**AIIB**

**Project Summary Information**

| | Date of Document Preparation: September 2, 2025 |
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| **Project Name** | Project Forest |
| **Project Number** | P001004 |
| **AIIB member** | China |
| **Sector/Subsector** | Digital Infrastructure and Technology |
| **Alignment with AIIB's thematic priorities** | Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure; Private Capital Mobilization |
| **Status of Investment** | Under Preparation |
| **Objective** | To expand digital infrastructure in Asia by financing ZData's development of high-performance, energy-efficient data centers, increasing regional IT capacity, and accelerating renewable energy adoption in the sector. |
| **Project Description** | Potential equity investment of up to USD40 million in ZData as part of their Series C funding round. The equity injection will support ZData's capital expenditure plans, facilitating the expansion of its data center operations both within China and across Southeast Asia.<br><br>ZData is a leading third-party data center developer and operator in China with capacity in service of 547MW (22 data centers) as of 2024, and over 1.0GW projected capacity to be in service by end of 2025. ZData is one of the few players in China capable of building, operating and maintaining hyperscale data centers, and owns four out of the only eight hyperscale data center parks each exceeding 500MW in frontier provinces (Inner Mongolia, Shanxi, Hebei and Ningxia). |
| **Expected Results** | Expected results to be measured include: number of data center buildings constructed, total IT capacity developed, amount of renewable energy used to power data centers, average data center utilization rate, average power usage effectiveness of data centers, operational IT capacity available, and amount of private capital mobilization. |
| **Environmental and Social Category** | B |

| Environmental and Social Information | **Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environment and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), shall apply to this Project. ESS1 (Environmental and Social Assessment and Management) and ESS2 (Land Acquisition and Involuntary Resettlement) will apply as the proposed activities involve civil works and impacts related to economic displacement. ESS3 (Indigenous Peoples) will be considered for review for the project. The Project is assigned as Category B, based on the available information, considering the Project nature, scale and technology usage. Its anticipated environmental and social (ES) risks and impacts, if not reduced, are limited to the project area that is ring-fenced for the new data centers to be constructed. Moreover, the Project has (i) a limited number of potentially adverse ES impacts, (ii) the impacts are not unprecedented, and (iii) the client is lenient in committing to managing ES risks during the project implementation stage.

**Environmental and Social Instruments.** To meet AIIB's ES requirements, ZData has agreed to engage a qualified consulting firm to develop a comprehensive Environmental and Social Management System (ESMS). The ESMS will be informed by the findings of the Environmental and Social Due Diligence (ESDD), which will (a) assess the adequacy of the Client's existing Corporate ESMS, (b) conduct gap analysis comparing the Client's current ESMS against AIIB's ESP requirements, and (c) identify any gaps or corrective measures to be incorporated into the Environmental and Social Action Plan (ESAP), to align the ESMS with AIIB standards. AIIB ES team will review the draft ESMS and provide support and advice to enhance the quality of ESMS. Further, the ESDD will also review the Project's current operations (including data centers in operation and under construction) and institutional structures/frameworks against AIIB's ESP and other international standards, including International Finance Corporation Performance Standards (IFC PS). While ZData's operating data centers are all located in China, ESDD will assess the readiness of ESMS for future locations, and its applicability as basis for other operating jurisdictions. As part of the ESDD, a Stakeholder Engagement Plan (SEP) will be prepared and incorporated in the ESMS.

**Environmental Aspects.** The anticipated key environmental risks and impacts during construction stage are limited to the project area and are considered temporary, limited and can be mitigated. These include surface water, groundwater and soil contamination, generation of air (dusts/ particulates and gaseous), noise pollution, and waste including spoils, accumulation of solid and hazardous wastes. While during operations, given the nature of the Project, the likely adverse impacts of the Project will be largely due to its heavy requirements of water and electricity. However, the client is committed to implementing their green initiative design and high rack utilization rate, which aims to reduce energy consumption and physical footprint per unit of data processed. In addition, most projects in Ulanqab and Ningxia will be sourced from renewable energy and some are planned to be transitioned from conventional to renewable energy. Other additional anticipated impacts include |

fire risks, generation of noise, electronic/ hazardous waste (e.g., batteries, cleaning materials, coolant, etc.), and wastewater, and greenhouse gases (GHG) emissions. All these impacts will be managed upon the development of their ESMS.

**Social and Gender Aspects.** The Project is expected to generate positive social impacts, including employment opportunities, skills development, and expansion of digital infrastructure expansion, contributing to regional economic growth. Some civil works associated with establishing new data centers are expected, which present potential social risks. These risks include (i) labor and working conditions concerns during construction and operation, including potential exposure to Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH), and gender-based violence (GBV), (ii) temporary disruption to local communities from construction activities, and (iii) privacy and data security considerations arising from increased geospatial data processing. Mitigation measures minimizing or avoiding disruption of local communities from civil work, facilitating stakeholder engagement with local communities and stakeholders, and a comprehensive data protection protocol will be included in the ESMS. Also, preparation of any specific ES instruments required for any land acquisition or land study activities will be carried out. The Bank will further assess social risks and impacts during the ESDD and next stage of the Project. Nonetheless, the Project has potential opportunities to advance gender equality in China's digital economy. As part of ESDD, mitigation measures will also be identified to address any gaps.

**Occupational Health and Safety, Labor and Employment Conditions.** Existing corporate plans, including ESMS and Operational Health and Safety (OHS) will be reviewed to verify availability of procedures for the health and safety of the workers. Measures will be checked to prevent accidents, injuries and disease (including as appropriate, measures in line with internationally recognized standards to avoid or minimize exposure to communicable and noncommunicable diseases, including pandemics) associated with the Project. The Project will also assess the impact on the host community due to labor influx measures to manage the risks of adverse impacts on communities in line with national regulations and ESS 1 including the risk of SEA, SH, and GBV incidents.

**Stakeholder Engagement, Consultation and Information Disclosure.** A SEP proportionate to the Project's scale and risks will be prepared, outlining stakeholder consultation strategies and disclosure plans to engage stakeholders in a culturally appropriate and meaningful approach. This SEP will form as part of the ESMS at corporate level, which shall include identification of potential stakeholders, vulnerable groups, and other activities as well as specific roles and responsibilities of project management in carrying out an effective and regular consultation process throughout the project cycle. The English version of the ESMS and ESAP, upon confirmation with the Client, and SEP reports and the Executive

summary in Chinese will be disclosed online and available in the Project area. The documents will be posted on the Client and AIIB websites.

**Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement.** The Project will establish a GRM to provide a formal, accessible, and transparent process in addressing the concerns from both workers and affected communities related to Project activities. The GRM may include multiple channels for submission and will document, monitor, and address grievances within a defined timeframe, having clear communications to complaints at each stage. Further, the ESDD will assess specific gaps for establishing GRM consistent with AIIB's ESP and will be included in the ESAP. The information of established GRM and AIIB's Project-affected People's Mechanism (PPM) will be timely disclosed in an appropriate manner.

Detailed monitoring mechanisms, including frequencies and the reporting format of the monitoring, will be further evaluated during ESDD and be reflected in the future enhanced ESMS.

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| **Investee Company** | ZData Intelligent valley Limited |
| **Estimated Date of First Disbursement** | 1/2026 |

| **Contact Points:** | **AIIB** | **Investee** |
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| **Name** | Catherine Han | Xiaotong Xu |
| **Title** | Investment Officer | Finance Manager |
| **Email Address** | catherine.han@aiib.org | xuxiaotong@cnispgroup.com |

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| **Date of Concept Decision** | 08/20/25 |
| **Estimated Date of Appraisal Decision** | 12/2025 |
| **Estimated Date of Financing Approval** | 1/2026 |

| Independent Accountability Mechanism | The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html. |
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