>	37,596.82	13,615.99
Scope 2 (metric tons of CO <sub>2</sub> equivalent) <sup>7</sup>	1,750,426.31	906,670.07
Scope 3 <sup>8</sup>	1,315.91	/
Scope 3 - Purchased Goods and Services <sup>9</sup>	1,261.68	/
Scope 3 - Business Travel <sup>10</sup>	54.23	/

## Carbon Neutrality Goals and Commitments

As the first company in the Chinese internet technology industry to join the RE100, Chindata Group is striving towards the goal of "100% use of green energy in its global self-owned data center computing parks by 2040." Through a comprehensive analysis of climate risks and opportunities throughout the lifecycle of "site selection, planning, design, construction, and operation" and following the method set by the Science Based Targets initiative, Chindata Group has simulated future scenarios to determine greenhouse gas emission trends and established ambitious emission reduction targets consistent with the greenhouse gas emission goals of the *Paris Agreement*.

### The Goal of Renewable Energy Globally in 2040

- By 2030, all new-generation hyper-scale data centers in China will use 100% renewable energy.
- By 2040, all global self-owned data center computing parks will use 100% green energy.

### Greenhouse Gas Emission Reduction Targets

- Based on the 2022 greenhouse gas emissions as a baseline, Chindata Group has set carbon reduction targets for 2050 to limit global warming to the 1.5°C threshold.



3. Chindata Group put eight new data centers into operation in 2022. As the data center deployment rate is gradually increasing, for the first time, the figure in this Report includes overseas operating locations, meaning that the scope of data statistics has been expanded.

4. Total greenhouse gas emissions (Scope 1 + Scope 2) =  $\sum$ Greenhouse Gas Emissions (tons) \* Global Warming Potential (GWP).

5. The intensity of greenhouse gas emissions (Scope 1 + Scope 2) (metric tons of CO<sub>2</sub> equivalent per million yuan) is equal to the total greenhouse gas emissions (Scope 1 + Scope 2) (metric tons of CO<sub>2</sub> equivalent)/Revenue (million yuan).

6. Scope 1 greenhouse gas emissions refer to the greenhouse gas emissions generated by the consumption of diesel, gasoline, fire extinguishers, air conditioning leakage, and domestic sewage at all operating centers under Chindata Group. The emission calculation coefficients are based on the *How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs from HKEX* and the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises of Other Industries* and the *Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change*.

7. Scope 2 greenhouse gas emissions refer to the greenhouse gas emissions resulting from the consumption of purchased electricity by all subsidiaries of Chindata Group. For China, the emission calculation coefficient is 0.5703 tCO<sub>2</sub>/MWh, based on the average grid emission factor published by the National Development and Reform Commission. For India, the emission calculation coefficient is 0.78 tCO<sub>2</sub>/MWh, based on the average grid emission factor published by the Indian Ministry of Power for the year 2021-2022. For Thailand, the emission calculation coefficient is 0.81 tCO<sub>2</sub>/MWh. For Malaysia, the emission coefficient is 0.407 tCO<sub>2</sub>/MWh, based on the average grid emission factor published by the Malaysian government in 2019 for the Malaysian Peninsula.

8. Indirect greenhouse gas emissions from other activities may vary significantly among companies. The calculation method refers to the *Corporate Supply Chains (Scope 3) Accounting and Reporting Standard for Greenhouse Gas Emissions*. Currently, it focuses on three categories: purchased goods and services, business travel, and upstream leasing (as lessee). Currently the focus is on two categories: purchased goods and services, and business travel.

9. Purchased goods and services focus on Chindata Group's consumption of purchased water. The calculation method refers to the *Corporate Supply Chains (Scope 3) Accounting and Reporting Standard for Greenhouse Gas Emissions*.

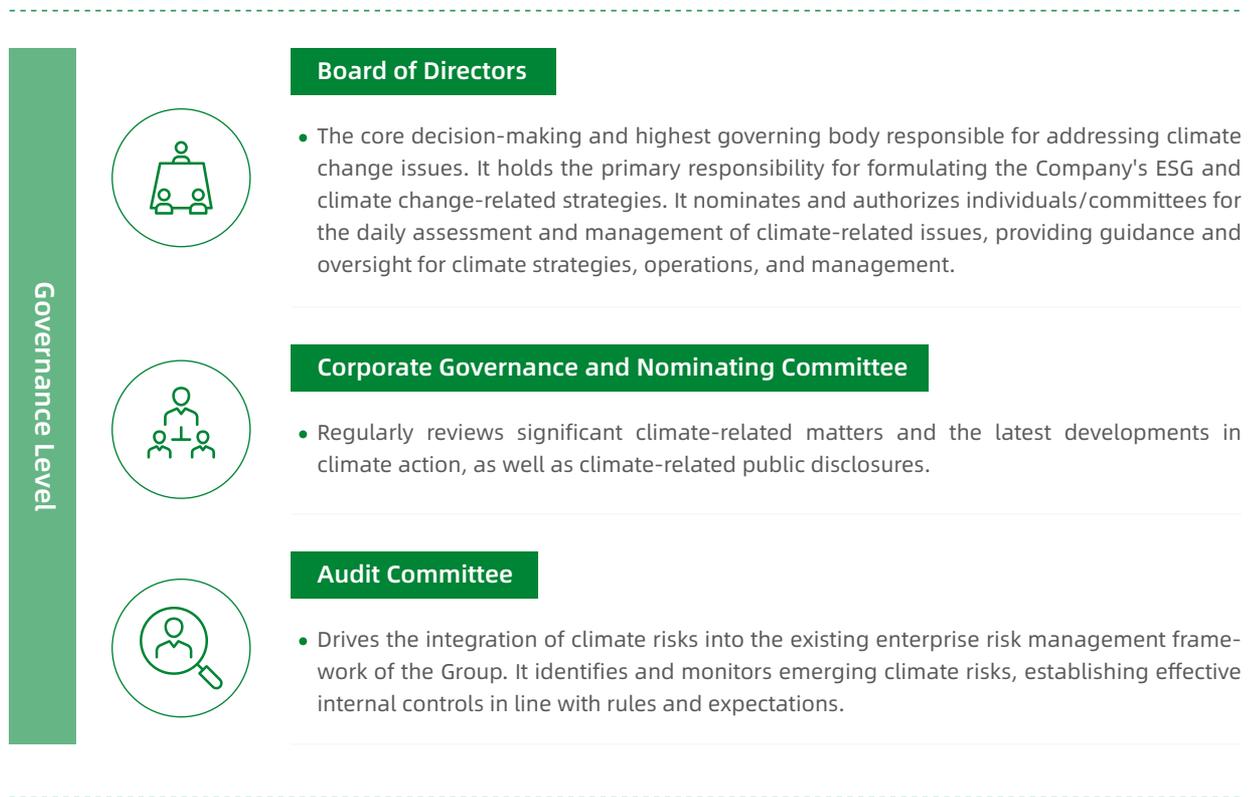
10. Business travel refers to the transportation of employees during the Reporting Period (by plane, high-speed rail, and local taxis). The calculation method refers to the *Corporate Supply Chains (Scope 3) Accounting and Reporting Standard for Greenhouse Gas Emissions*.

## Enhance Climate Resilience

In the construction and development of new green and low-carbon hubs, Chindata Group recognizes the importance of exploring zero-carbon solutions for hyper-scale data centers to promote emission reduction in the industry. The Group has established a top-down linkage mechanism to comprehensively analyze the impact of climate risks and opportunities on business operations, plan ahead, respond in a timely manner, and actively respond to the concerns of international institutions and organizations such as CDP and RE100 regarding the Group's climate performance, determined to become a benchmark for green development in the industry.

## Improve Climate Governance

The Group further refines climate governance-related matters within the existing ESG governance framework, strengthens the supervision responsibilities of the Board of Directors and management in addressing climate-related issues, establishes a sound climate issue management system and reporting mechanism, sets up climate working group, and eventually forms a top-down governance structure.



## Management Level



## ESG Management Committee

- Serves as a coordinating platform for climate-related matters within the Group. It is responsible for daily discussions and formulation of climate strategies and phased targets. It oversees daily climate governance and regulatory work, coordinating and advancing the implementation of company-wide climate governance-related initiatives. Its responsibilities include climate risk assessment, climate strategy formulation, climate indicator and target management, climate governance supervision, climate information disclosure, and resource allocation and coordination.

## Execution Level



## Climate Working Group

- Responsible for implementing and executing climate change and climate risk management initiatives. It assists in guiding, supervising, and inspecting climate-related work across different departments and operational units of the company. It manages tasks such as climate risk identification, carbon emissions accounting, and data verification, as well as the management of related information. Its responsibilities include tracking updates in laws and regulations, climate risk identification, control and management, climate target setting and decomposition, monitoring energy and climate indicators, and implementing climate change mitigation strategies.

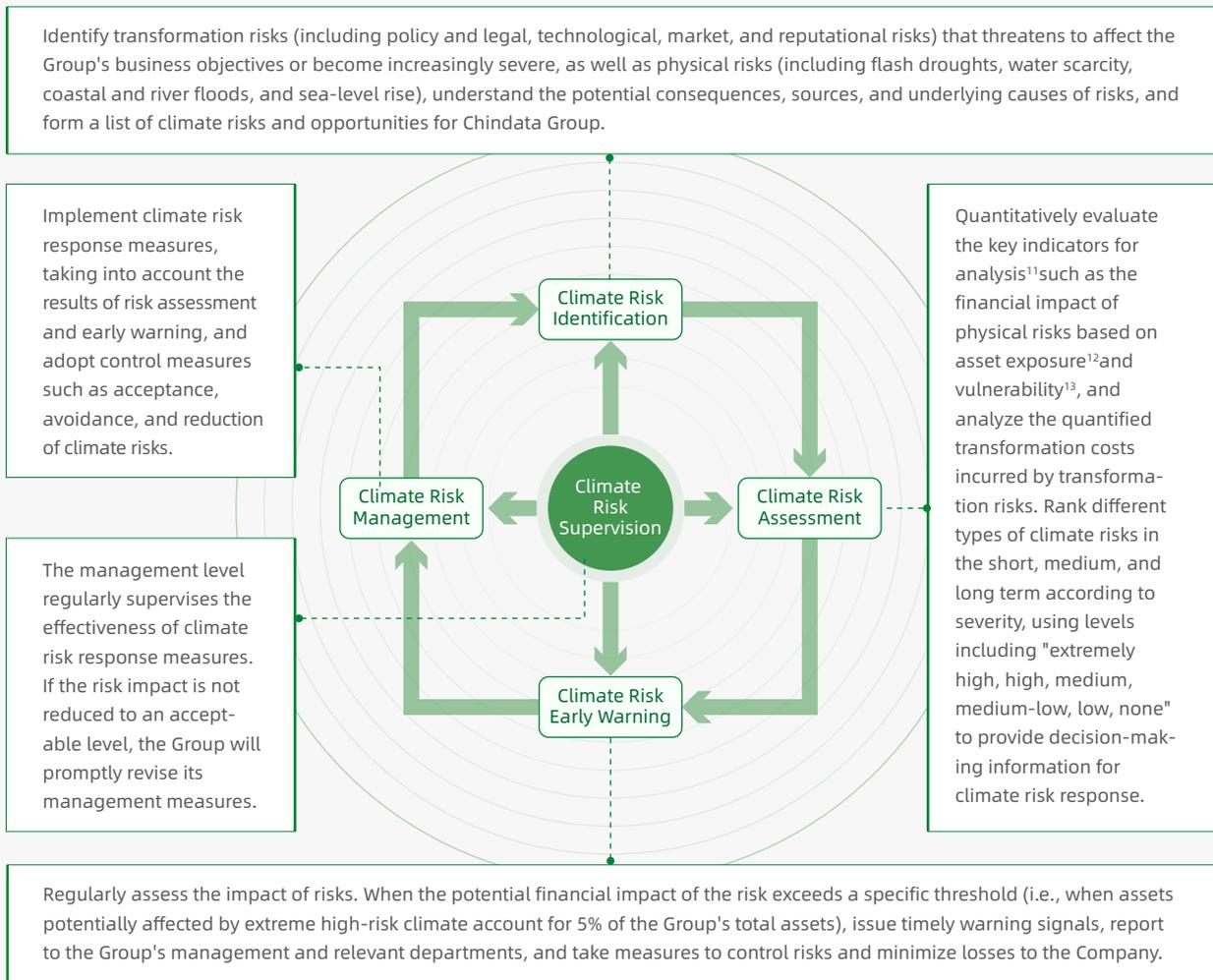
Chindata Group's Climate Governance Optimization Route

## Identify and Manage Climate Risks and Opportunities

Climate risks and opportunities bring significant uncertainties and impacts to the medium and long-term business operations of companies. Chindata Group conducts scenario analysis of its value chain for different future scenarios, evaluates the potential impact of climate risks and opportunities on business operations, and aims to incorporate emissions from the Group's operation and growth, new data center construction, and ongoing decarbonization actions into the climate risk management to minimize the financial and operational impact of climate change.

## Climate Risk Management Process

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and referring to the Enterprise Risk Management framework, Chindata Group explores and improves a closed-loop climate risk process of "identification-evaluation-warning-management-supervision" to enhance climate risk prevention strategies and fully support endeavors towards the dual carbon goals.



A Peep into Chindata Group's Climate Risk Management Process

11. The framework model for physical climate risk analysis is retrieved from the climate risk solution sourced from <https://www.miotech.com/zh-CN>.  
 12. Asset exposure focuses on the number of assets exposed to a particular disaster. The greater the number and value of assets, the higher the exposure and the greater the risk.  
 13. Vulnerability determines the resilience of a region, which is determined by the sensitivity of the region (the socio-economic development in the region and the self-regulation capacity of ecosystems) and the industry.

## Physical Risk Identification and Management

Based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Chindata Group adopts two representative concentration pathways (RCPs) from the Intergovernmental Panel on Climate Change (IPCC), namely RCP4.5 (low carbon emission scenario, where global temperature rises 1.6°C to 2°C) and RCP8.5 (high carbon emission scenario, where global temperature rises 4.1°C or more), to conduct scenario analysis. This analysis identifies the intensity of various physical climate disaster risks that the Group's operating locations may face in the short term (2030) and long term (2080), providing information for risk response decisions and optimizing resource allocation.

### Overview of Chindata Group's Assessment of the Threat Levels Posed by Physical Climate Risks

Risk/ Opportunity Type	China Region				Overseas Regions			
	Short Term		Long Term		Short Term		Long Term	
	RCP4.5	RCP8.5	RCP4.5	RCP8.5	RCP4.5	RCP8.5	RCP4.5	RCP8.5
<b>Acute Risks</b>								
Extreme Precipitation	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
River Flooding	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
Coastal Flooding	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
<b>Chronic Risks</b>								
Water Scarcity	●●●●●	●●●●●	/	/	●●●●●	●●●●●	/	/
Sea-level Rise	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
Warming Trend	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
Moisture Trend	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
Wind Speed Trend	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
Drought Trend	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●

●●●●● No risk      ●●●●● Low risk      ●●●●● Medium-low risk  
 ●●●●● Medium risk      ●●●●● High risk      ●●●●● Extremely high risk

\* / Data missing

\* The higher the risk level a company faces, the more necessary it is to act to mitigate the impact of physical climate risks on business operations.

## Chindata Group's Physical Climate Risk and Response Measures

Risk/ Opportunity Type	Potential Impact	Response Measures
 <p>Acute Risks</p>	<ul style="list-style-type: none"> <li>• Extreme heat, heavy rainfall, flash drought, tropical cyclones, landslides, river floods, coastal floods, and other extreme weather events are likely to cause property losses and disrupt business operations. They can affect the resilience of data centers and operational sites, compromise the physical security of equipment, and increase insurance costs and operational and recovery expenses.</li> <li>• River floods, coastal floods, and other extreme events can intensify pressure on wastewater treatment and exacerbate freshwater scarcity, affect the cooling processes, leading to a decline in operational stability.</li> <li>• The frequency and severity of extreme weather events can increase the likelihood of service interruptions or significant equipment damage, indirectly impacting the stability and economic interests of customers' businesses, and ultimately affecting the overall stability of the Group's business operations.</li> <li>• Landslides and tropical cyclones can have a severe impact on supply chains and the health and safety of personnel, resulting in business suspensions and longer maintenance periods, which in turn affect the stability of the Group's business revenue.</li> </ul>	<ul style="list-style-type: none"> <li>• Design considerations focus on enhancing the ability of data centers to withstand extreme weather conditions, improving building design standards, and implementing defensive measures and optimized water supply and drainage structures to minimize the impact of extreme weather events on the physical security and operational stability of data centers.</li> <li>• During site selection, the Group prioritizes areas with favorable climate conditions, and abundant renewable energy resources such as solar and wind power, and avoids regions prone to frequent extreme weather events to mitigate the potential issue of rising energy costs due to climate instability.</li> <li>• For data centers located in high-risk areas where relocation is not feasible, it is advisable to secure commercial insurance coverage to reduce post-disaster operational and recovery costs.</li> <li>• The global operations team should enhance emergency management plans and operational procedures, strengthen data center security and resilience through measures such as dual power supply lines, and implement control measures targeted at different acute climate risks.</li> </ul>



### Chronic Risks

- The risk of flooding or coastal erosion in a few operational sites due to rising sea levels may lead to increased insurance premiums, and higher planning and prevention costs, which limits the Group's capability to strengthen business resilience.
- Traditional data centers have high energy consumption and water usage in the cooling process. Climate risks such as warming trends and drying trends result in a continuous rise in temperatures at operational sites, posing a risk of increased energy costs to ensure operational stability.
- The Group continues to increase the investment in research and development, expand the technical team, develop waterless cooling systems, optimize existing cooling technologies, improve energy management systems, and make data centers more adaptable to dry and high-temperature environments.
- The Group has established geographical monitoring devices, improved tracking, forecasting, and early warning mechanisms and systems, regularly monitored environmental impact changes, and reduced the impact of climate risks on operational stability.

## Identify and Manage Transformational Risks

To enhance the analysis of the prospective influence of transitioning to a low-carbon economy on enterprises, and to comprehend the potential hazards and uncertainties arising from policy changes, technology adoption, and alterations in the energy mix, Chindata Group discerns risks and prospects and develops response strategies across governmental and legal, technological, market, and reputational domains. This furnishes decision-making reference for resource allocation in realms like regulatory compliance and investment in clean technology innovation.

### 🔗 Risks and Mitigation Measures for Climate Change Transformation in Chindata Group

Risk/ Opportunity Type	Potential Impact	Response Measures
 Governmental and Laws	<ul style="list-style-type: none"> <li>● The introduction of policies and regulations such as the <i>Action Plan for Carbon Dioxide Peaking before 2030</i> and the <i>Three-Year Action Plan for the Development of New Data Centers (2021-2023)</i> promotes the green and low-carbon transformation of data centers. This poses significant pressure on high-energy-consuming enterprises, leading to higher operational compliance costs and the need for enhanced compliance efforts.</li> <li>● The implementation of China's cap-and-trade carbon market system, renewable energy certificate trading, and green electricity trading may lead to increases in operational costs for the Group.</li> </ul>	<ul style="list-style-type: none"> <li>● The Group continuously tracks the evolving legal and regulatory requirements and policy updates related to climate change in the operational locations of the Group's data centers, such as China, Malaysia, India, and Thailand, as well as regions like Beijing, Shanghai, Shenzhen, and American Stock Exchange (where the Group was listed). The Group thus updates climate change action management plans and corresponding regulations in a timely manner to ensure compliance in operations.</li> <li>● The Group strictly adheres to national and industry standards, optimizes data center design, construction, and operation plans and standards, and carries out necessary transformations.</li> </ul>

 <p>Technology</p>	<ul style="list-style-type: none"> <li>• In terms of low-carbon development, technologies, and mechanisms continue to improve, with the widespread adoption of energy storage, cold storage, high-density cooling technology, computing power networks, intelligent operations and maintenance, and hyper-converged architecture. The extensive utilization of renewable energy sources such as solar and wind power is a key development trend for the low-carbon building of the new data center industry, presenting opportunities for forming competitive edges in hyper-scale data centers.</li> <li>• The Group leverages emerging technologies such as the "Panshi" modular data center architecture, X-Power power supply, X-Cooling cooling, and the Kungpeng IDC Operation Platform to facilitate centralized monitoring and automated management of energy and resources. This effectively avoids inefficient responses to acute climate-related hazards that may arise during operations, preventing risks to business continuity caused by delays in adjusting monitoring device algorithms.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group upholds the concept of technological innovation, augmenting R&amp;D investments, expanding the technical team, and effectively generating computing power with electricity. Furthermore, the Group continues to invest in the technologies of waterless cooling, eco-friendly construction, and modular substation. Continuously optimizing Power Usage Effectiveness (PUE), Water Usage Effectiveness (WUE), and Carbon Usage Effectiveness (CUE), the Group proactively tackles potential risks linked to technological transformation.</li> </ul> <p>The Group enhances the development</p> <ul style="list-style-type: none"> <li>• of intelligent information technology, refining the response decision-making capabilities of the "Panshi" modular data center architecture, X-Power power supply, X-Cooling cooling, and the Kungpeng IDC Operation Platform, and other technologies in the event of unforeseen climate-related incidents. In addition, the Group bolsters manual monitoring, ensuring a prompt and effective response to acute climate risks.</li> </ul>
 <p>Market</p>	<ul style="list-style-type: none"> <li>• Customers are publishing targets for reducing greenhouse gas emissions throughout their entire value chain, creating new demand for computing power providers in the aspects of both decarbonization transformation and the proportion of renewable energy utilization. This, in turn, impacts the Group's collaborative relationships with customers and the promotion of business within the cooperative market.</li> <li>• As a result of climate change and the Group's requirements for suppliers' climate performance, suppliers face higher costs of operations, which indirectly heightens the Group's procurement costs.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group endeavors to establish and enhance mechanisms for customer communication and cooperation, promptly grasping customer requirements for the low-carbon transformation of data centers. In doing so, the Group aims to satisfy customers' needs all the while achieving its own climate transformation throughout the value chain.</li> <li>• The Group conducts assessments of the climate risks encountered by suppliers, giving priority to those with lesser climate impact. Furthermore, the Group extends resources and training support to indispensable suppliers, aiding them in expeditiously accomplishing their low-carbon transformation.</li> </ul>

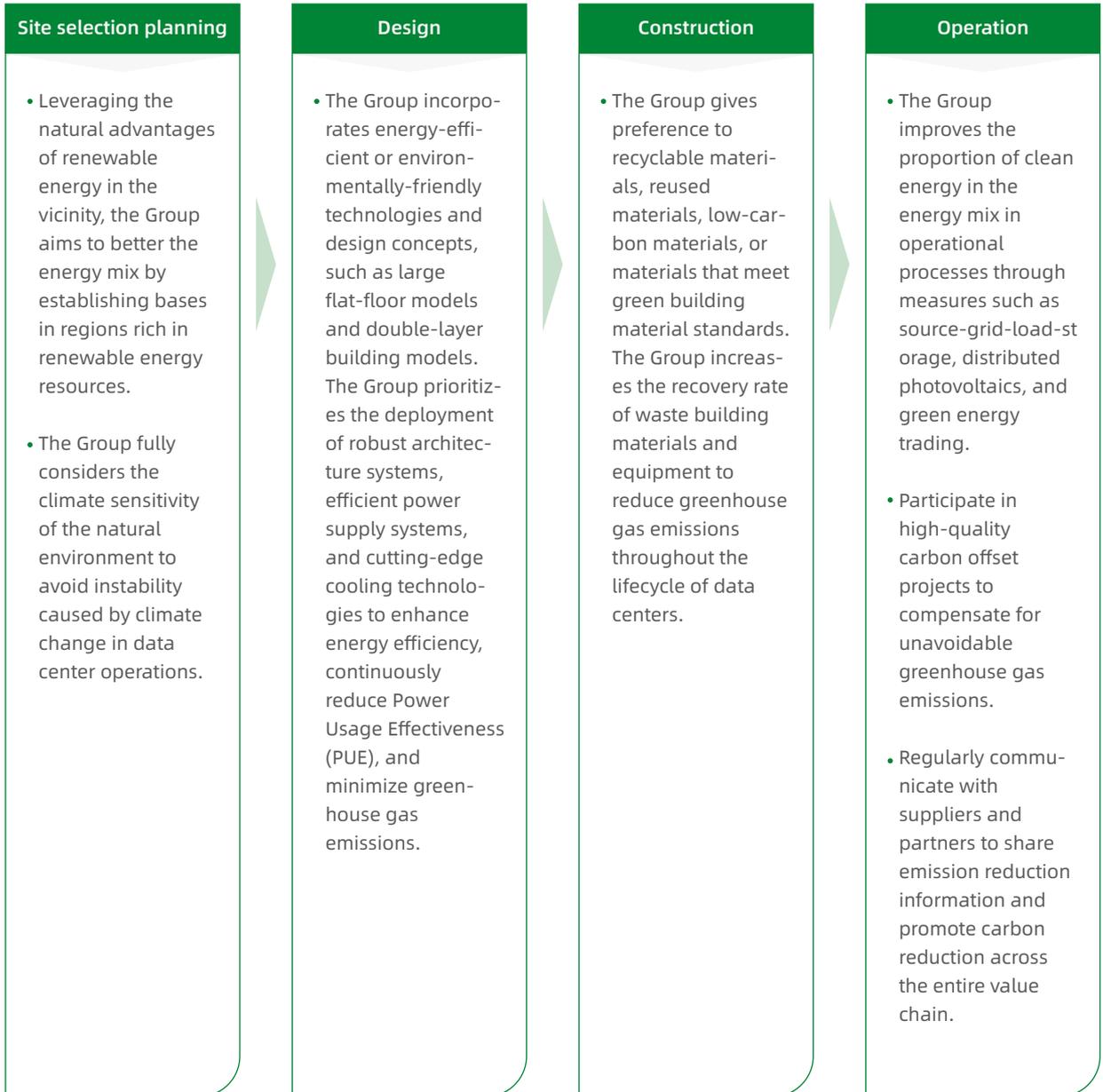


Reputation

- By emphasizing aspects such as "proper layout, cutting-edge technology, green and low-carbon development, and alignment of computing power capacity with the growth of the digital economy," the Group presents compelling value propositions. This approach not only sets a new trend in the development of data center brands and reputations but also cultivates a responsible corporate image in the minds of our partners. A delayed response or a lack of transparency in sharing information can have a detrimental impact on corporate reputation, thereby impeding the Group's capacity to generate long-term value.
- The Group strives to enhance information transparency by proactively addressing the concerns of investors, customers, and other stakeholders regarding climate-related matters. Through various communication channels, including the official website, WeChat public accounts, and offline interactions, the Group promptly discloses updates on efforts to optimize the energy mix and cut greenhouse gas emissions.
- The Group integrates climate risk-related considerations into its existing public opinion monitoring system, diligently monitoring, swiftly responding to and promptly addressing climate risk concerns.

## ■ Roadmap for Climate Actions

Taking into account Chindata Group's greenhouse gas emissions in 2022, the Group devises strategies for emission reduction that align with the specific short, medium, and long-term physical and transformational risks and opportunities encountered throughout the data center's "site selection planning, design, construction, and operation" phases. The primary emphasis lies in curbing greenhouse gas emissions at their origin, prioritizing this approach over measures like carbon offsetting, carbon compensation, and carbon capture. By formulating comprehensive climate action strategies, the Group can effectively mitigate and adapt to associated risks, all while adhering to the fundamental principles of the *Paris Agreement's* 1.5°C target and the commitment to RE100.





05

The Champion of  
the Era of Sharing



SDGs in this chapter:



Material sustainable topics in this chapter:

- Employee rights protection and compensation benefits
- Employee safety and health
- Supply chain management
- National and local economic contributions

Chindata Group strives to be a driving force in the era of sharing, fostering a harmonious and cohesive corporate atmosphere, while working with employees and partners to create a sustainable future. The Group actively responds to the national strategy of "East Data West Computation," strategically establishing data center infrastructure to empower regional economic development both domestically and internationally. In addition, the Group engages in philanthropy, serving the community and giving back to society, with a commitment to building an inclusive, mutually beneficial, and rewarding era of sharing.

# Create a Bright Future Together with Employees

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Talented people are the driving force behind corporate development, and Chindata Group upholds an open and inclusive recruitment philosophy, dedicated to cultivating a professional, efficient, upright, responsible, open-minded, and innovative team. To this end, the Group endeavors to foster an atmosphere of equality and inclusivity, embracing talents from diverse backgrounds. Continuously enhancing talent management systems and career development frameworks, the Group aspires to empower our employees to achieve mutual success.

## Embrace Talents from Diverse Backgrounds

Chindata Group unwaveringly adheres to compliant employment practices, resolutely safeguarding the legitimate rights and interests of all employees. In addition, the Group refines compensation and benefits systems, performance evaluation frameworks, and multi-dimensional communication channels. By addressing the needs of our employees, the Group strives to create an environment that fosters equality and diversity, attracting talents from diverse backgrounds.

### ■ Compliant Employment

Chindata Group respects human rights, adhering to international conventions such as the *Universal Declaration of Human Rights* and the *International Labor Organization Conventions* throughout the recruitment process. The Group strictly abides by Chinese laws and regulations, including the *Labor Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*. The Group's *Employee Handbook* embodies principles of fairness, justice, and transparency, prohibiting child labor and forced labor. The Group provides social insurance such as pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund for employees in accordance with the law, effectively guaranteeing employees' rights to enjoy paid leave such as annual leave, marriage leave, maternity leave, and paternity leave.

## ■ Equality and Diversity

Chindata Group endeavors to cultivate a culture of "diversity, equality, and inclusivity," where employees are never subjected to unfair treatment due to their nationality, race, ethnicity, religious beliefs, gender, age, education, physical condition, or any other factors. The Group opposes all forms of discrimination, providing equal employment and development opportunities to each and every employee. The recruitment, promotion, and development processes are guided by the principles of fair competition.

<p><b>Female Employees</b></p>	<ul style="list-style-type: none"> <li>• The Group protects the rights and interests of female employees, offering provisions for maternity leave, miscarriage leave, and breastfeeding leave, and establishing a dedicated attendance group to support breastfeeding mothers, which demonstrates our genuine care for female employees.</li> <li>• The Group values the development of female leadership, ensuring equal opportunities for both men and women in terms of promotion and career development, and rejecting gender discrimination.</li> </ul>
<p><b>Minority and Vulnerable Groups</b></p>	<ul style="list-style-type: none"> <li>• The Group provides equal opportunities in recruitment and promotion, ensuring that the relationship between employees and the company is on an equal footing.</li> </ul>
<p><b>Overseas Employees</b></p>	<ul style="list-style-type: none"> <li>• The Group promotes an internationalized business philosophy, respecting local laws, regulations, culture, and religious beliefs in our operation locations. The Group actively attracts local employees and encourages cross-cultural exchanges among its workforce, cultivating a professional talent team with a global perspective and a commitment to multinational collaboration.</li> </ul>

Measures Implemented by Chindata Group to Promote Diversity and Equality



**Key Performance (In 2022)**

**• Female:**

Women accounted for 33% of the senior management

**33%**

The percentage of women among all promoted employees reached

**39%**

A total of 26 female employees took maternity leave, accounting for 10.83% of the female workforce.

**10.83%**

**• Minority and Vulnerable Groups:**

There are 33 employees from minority backgrounds currently employed

**33**

A total of 8 individuals with disabilities

**8**



**Embracing employees' cultural traditions, celebrating hometown festivals at Chindata Group**

Chindata Group consistently upholds a people-centric and harmonious cross-cultural management model. In early 2023, Chindata Group's overseas subsidiary, Bridge Data Centres, celebrated Hari Raya Aidilfitri with overseas employees from Malaysia and rejoiced in Holi with overseas employees from India. Additionally, the company celebrated the Spring Festival with Chinese employees working abroad. On these joyous occasions, employees from around the world could feel the company's care and warmth, fostering communication and cultural integration among them.



Bridge Data Centres celebrating the Spring Festival with employees

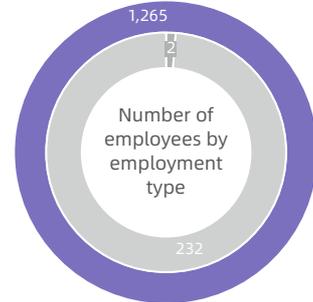


Bridge Data Centres celebrating Holi with employees

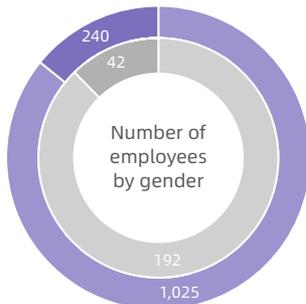


Bridge Data Centres celebrating Hari Raya Aidilfitri with employees from Malaysia

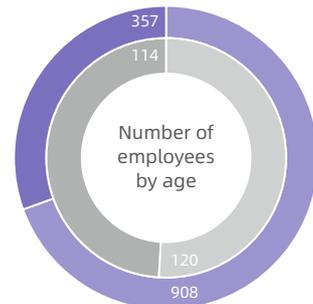
## Employee Structure of Chindata Group in Mainland China and Overseas in 2022



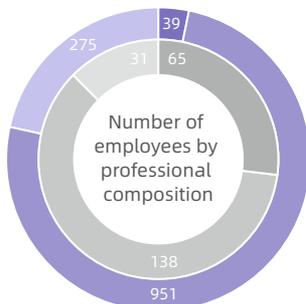
The Chinese Mainland	type	Overseas Regions
100%	Regular employees	99.15%
0%	Dispatched employees	0.85%



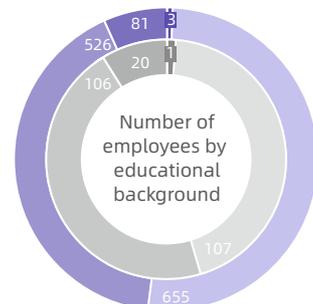
The Chinese Mainland	type	Overseas Regions
18.97%	Female employee	17.95%
81.03%	Male employee	82.05%



The Chinese Mainland	type	Overseas Regions
28.22%	Over 35 years old	48.72%
71.78%	Under 35 years old	51.28%



The Chinese Mainland	type	Overseas Regions
3.08%	Management personnel	27.78%
75.18%	Professional and technical personnel	58.97%
21.74%	Other types of personnel	13.25%



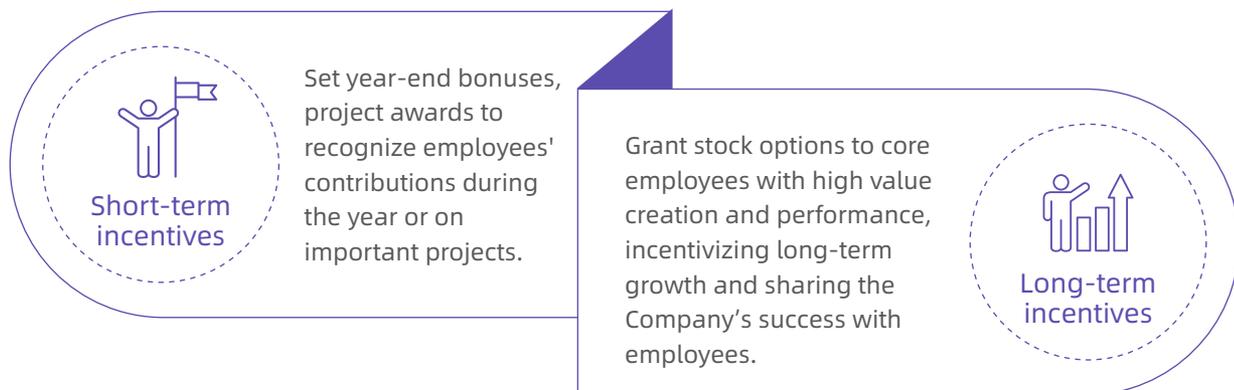
The Chinese Mainland	type	Overseas Regions
51.78%	Below undergraduate	45.73%
41.58%	Undergraduate	45.30%
6.40%	Master	8.55%
0.24%	Doctor	0.43%

### Employee Attrition at Chindata Group in 2022

Indicators (Unit)	Region	2022
Total Number of Resignations (Persons)	The Chinese Mainland	415
	Overseas Regions	49
Total loss ratio (%)	The Chinese Mainland	24.7
	Overseas Regions	20.94

### Compensation and Benefits

Chindata Group has established a comprehensive compensation and benefits system to safeguard the basic rights of employees with both material and non-material incentives. In terms of material incentives, the Group has developed a competitive compensation system, ensuring equal pay for equal work. Timely payment of monthly salaries is assured, with employees receiving remuneration that surpasses the minimum wage requirements of their specific operational regions, which effectively safeguards the basic rights of employees. Additionally, to recognize employees' contributions, the Group has implemented short-term and long-term incentives, allowing employees to share the achievements of the Group's development. In terms of non-material incentives, the Group puts in place a work-life balance for employees through various means, encouraging them to work actively and efficiently.



Employee Incentive System at Chindata Group

## ■ Performance Evaluation

Chindata Group keeps improving its performance evaluation system, using outcomes of performance assessments as a pivotal foundation for value distribution, acknowledgment, and incentivization. In 2022, the Group upgraded its performance evaluation management approach. On one hand, different evaluation methods are adopted for employees in different positions. On the other hand, the Group focused more on the achievement of core business goals, conducting comprehensive performance evaluations and objective incentive allocations based on employees' actual output and contributions. This approach aims to unleash every employee's potential and creativity, enhance organizational efficiency, and achieve the collective triumph of employees and the Group.

The Group upgraded its incentivization system by integrating goal management with performance evaluation management, combining target setting, breakdown, ongoing monitoring, performance assessment, and feedback. This helps employees clarify their strengths and areas for improvement, supports their development, boosts their expertise, and improves their performance, which propels both employees and the Group to grow harmoniously and synchronously.

## ■ Communication Channels

Chindata Group places great importance on addressing employee concerns and has established a multidimensional communication system to promptly identify and resolve any work-related issues. Moreover, the Group actively encourages open dialogue by organizing CEO Open Days, creating a bridge for communication between employees and the CEO and executives. Together, they collaborate to strategize for the future development of the Group.



### Daily needs

- **Intelligent service desk:** Such as an IT service desk. Employees can first use the self-service function of the group service desk to query and resolve IT-related issues. If the service desk cannot provide answers, they may choose human support



### Information sharing

- **Lark knowledge base:** Facilitates self-service queries and learning for employees, improving efficiency. Examples include the Chindata Group System Platform and OKR knowledge base
- **Sharing of development information and business goals:** Establish a group to timely share the Company's development information, key events, and recognition



### Suggestions and Ideas

- **CEO Open Day:** Employees can communicate straight with the CEO and offer suggestions for the Company's development
- 

### Appeals and Complaints



- **Communication and feedback mechanism:** Clearly identify contact persons to make contact and give feedback so that employees from different areas can find the appropriate contacts
  - **HR Interviews:** HR conducts periodic interviews with employees to discuss job responsibilities, goal and performance management, job satisfaction and challenges, team dynamics and communication channels, collaboration and trust, training and knowledge sharing, and work support. These interviews help identify common issues and implement solutions, while addressing individualized concerns as well
  - **Open and honest dialogues:** Communicate performance feedback with employees
  - **CEO Open Day:** Employees can communicate with the CEO about work-related challenges and receive support
- 

### Business communication

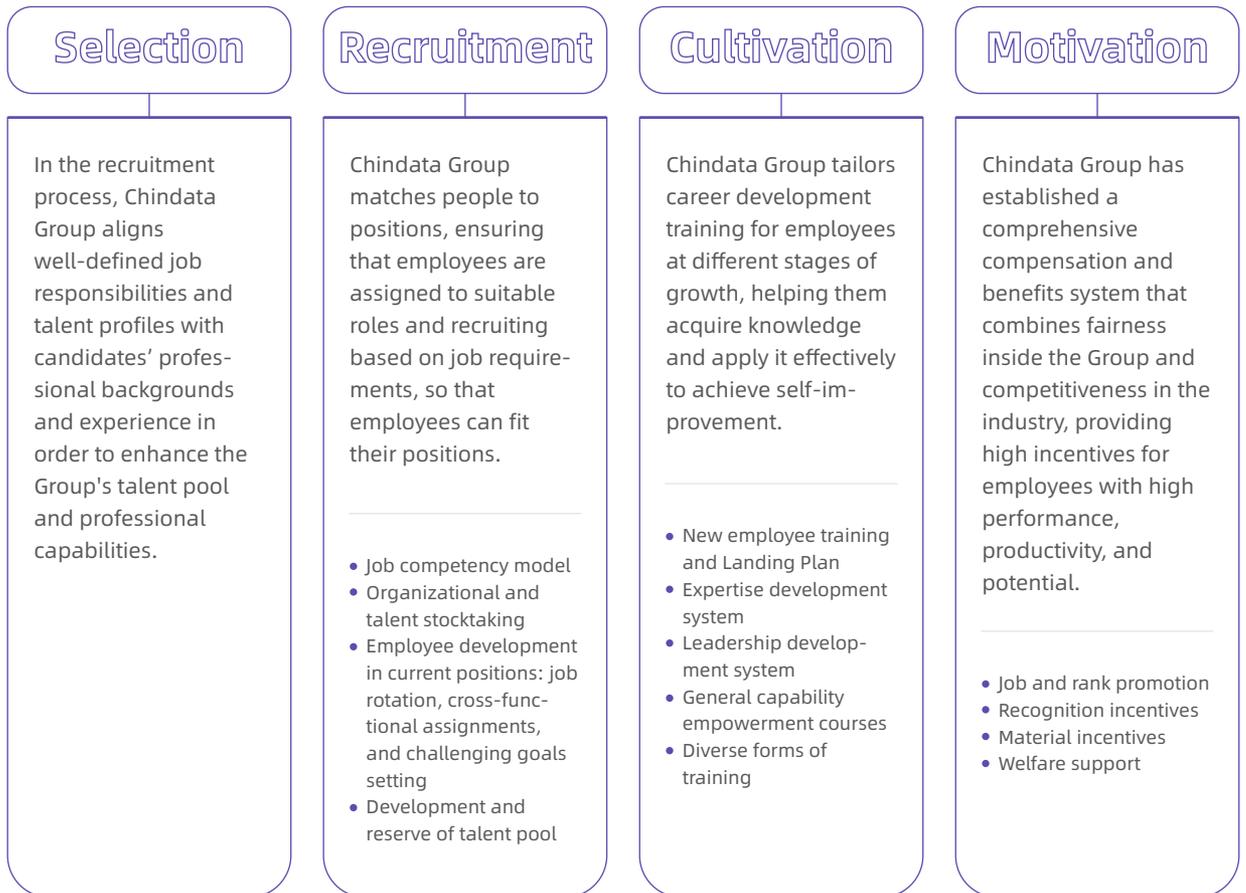


- **Lark Instant Messaging:** Enables every employee to communicate with business leaders and the HR department through Lark
- 

Chindata Group's Employee Communication System

## Empower Employee Growth

Chindata Group constructs a robust talent management system from four dimensions, namely, selection, recruitment, cultivation, and motivation. In terms of talent attraction and recruitment, the Group emphasizes the alignment between individuals and positions while actively seeking high-potential talents. Regarding talent development and retention, the Group provides "space," "trials and tests," and "affirmation" to support employees at every step since they joined Chindata Group, fully empowering their growth.

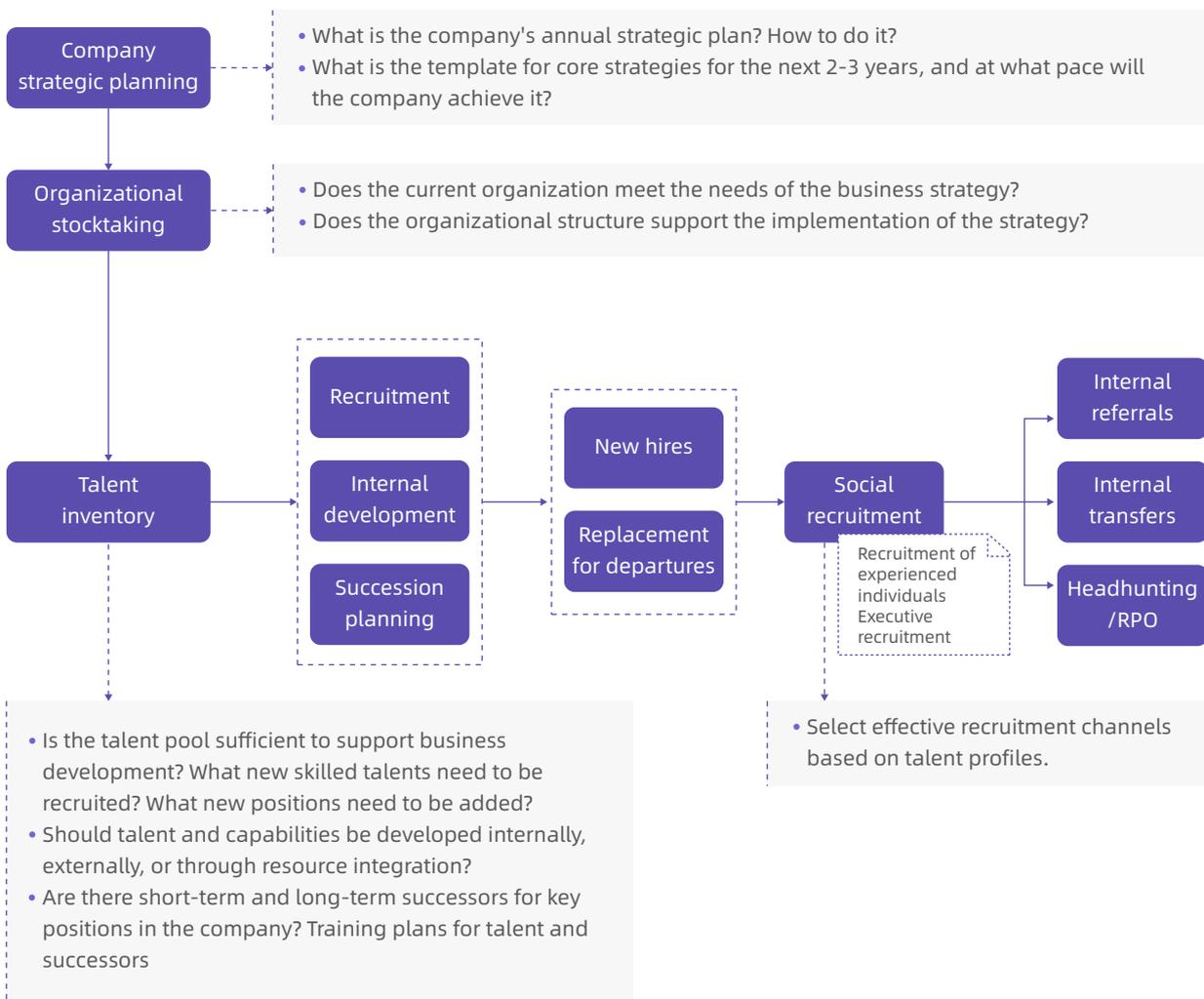


The "Selection, Recruitment, Cultivation, and Motivation" Talent Management System of Chindata Group



## Recruitment Channels

With a talent-oriented approach, Chindata Group has established various recruitment channels, including social recruitment, internship programs, collaborations with local talent agencies, partnerships with 1024 College, and internal employee referrals. These channels enable the Group to attract outstanding talents from relevant industries. The Group adheres to the principles of fairness and impartiality throughout the recruitment process. Prior to interviews, interviewers must take certification and training sessions. The Group also continuously refines talent profiles and employment standards for different positions and levels. Candidates undergo multiple rounds of interviews to ensure fairness, professionalism, and matching efficiency in the selection process. Furthermore, the Group has implemented *Chindata Group Reemployment Management System* to attract exceptional talents to return to the company.



Talent Recruitment Process of Chindata Group

## ■ Talent Development Pathways

Talent is the true foundation of an enterprise, and at Chindata Group, talent means everything. The Company is committed to creating a development environment that is fair, transparent, flexible, and conducive to growth. It has constructed a three-step career development system, which includes career development pathways, competency assessment systems, and career planning and training systems. This system helps employees address the key questions of "Where am I," "Where do I want to go," and "How do I get there."

Through measures such as refining development pathways, multidimensional assessments, diverse training opportunities, and promotion prospects, the Group fosters a self-sustaining ability to continuously inspire talent and support employee development. The Group continuously refines a talent development model that operates in tandem with both professional and managerial channels, empowering employees to unleash their full potential based on their career interests and strengths. This enables them to cultivate expertise and excellence in their respective fields, while also encouraging managerial executives to become exceptional leaders, fostering the collective growth of both individuals and the company. The Group consistently enhances its talent assessment framework, offering employees a wealth of opportunities for advancement, clearly delineating promotion windows, and establishing unified promotion rules and mechanisms to ensure a transparent evaluation process. To facilitate effective allocation and healthy mobility of internal talents, the Group offers the "Active Flow" program, striving to provide diverse development opportunities for talented employees.

## ■ Employee Training System

Adhering to the philosophy of "continuous learning and mutual growth," Chindata Group wholeheartedly supports the growth of every employee. Taking into account the different needs of new employees, existing employees and management executives, the Group has established a hierarchical and categorized employee training system. In 2022, the Group introduced the 1024 Training System specifically designed for interns, which includes theoretical learning, on-site training, knowledge assessments, and skill evaluations. This system helps interns quickly acquire job-related skills and transition smoothly from campus to the workplace.

### Diverse Learning Platforms

The Group provides both offline classroom courses and online learning platforms. The online E-learning platform utilizes intelligent engines to tailor learning maps for technical personnel, matching learning resources with the demands of their business areas and professional skill requirements. It covers the entire career lifecycle of employees within the Company. To create a convenient and efficient learning mode, the Group integrates the online learning platform and knowledge management system into the workbench. Leveraging the "learn-study-practice-test-evaluate" assessment system, the Group continuously evaluates learning progress, course quality, and learning outcomes in real time, ensuring that employees gain valuable knowledge and skills.

### Industry Technology Exchanges

The Group regularly organizes technology-focused exchanges, inviting industry experts to share insights and exchange innovative achievements. These exchanges help employees broaden their perspectives and maintain acumen and foresight.

### Certification Training and Incentives

The Group supports employees in their pursuit of professional learning and development by encouraging them to obtain certifications in their respective fields. In 2022, the Group further refined *Chindata Group Employee Certification Training and Incentive Measures*, clarifying the scope of training reimbursement and certificate allowances. This initiative covers various fields, including high and low voltage, electrical engineering, special equipment, fire safety, refrigeration, and air conditioning. It aims to assist employees in honing their professional skills and achieving continuous development.



#### Key Performance

In 2022, Chindata Group reimbursed a total of 37,580 yuan in external training expenses for 51 employees who obtained professional technical qualifications in their respective fields.

**51** employees

**37,580** yuan



### New employees

#### New Employee Training and Landing Program

After new employees join Chindata Group, multiple departments, including HR, administration, and business, collaborate to provide training through a combination of online and offline methods, so that new employees know the company, sense its cultural values, and grasp key knowledge and skills for their roles.

- New employee training
- Landing plan
- Pre-job training
- Goal setting
- Mentorship guidance
- BP (Buddy Program) support
- Team joining



### Existing employees

#### In-service development system

Chindata Group has established an in-service development system that focuses on both professional expertise and general skills, helping employees deepen their professional knowledge while transforming their mindset, enabling comprehensive career development.

- Expertise training: Resource forum learning and optimization of job-specific knowledge.
- General skills training: Sharing sessions and lectures.
- Cutting-edge technology interpretation: Facilitating exchanges on professional expertise, general skills, and cutting-edge technology (where industry experts share insights and exchange innovative achievements).



### Management executives

#### Leadership development system

To cultivate future leaders, Chindata Group organizes diverse leadership development programs to enhance the leadership and management capabilities of the management team.

- Organize leadership activities for the management team
- Conduct management conferences
- Manager development programs: Enhancing capabilities in self-management, team management, and business management through courses such as "Strategic Interpretation," "OKR and Goal Management," "Performance Management," and "Team Collaboration."



Leadership Training Events for Chindata Group's Management Team



Conference for Chindata Group's Executives



Collaborative Workshop for Chindata Group's Operations and Maintenance Team



Chindata Group's Training for Managerial Executives



## Empower employees to enhance professional prowess

Chindata Group encourages its employees to pursue professional certifications or further their education to enhance their professional competence. The Group provides resources and support to assist employees in their professional development. In 2022, one employee was pursuing a postgraduate degree in the field of carbon neutrality, four employees obtained NEBOSH certification (an internationally recognized professional examination in the field of safety engineering), and one employee was preparing for the National Intermediate Registered Safety Engineering Examination.



Employees of Chindata Group Obtained NEBOSH Certification



**Key Performance (In 2022)**

• **Chindata Group (the Chinese Mainland):**

The total learning duration of employees

**65,780** hours

The participation rate

**100%**

The average training duration

**52** hours per person

• **Chindata Group (overseas regions):**

The total learning duration of employees

**755** hours

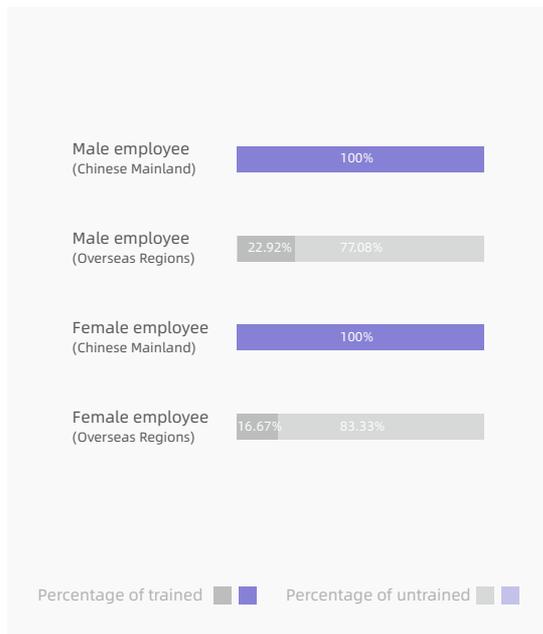
The participation rate

**21.79%**

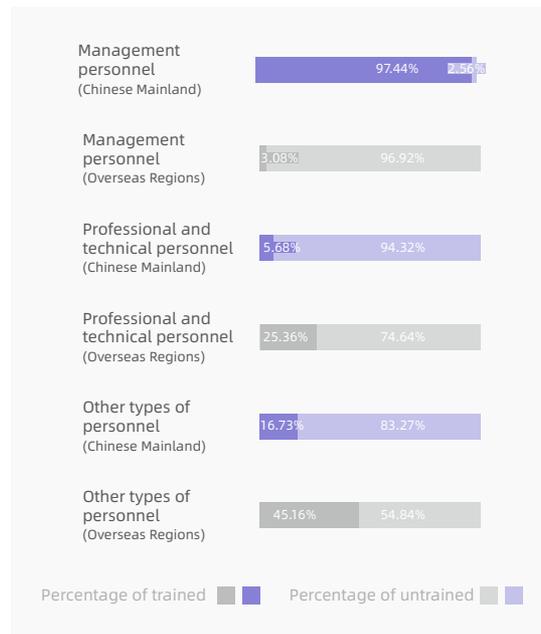
The average training duration

**14.8** hours per person

**Percentage of Chindata Group's trained employees by gender**



**Percentage of Chindata Group's trained employees by function**



Training Participation of Different Types of Employees in Chindata Group

## Care about Employee Health and Safety

Chindata Group values the health and safety of its employees, strictly adhering to laws and regulations such as the *Law of the People's Republic of China on Production Safety* and the *Law of the People's Republic of China on Occupational Disease Prevention and Control*. The Group has established a sound EHS management system, optimized emergency response management capabilities, and developed *Park Safety Management Regulations* and *Contractor Environmental Health and Safety Guidelines* to ensure employee safety. Additionally, the Group has improved its employee welfare system and conducted diverse employee care activities to maintain the physical and mental well-being of its employees.



### Key Performance

#### • In 2022, at Chindata Group

Work-related  
injuries

0

Work-related  
fatalities

0

The industrial accident rate  
per 200,000 working hours

0

Near-miss  
accidents

0

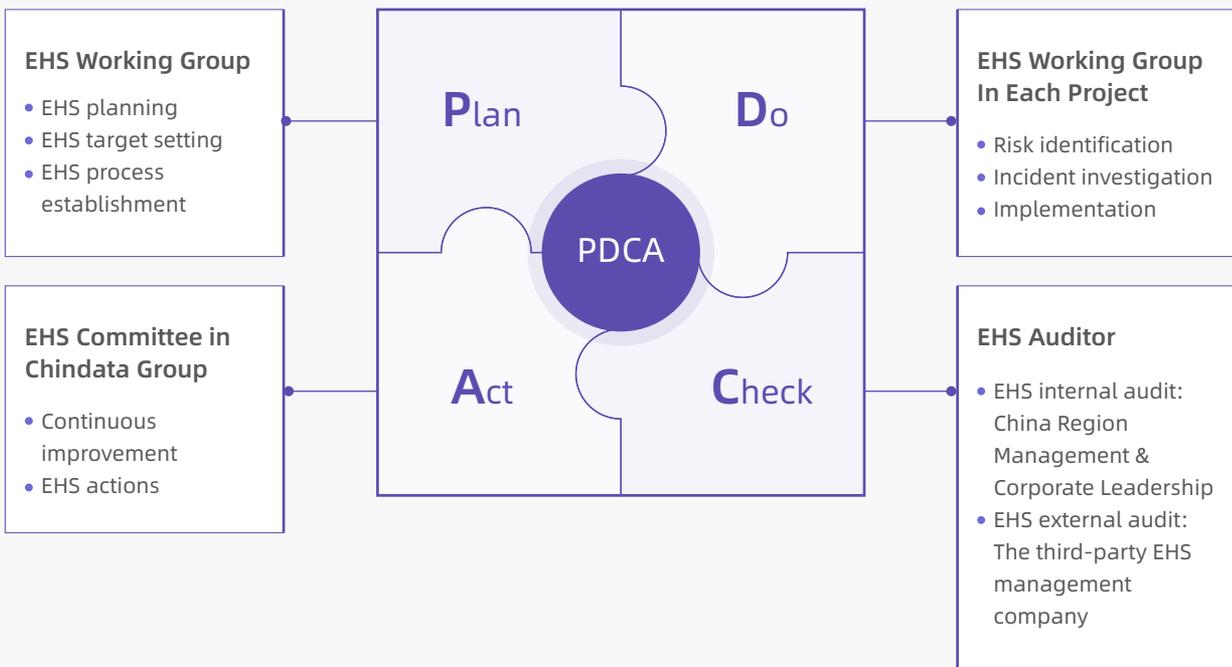
## Ensure Employee Safety

Chindata Group prioritizes the occupational health and safety of each employee, continuously enhancing the occupational health protection and safety management system. The Group allocates funds to provide personal protective equipment for employees and contractors, aiming to prevent, control, and eliminate potential occupational health risks during operations. Our commitment is to offer a healthy and secure working environment for our employees. The Group (the Chinese Mainland) has already obtained ISO 45001:2018 certification for occupational health and safety management systems.

## Establish a Comprehensive Occupational Safety Management System

Chindata Group has developed and refined *EHS Management Plan*, optimized EHS risk assessment tools, and established a safety committee and a dedicated EHS department. Through departmental meetings and business capability support groups, the Group continuously strengthens team management. By providing EHS training, the Group enhances occupational safety awareness and improves EHS performance. During daily operations, the Group mandates the correct utilization of personal protective equipment by all employees. The Group exercises high-risk population control at construction sites, promptly identifying and managing relevant risks. In addition, the Group conducts regular EHS inspections to identify potential hazards in order to promptly address them.

Bridge Data Centres has developed policies and standards, including *Environmental, Social, Health and Safety (ESHS) Policy* and *Environmental, Health & Safety (EHS) Minimum Standard*, in accordance with Chindata Group's requirements for employee health and safety. The objective of "zero injuries, zero accidents" drives us to minimize ecological impact and integrate the concept of social responsibility into every facet of innovation, construction, and daily operations. Additionally, Bridge Data Centres has established clear responsibilities through the formulation of *General Safety Procedure (SOP)* to ensure effective safety management within the company. To make sure that the management is timely informed of employee health and safety issues, Bridge Data Centres has instituted a safety committee to facilitate communication and feedback. Safety supervisors assist in policy formulation and annual reviews to ensure that policies are implemented timely and effectively.



Chindata Group's EHS Closed-loop Management Model during Project Construction



### Key Performance

In 2022, the Group conducted risk and hazard investigations and rectifications. There were no reported fatalities across all bases, achieving a 100% rectification rate for identified hazards.

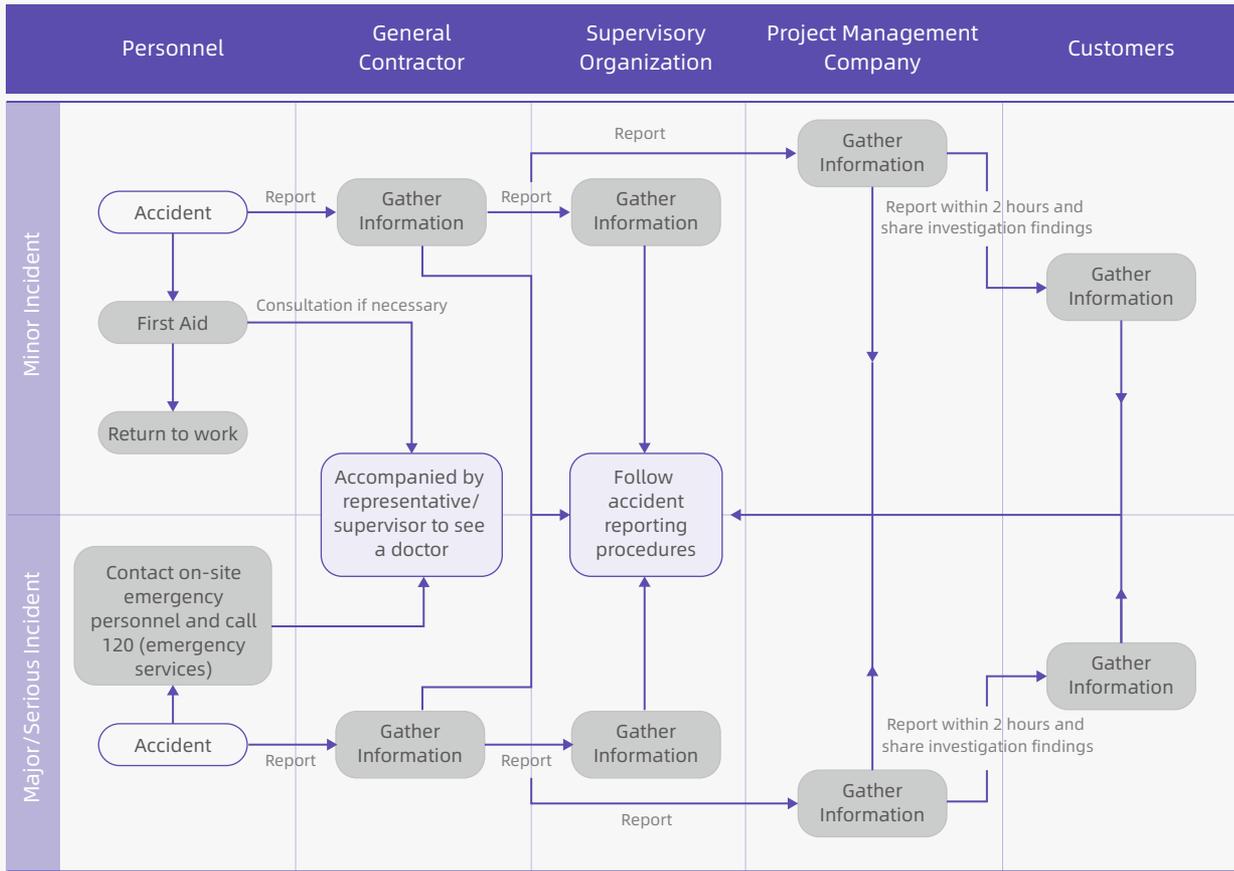
**100%** rectification rate

### Enhance Emergency Response Management Capability

Chindata Group has refined *Emergency Response Plan* for all projects, establishing a comprehensive emergency response team. The general contracting project manager assumes the role of the chief emergency response commander, while the general contracting environmental health and safety officer serves as the coordinator. The on-site response team, logistics support team, voluntary fire brigade, and voluntary rescue team collaborate as an integrated emergency response unit. Tailored emergency response procedures have been developed to address the accidents according to their severity and uniqueness, ensuring efficient and timely incident management to safeguard employee safety.

Bridge Data Centres has devised standardized operating procedures, such as *Hazardous Material Labeling (SOP)*, *Electrical Safety Procedure (SOP)*, *General Building Electrical (SOP)*, and *Arc Flash Procedure (SOP)* to address potential safety issues. These procedures cover all employees, ensuring standardized and targeted operational processes for risk mitigation. Furthermore, Bridge Data Centres has established *Internal Evacuation (SOP)* that categorizes different types of accidents based on urgency, setting deadlines for resolution and reporting at each level. This guarantees swift problem-solving and prioritizes employee safety.





Chindata Group's Accident Response Process During Project Construction



Bridge Data Centres MY01 and MY02 Data Centers have obtained the Malaysian Fire Certificate

## Cultivate a Safety Culture

Chindata Group implements a wide range of internal safety culture training and awareness campaigns to effectively enhance employees' safety awareness. The Group aims to foster a comprehensive understanding of risk prevention and control, while also strengthening employees' emergency response capabilities. By doing so, the Group strives to cultivate an inherent culture of safety within the organization.



### Safety Production Training

In 2022, the Group conducted a total of 355 routine safety production training sessions for frontline construction personnel and various contractor management teams, establishing the principle of safety as the Group's top priority.



### Safety Emergency Response Training

Regularly organizing fire drills, safety emergency response training exercises, and more to enhance employees' emergency response capabilities.



### Safety Awareness Promotion

In the office area, the Group has placed medical first aid kits, set up multiple emergency exits and escape routes, and reinforced visual impressions through prominent safety signs and slogans, enhancing employee safety awareness by setting a sound environment.

## Chindata Group's Diverse Measures for Cultivating an Employee Safety Culture



Chindata Group conducts fire drills and safety emergency training

## Key Performance Indicators for Employee Health and Safety at Chindata Group

Indicators (unit)	2022		2021		2020	
	The Chinese Mainland	Overseas Regions	The Chinese Mainland	Overseas Regions	The Chinese Mainland	Overseas Regions
 Regular Safety Inspections (Times)	99	302	99	260	99	262
 Emergency Drills (Times)	49	4	44	2	39	2
 Number of Participants in Emergency Drills (Attendance)	738	275	746	68	445	74
 Average Hours of Safety Training (Including EHS Training) Received per Employee	12.99	5.7	10.10	11	8.81	0
 Total Number of Employees Receiving Safety Training (Including EHS Training) (Persons)	492	200	371	52	267	6
 Total Hours of Safety Training Received by Employees (Hours)	6,393	1,146	3,748	572	2,352	/

## ■ Care for Employee Health

Chindata Group places great importance on the physical and mental well-being of the employees. From the standpoint of employees' needs, the Group establishes a multi-tier, diverse, and compassionate welfare system that caters to their needs. In addition to statutory employee benefits, the Group provides a diverse range of subsidies and benefits in various aspects of employees' lives. Also, the Group organizes themed activities to enhance their sense of belonging. While prioritizing the well-being of employees and their families, the Group also offers psychological health lectures and courses to promptly address any life or work-related stress, standing in the shoes of employees and demonstrating genuine care for their overall well-being.



### Distinctive Care Benefits

- Chindata Group offers a variety of subsidies and convenience services such as meal allowances, afternoon tea, on-campus dormitories, transportation subsidies, corporate ride-sharing, and employee shuttles. These benefits aim to enhance employee happiness.
- The Group also provides holiday gifts, birthday bonuses, and marriage and childbirth gifts, and regularly organizes festive-themed activities to foster a stronger sense of belonging among employees.



### Physical and Mental Health Benefits

- In addition to providing a flexible work schedule and ergonomic office supplies to create a conducive work environment, Chindata Group offers multi-level commercial insurance (including supplementary medical, accident, and travel insurance), annual free medical check-ups, and lectures on physical and mental health. These benefits ensure that employees truly feel cared for by the Company.



### Work-Life Balance

- Chindata Group promotes work-life balance by implementing flexible working hours to improve efficiency and oppose unnecessary competition. Employees are encouraged to efficiently complete their responsibilities within an average of 8 working hours per day, with overtime discouraged.
- During the pandemic, the Group implemented remote work. The Group encouraged eligible employees to work remotely and flexibly in the absence of national policies.
- Various interest groups are established and sports meetings are organized.
- Support is provided for team-building expenses and activity funds.

- ▶ Chindata Group extends holiday blessings to female employees



- ▶ Chindata Group organizes a birthday celebration for employees



- ▶ Chindata Group's New Year-themed event



# Create a Future with Partners

Chindata Group places great emphasis on supply chain management and implements various measures to ensure the health and safety of its partners. The Group maintains communication with suppliers and practices responsible procurement, striving to establish a compliant, transparent, and sustainable supply chain. This effort influences and motivates partners to build a sustainable future with Chindata Group together.

## Enhance Supply Chain Management

Chindata Group continuously improves its supply chain system by establishing *Chindata Group Supplier Management Regulations* and *Chindata Group Procurement Management Regulations*, aiming to standardize supplier performance and contribute to an efficient supply chain management system. Meanwhile, the Group implements comprehensive lifecycle management of the supply chain, covering supplier admission, assessment, and exit, to achieve closed-loop supply chain management. Through regular communication and timely feedback mechanisms, the Group promptly addresses performance issues, thereby enhancing overall supply chain management efficiency.

### 🔗 Total Number of Suppliers Categorized by Region in Chindata Group

Total number of suppliers (unit)	2022	2021
The Chinese mainland (company)	525	1,210
Overseas regions (company)	4	/

## ■ Supplier Admission

In 2022, Chindata Group formulated *Contractor Environmental Health and Safety Guidelines*, setting pre-qualification requirements for contractors, which enables the Group to select qualified suppliers by evaluating their awareness of environment, health, and safety and the degree of perfection of the policy system establishment.

To create green data centers, the Group prioritizes selecting suppliers that have obtained ISO 14001 environmental management system certification. This ensures that suppliers' material environmental grades and certifications meet the requirements for green data center construction. Additionally, the Group conducts verification and review of supplier qualifications, capabilities, and social responsibilities to ensure compliance with responsible procurement requirements.



Chindata Group establishes *Supplier Qualification Audit Report* for equipment suppliers, enhancing control over supplier admission

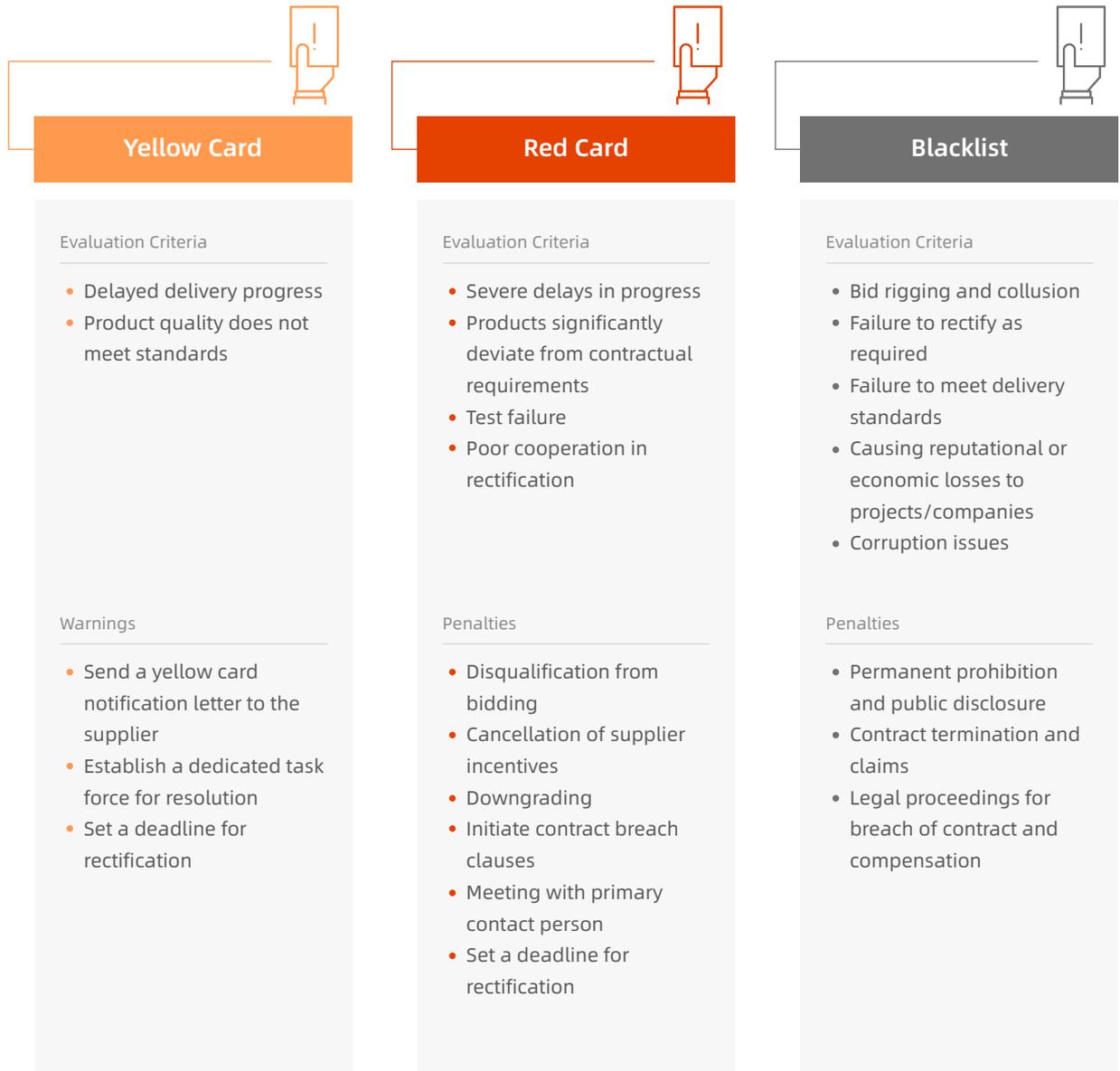
In March 2023, Chindata Group established *Supplier Qualification Audit Report* for equipment suppliers. This report lists comprehensive audits and evaluations of suppliers in seven dimensions: company size, benchmark performance, willingness to cooperate, production capacity, factory scale, quality control, and response speed. This rigorous and targeted approach ensures effective control over supplier admission.

## ■ Supplier Performance Evaluation

Chindata Group has developed a supplier performance evaluation mechanism, which takes into account the project construction cycle and conducts rolling performance evaluations of suppliers in terms of quality, delivery time, technology, operation and maintenance, cost control, compliance, and timely service. This is done to promptly supervise and improve supplier performance.

## ■ Supplier Exit

Chindata Group has established a supplier penalty monitoring and management mechanism, commonly known as the "red-yellow card" mechanism. Suppliers shall be receiving warnings and penalties commensurate with the gravity of their transgressions in meeting project delivery schedules and ensuring product quality. Additionally, Chindata Group has implemented a supplier classification mechanism. Suppliers are categorized as excellent, qualified, unqualified, pending evaluation, or blacklisted based on the results of the penalty monitoring and performance evaluations. Unqualified suppliers must undergo a re-evaluation process to regain qualification, while blacklisted suppliers are permanently banned. These measures are put in place to regulate and constrain supplier behavior, aiming to build an efficient supply chain management system.



Chindata Group's Supplier "Red-Yellow Card" Mechanism

## Build a Sustainable Supply Chain Together

Chindata Group practices sustainable development in every aspect of its supply chain, strengthening the management of suppliers and contractors in terms of environmental impact, health and safety, and business ethics. The Group is committed to working together with its partners to create a green and transparent sustainable supply chain.

## EHS Management of the Supply Chain

In 2022, Chindata Group formulated *Contractor Environmental Health and Safety Guidelines*, EHS evaluation criteria for procurement, and monthly EHS reports for its customers. These measures expand the coverage of the Group's EHS management system, ensuring that contractors meet the requirements of environmental protection, health, and safety. Through EHS management training, the Group aims to enhance contractors' awareness and improve the responsibility awareness of customers and business partners for environmental protection, safety, and health.



### Environment Aspect

The Group requires and supervises material suppliers to recycle construction waste that can be reused, encouraging them to adopt industry best practices for sustainable development, standardizing their behavior, and striving to create an eco-friendly supply chain.



### Health and Safety Aspect

The Group has established policies such as *Work Permit Procedures* and *Civilized Construction*, requiring engineering suppliers to comply with environmental, health, and safety regulations. The Group also clearly defines the responsibilities of each contractor, regularly identifies and addresses environmental, health, and safety hazards, ensuring the orderly progress of project construction and contributing to a healthy and safe supply chain.

## Transparent Procurement

Chindata Group has developed and improved *Chindata Group Code of Conduct for a Transparent Supply Chain*, which includes provisions for green and ethical practices, red-line practices, and strictly forbidden practices. This document standardizes supply chain management. The Group encourages all employees to supervise and report on various aspects of the supply chain, working together to build a transparent supply chain. Furthermore, suppliers are required to sign a commitment against commercial bribery and confidentiality before bidding. Upon signing the contract, both parties also sign *Chindata Group Compliance and Integrity Agreement*, aiming to build a cooperative relationship based on trust, honesty, and ethical practices.



### Key Performance

By 2022, the percentage of suppliers who have signed *Compliance and integrity Agreement* was

**100%**

# Share Development Value with Local People

Chindata Group is committed to sharing development value with local people and responds to the national strategy of "East Data West Computation." Through digitalization, the Group promotes industrial clustering and supports the coordinated development of various regions. In terms of community engagement and investment, Chindata Group gives back to society by conducting activities such as educational assistance and welfare visits. Through practical actions, the Group demonstrates its commitment to corporate social responsibility and promotes fairness.

## Empower Regional Development

Leveraging its business advantages, Chindata Group promotes the construction of data center infrastructure to facilitate the formation of regional industrial clusters with unique characteristics. This, in turn, supports the digital transformation of the region and empowers economic development both domestically and internationally.

## Empower Digitization in Overseas Markets

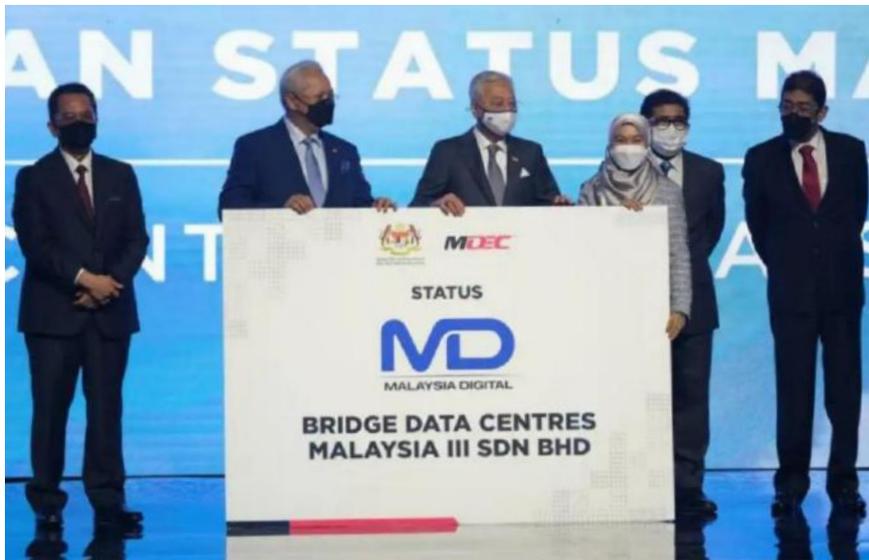


Chindata Group's overseas subsidiary, Bridge Data Centres, contributes to Malaysia's digital economy and receives Malaysia Digital Status (MD Status) recognition

In 2022, Chindata Group was honored with the Malaysia Digital Status (MD Status) recognition by the Malaysian government. This recognition is awarded to companies that have made significant contributions to the country's digital economy. So far, only six companies worldwide have received this recognition.

As one of the largest hyper-scale data center infrastructure providers in Malaysia, the Group invests in infrastructure construction and collaborates with local partners to build a digital ecosystem, accelerating Malaysia's digital transformation.

- The planned IT capacity is 160MW in total for Malaysia and India, in which several hyper-scale data center projects, such as MY01 and MY02, have been completed and are in operation. Moreover, the MY06 project located in Johor State adopts the construction scheme of container prefabrication and modularization, which has become a new model of data center construction.



Malaysian Prime Minister presented MD Status to Chindata Group's overseas subsidiary, Bridge Data Centres



Aerial view of Chindata Group's data center in Malaysia

## Empower the "East Data West Computation" Regional Ecosystem



Chindata Group promotes the synergy of upstream and downstream industries, creating a data center industrial cluster with regional characteristics

### Shanxi Province

Since its establishment in Datong, Shanxi Province, Chindata Group has fully utilized the geographical advantages of Shanxi, continuously promoting digital industrialization and strengthening industrial digitalization. This not only attracted upstream and downstream enterprises in the data center industry chain, such as equipment manufacturing, server production lines, data industry bases, and industrial internet, to settle in Datong but also several top companies to build large data centers locally. Gradually, a data center industrial cluster with Shanxi characteristics has been formed, laying a solid foundation for building a "Digital Datong" and a "Digital China."

### Hebei Province

Chindata Group has built data center cluster in Zhangjiakou in Hebei Province, focusing on one of the core nodes of the "East Data West Computation" initiative, the Beijing-Tianjin-Hebei hub. This continuous empowerment of the regional economy aims to create a new digital economic ecosystem. Since 2017, the Group has gradually attracted a large number of customers and upstream and downstream enterprises in fields such as cloud computing, high-end equipment manufacturing, and artificial intelligence. This success has driven the local data center industry to grow from zero to one, and from one to many, injecting new vitality into the regional economy.

### Gansu Province

Since 2020, Chindata Group has been exploring the layout of the Qingyang hub in Gansu. In the planning and construction process, the Group has leveraged its expertise to provide professional intelligent computing power support for the construction of a zero-carbon data center and a big data industrial park in Qingyang. The Group also encouraged ecological partners to invest and construct the Qingyang hub, contributing to green and low-carbon development in the local digital economy.

## Engage in Social Welfare

Chindata Group is actively involved in philanthropic endeavors and takes on its corporate social responsibility. The Group is committed to developing community education and improving the living conditions for retired veterans in various communities. It offers educational assistance activities and visits, demonstrating its commitment through practical actions.



Conducting "Education Development: A Collective Responsibility" assistance and support activities to ensure fundamental provisions for children

In July 2022, Chindata Group conducted the "Education Development: A Collective Responsibility" themed assistance and support activity at Zhuangtou Elementary School in Lingqiu County. The Group donated rice worth 8,000 yuan to the school, encouraging the children to strive for excellence and become pillars of the nation and society. Furthermore, Chindata Group extended an invitation to children to visit and learn about big data at Chindata Group, igniting their curiosity and fostering a diligent pursuit of knowledge through courses and practices. This initiative aims to effectively improve children's living conditions and learning experiences.



Chindata Group conducted educational assistance and support activities



## Organizing a "Marching with Love, Saluting Veterans" outreach event, providing care for retired veterans

In July 2022, Chindata Group carried out an "August 1st PLA Day" outreach event in Xiaguan Township with the theme of "Caring for Retired Veterans, Upholding the Tradition of Supporting the Military and Governance, and Building the Great Wall of Steel". Chindata Group visited Li Zhengui, a long-standing party member who shares the same age as the People's Republic of China, in Andi Village, listening to his stories and learning from the spirit of revolution and dedication of the older generation. The Group also extended their regards to the retired soldiers in Baishuiling Village, conveying festive greetings and presenting them with welfare items worth over ten thousand yuan, expressing gratitude for the selfless contributions of the veterans and genuinely caring for their post-military lives.



Chindata Group conducted the "Marching with Love, Saluting Veterans" outreach event

# Index table

## (1) GRI Content Index

Statement of use	Chindata Group has reported the information cited in this GRI content index for the period from 1st January 2022 to 31st December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

Standards	Disclosure Items	Location
GRI 2: General Disclosures	2-1 Organizational details	P05-06
	2-2 Entities included in the organization's sustainability reporting	P01-02
	2-3 Reporting period, frequency, and contact point	P02
	2-4 Restatement of information	P01-02, P34
	2-5 External assurance	P129-130
	2-6 Activities, value chain, and other business relationships	P05-06
	2-7 Employees	P89-91
	2-8 Workers who are not employees	P110
	2-9 Governance structure and composition	P13, P25-26
	2-10 Nomination and selection of the highest governance body	P13-14
	2-11 Chair of the highest governance body	P13-14
	2-12 Role of the highest governance body in overseeing the management of impacts	P16-19, P25-27
	2-13 Delegation of responsibility for managing impacts	P13, P25-26
	2-14 Role of the highest governance body in sustainability reporting	P25-26
	2-15 Conflicts of interest	P19
	2-16 Communication of critical concerns	P19, P31-34

Standards	Disclosure Items	Location
	2-17 Collective knowledge of the highest governance body	P21-22
	2-18 Performance evaluation of the highest governance body	P27
	2-19 Remuneration policies	P13
	2-20 Process to determine remuneration	P13
	2-22 Statement on sustainable development strategy	P03-04
	2-23 Policy commitments	P05, P07
	2-24 Embedding policy commitments	P18-20, P25-27, P29-30, P87-88
	2-25 Processes to remediate negative impacts	P20
	2-26 Mechanisms for seeking advice and raising concerns	P20
	2-27 Compliance with laws and regulations	P15-20
	2-28 Membership associations	P07
	2-29 Approach to stakeholder engagement	P31-32
<b>GRI 3: Material Topics</b>	3-1 Process to determine material topics	P31-34
	3-2 List of material topics	P33-34
	3-3 Management of material topics	P12, P24, P32-34, P36, P54, P86
<b>GRI 201: Economic Performance</b>	201-1 Direct economic value generated and distributed	P06
	201-2 Financial implications and other risks and opportunities due to climate change	P28, P78-83
<b>GRI 203: Indirect Economic Impacts</b>	203-1 Infrastructure investments and services supported	P114-116
	203-2 Significant indirect economic impacts	P114-116
<b>GRI 205: Anti-Corruption</b>	205-2 Communication and training about anti-corruption policies and procedures	P21-22
	205-3 Confirmed incidents of corruption and actions taken	P20
<b>GRI 206: Anti-Competitive Behavior</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P20

Standards	Disclosure Items	Location
GRI 207: Tax	207-1 Approach to tax	P16-18
	207-2 Tax governance, control, and risk management	P16-18
	207-3 Stakeholder engagement and management of concerns related to tax	P16
GRI 302: Energy	302-1 Energy consumption within the organization	P66
	302-4 Reduction of energy consumption	P66-70
	302-5 Reductions in energy requirements of products and services	P55-60, P66-70
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	P71-72
	303-2 Management of water discharge-related impacts	P71-72
	303-3 Water withdrawal	P71-72
	303-4 Water discharge	P71-72
	303-5 Water consumption	P71-72
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	P55
	304-2 Significant impacts of activities, products, and services on biodiversity	P55
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	P73
	305-2 Energy indirect (Scope 2) GHG emissions	P73
	305-3 Other indirect (Scope 3) GHG emissions	P73
	305-4 GHG emissions intensity	P73
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	P58-60
	306-2 Management of significant waste-related impacts	P58-60
	306-3 Waste generated	P58-60
	306-4 Waste diverted from disposal	P58-60
	306-5 Waste directed to disposal	P58-60

Standards	Disclosure Items	Location
GRI 308: <b>Supplier Environmental Assessment</b>	308-1 New suppliers that were screened using environmental criteria	P110-113
	308-2 Negative environmental impacts in the supply chain and actions taken	P110-113
GRI 401: <b>Employment</b>	401-1 New employee hires and employee turnover	P90-91
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P91, P94, P108-109
GRI 403: <b>Occupational Health and Safety</b>	403-1 Occupational health and safety management system	P102-104
	403-2 Hazard identification, risk assessment, and incident investigation	P102-104
	403-3 Occupational health services	P106-108
	403-4 Worker participation, consultation, and communication on occupational health and safety	P106-108
	403-5 Worker training on occupational health and safety	P106-107
	403-6 Promotion of worker health	P106-108
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P106-108
	403-8 Workers covered by an occupational health and safety management system	P102-104
	403-9 Work-related injuries	P102
GRI 404: <b>Training and Education</b>	404-1 Average hours of training per year per employee	P101
	404-2 Programs for upgrading employee skills and transition assistance programs	P97-100
	404-3 Percentage of employees receiving regular performance and career development reviews	P91
GRI 405: <b>Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	P14, P88-90

Standards	Disclosure Items	Location
GRI 406: <b>Non-Discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	P87
GRI 413: <b>Local Communities</b>	413-1 Operations with local community engagement, impact assessments, and development programs	P114-118
GRI 414: <b>Supplier Social Assessment</b>	414-1 New suppliers that were screened using social criteria	P110-113
	414-2 Negative social impacts in the supply chain and actions taken	P110-113
GRI 416: <b>Customer Health and Safety</b>	416-1 Assessment of the health and safety impacts of product and service categories	P37-41
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	P37, P43
GRI 417: <b>Marketing and Labeling</b>	417-1 Requirements for product and service information and labeling	P50
GRI 418: <b>Customer Privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	P51

## (2) Nasdaq ESG Reporting Guide

Disclosure Indicators	Location
E1 GHG Emissions	P73
E2 Emissions Intensity	P73
E3 Energy Usage	P66
E4 Energy Intensity	P66
E5 Energy Mix	P66
E6 Water Usage	P71-72
E7 Environmental Operations	P55-73, P110-113
E8 Climate Oversight / Board	P25-27
E9 Climate Oversight / Management	P25-27
E10 Climate Risk Mitigation	P79-83
S1 CEO Pay Ratio	N/A
S2 Gender Pay Ratio	N/A
S3 Employee Turnover	P91
S4 Gender Diversity	P90
S5 Temporary Work Ratio	P90
S6 Non-Discrimination	P87-88
S7 Injury Rate	P102
S8 Global Health & Safety	P117-118
S9 Child & Forced Labor	P87-88
S10 Human Rights	P87-88
G1 Board Diversity	P14
G2 Board Independence	P14
G3 Incentivized Pay	P91
G4 Collective Bargaining	P92
G5 Supplier Code of Conduct	P110-113
G6 Ethics & Anti-Corruption	P18-19
G7 Data Privacy	P30-46
G8 ESG Reporting	P01-02
G9 Disclosure Practices	P12, P24, P36, P54, P86, P119-128
G10 External Assurance	P129-130

### (3) TCFD Disclosure Recommendations

Scope	Disclosure Recommendations	Location
<b>Governance</b> Disclose the organization’s governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	P25-27
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	P25-27
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	P77-83
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	P79-83
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	P78
<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization’s processes for identifying and assessing climate-related risks.	P74-78
	b) Describe the organization’s processes for managing climate-related risks.	P79-83
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	P74-83
<b>Metrics and Targets</b> Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	P74-83
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	P73
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	P64, P74-77, P84

## (4) SASB Location

Topic	Code	Accounting Metric	Unit of Measure	Location
<b>Sustainability Disclosure Topics and Accounting Metrics</b>				
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	P65
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	P71-72
	TC-SI-130a.2	Discussion of the integration of environmental considerations into strategic planning for data center needs	n/aPercentage (%)	P55-61
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	n/a	P38-42, P50
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Number	P43
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Number	P43
	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Number, Percentage (%)	N/A
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	n/a	N/A

Topic	Code	Accounting Metric	Unit of Measure	Location
Data security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	Number, Percentage (%)	P43
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	n/a	P37-46
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Percentage (%)	P88
	TC-SI-130a.2	Employee engagement as a percentage	Percentage (%)	P89-90
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Percentage (%)	P88
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Reporting Currency	P47-48
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	n/a	P37

Topic	Code	Accounting Metric	Unit of Measure	Location
<b>Activity Metrics</b>				
(1) Number of licenses or subscriptions, (2) percentage cloud-based	TC-SI-000.A	/	Number, Percentage (%)	N/A
(1) Data processing capacity, (2) percentage outsourced	TC-SI-000.B	/	Million Service Units (MSUs), Million Instructions per Second (MIPS), Mega Floating Point Operations per Second (MFLOPS), compute cycles, etc., Percentage (%) <sup>14</sup>	N/A
(1) Amount of data storage, (2) percentage outsourced	TC-SI-000.C	/	Petabytes, Percentage (%)	N/A

14. Data processing capacity shall be reported in units of measure typically tracked by the entity or used as the basis for contracting software and IT services, such as Million Service Units (MSUs), Million Instructions per Second (MIPS), Mega Floating-Point Operations per Second (MFLOPS), compute cycles, or other. Alternatively, the entity may disclose owned and outsourced data processing needs in other units of measure, such as rack space or data center square footage. The percentage outsourced shall include On-Premise cloud services, those that are hosted on Public Cloud, and those that are residing in Colocation Data Centers



## ASSURANCE STATEMENT

### SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ESG REPORT OF CHINDATA GROUP FOR 2022

#### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by CHINDATA GROUP (hereinafter referred to as CHINDATA) to conduct an independent assurance of the Chinese version of CHINDATA's ESG Report for 2022 (hereinafter referred to as the Report).

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all CHINDATA's Stakeholders.

#### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the management and related functional departments of CHINDATA. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all CHINDATA's stakeholders.

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards, which including:

- The principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) as:
  - GRI 1: Foundation 2021, for report quality
  - GRI 2: General Disclosure 2021, for organization's reporting practices and other organizational detail
  - GRI 3: Material Topics 2021, for organization's process of determining material topics, its list of material topics and how to manage each topic
- and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

- SGS ESG & SRA verification regulations (Refer to GRI Principles and AA1000 Guides)

The Assurance has been conducted at a moderate level of scrutiny.

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below, and evaluation of adherence to the following reporting criteria:

- GRI Standards 2021(Reference)

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, on-site interviewed with relevant employees including the CHINDATA head-office, which is located at No. 7, Rongda Road, Chaoyang District, Beijing City, P.R. China.

#### LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

Data tracing on headquarters level, not including original data of all subsidiaries.

The assurance process only involved interviews with key employees from relevant departments of headquarters and consultation with relevant documents. No external stakeholder involved.

## STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from CHINDATA, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

## VERIFICATION/ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, the information and data contained within the Report verified is accurate and reliable, which have provided a balanced representation of sustainability activities by CHINDATA in 2022.

## THE CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

In our opinion, CHINDATA's ESG report for 2022 had referred to the GRI standards 2021. Detailed report of the good practices, findings and recommendations for continuous improvement were presented in the SGS internal management report and submitted to CHINDATA.

## AA1000 ACCOUNTABILITY PRINCIPLES (2018)

### Inclusivity

CHINDATA had identified the stakeholders and determined methods for stakeholders' communication and engagement and taken different ways to communicate and exchange information.

### Materiality

Based on the determined topics concerned by the stakeholders, CHINDATA has considered reasonably disclosing material issues and indicators, which substantively influence the assessments and decisions of stakeholders, to reflect the organization's significant economic, environmental, and social impacts.

### Responsiveness

CHINDATA had presented the interaction channel with stakeholders and establish the complaint disposal system to present good responsiveness of appeal and expectation.

### Impact

CHINDATA has demonstrated a process to monitor and measure the impacts of the major activities related to environmental, social and governance topics in the report

Signed:



For and on behalf of SGS-CSTC

David Xin

Sr. Director – Knowledge

16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

July 11<sup>th</sup>, 2023

[WWW.SGS.COM](http://WWW.SGS.COM)

# Reader Feedback

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Thank you for reading the "Chindata Group 2022 Environmental, Social, and Governance (ESG) Report". To provide more valuable information to you and other stakeholders and to enhance Chindata Group's ESG management capabilities, we sincerely welcome your comments and suggestions on the report. Please provide feedback to the following contact:

Email: [marketing@chindatagroup.com](mailto:marketing@chindatagroup.com)

## 1. Which category of stakeholder do you belong to?

- |  |  |                                |
|--|--|--------------------------------|
| <input type="radio"/> Customer             | <input type="radio"/> Government and regulatory agencies           | <input type="radio"/> Employee |
| <input type="radio"/> Shareholder/Investor | <input type="radio"/> Partner (Supplier, Distributor)              | <input type="radio"/> Media    |
| <input type="radio"/> Community            | <input type="radio"/> Non-profit organization/Industry association | <input type="radio"/> Other () |

## 2. Do you think this report comprehensively reflects Chindata Group's performance in environmental, social, and governance aspects?

- Yes  Partially  No

## 3. Do you think this report adequately addresses the expectations and requirements of Chindata Group's stakeholders?

- Yes  Partially  No

## 4. Do you think the quantitative information disclosed in this report is objective, accurate, and effective?

- Yes  Partially  No

## 5. Do you think the textual descriptions in this report are clear, organized, and easy to understand?

- Yes  Partially  No

## 6. Do you think the layout design of this report helps you understand the relevant information?

- Yes  Partially  No

## 7. Do you have any other comments or suggestions regarding Chindata Group's ESG management and ESG report?

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Chindata Group  
Official Website



Chindata Group  
Wechat Official Account



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#### **GENERAL DISCLAIMER**

The information in this report may contain predictive statement, including but not limited to, future business model, the development trend of data center industry and new technologies. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied in the predictive statements. Therefore, such information is provided for reference purposes only, and constitutes neither an offer nor a commitment. Chindata Group may change the information at any time without notice, and is not responsible for any liabilities arising from your use of any of the information provide herein.