ZTE

2025 Sustainability Report

ZTE Corporation

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About This Report

The sustainability report is issued annually by ZTE Corporation. Adhering to the principle of "Materiality, Quantification, Balance, and Consistency," the report discloses the philosophies, major progress, achievements, and future plans of ZTE Corporation and its subsidiaries in terms of environmental, social, and governance performance, with a time span from January 1, 2025 to December 31, 2025 Any inconsistencies will be explained in the relevant sections of this report.

For 18 consecutive years since 2009, ZTE has annually released sustainability reports/Corporate Social Responsibility (CSR) reports.

◎ Reporting Basis and Principles

This report is prepared in accordance with the following standards and requirements:

- *Appendix C2 Environmental, Social and Governance Reporting Code of the Main Board Listing Rules* issued by HKEX.
- *Self-Regulatory Guidelines No. 17 for Listed Companies - Sustainability Report (Trial) of the Shenzhen Stock Exchange* and *Self-Regulatory Guide No. 3 for Listed Companies - Compilation of Sustainability Report of the Shenzhen Stock Exchange*.
- *Global Reporting Initiative (GRI) Standards* of the Global Sustainability Standards Board (GSSB).
- *Corporate Sustainability Reporting Directive (CSRD)* of the European Commission.
- *European Sustainability Reporting Standards (ESRS)* of the European Financial Reporting Advisory Group (EFRAG).
- Sustainable Development Goals (SDGs) of the United Nations.
- The Ten Principles of the UN Global Compact.
- *ISO 26000: Guidance on Social Responsibility.*

This report is formulated by identifying important stakeholders, analyzing and prioritizing key issues related to sustainable development, making decisions on the report scope, as well as collecting, summarizing, organizing, and reviewing relevant data and materials in the preparation process.

◎ Scope and Boundaries

Unless otherwise specified, the policies, statements, and materials in this report cover the actual business scope of ZTE Corporation and its subsidiaries, which is the same as the scope in the annual report issued by ZTE Corporation.

Unless otherwise specified, CNY is the currency unit used in this report.

◎ Definition of Terms

For the convenience of expression and reading, "ZTE Corporation," "ZTE," "this company," "the company," and "we" in this report refer to ZTE Corporation and its subsidiaries.

Unless otherwise specified, the terms used in this report have the same meanings as those defined in the company's Annual Report 2025.

◎ Data Source and Reliability Statement

All data used in the report comes from ZTE Corporation and its subsidiaries. The Board of Directors of the company is responsible for the truthfulness, accuracy, and integrity of this report. To boost the report's credibility, the company has engaged an independent third party to verify the disclosed information and issue a verification report (see the "Independent Assurance Statement" section).

◎ Report Language

This report is published in both Chinese and English versions. The English version is a translation of the Chinese version. In the event of any discrepancies between the two versions, the Chinese version shall prevail.

◎ Confirmation and Approval

This report has been approved by the Board of Directors for release.

◎ Access to This Report

You can access the electronic version of this report through the following website: https://www.zte.com.cn/global/about/sustainability.html

For any feedback on the report, please send an email to esg@zte.com.cn.

Message from the CEO

"

The year 2025 marks ZTE's 40th anniversary. This milestone coincides with a pivotal moment for us to redefine our corporate vision and mission, standing at the forefront of intelligent transformation. In the face of profound changes in the global digital economy, ZTE has unveiled its new vision, "To lead in connectivity and intelligent computing", with greater strategic foresight and a stronger sense of responsibility. Driven by our "Connectivity + Computing" strategy, we remain committed to our original aspiration of empowering high-quality and sustainable economic development through technology, and work with our partners to build an intelligent future that is more efficient, green, and inclusive.

"

New Vision, New Course: Solidifying the Foundation of Sustainable Development with "Connectivity + Computing"

In this new round of industrial revolution driven by AI, ZTE leverages its strategic foresight to anticipate technological evolution trends and focuses on three major technological pathways—"Connectivity Upgrade, Computing-Network-Intelligence Synergy, and Phygital Convergence." Building on the comprehensive AI-driven upgrade of our products and solutions, we provide end-to-end intelligent computing solutions with the synergy of "computing, connectivity, storage, software, energy, and terminal." In this way, we strive to achieve the optimal TCO and enhance the efficiency of intelligent production and applications. On the connectivity front, we are driving the evolution of network capabilities from "Internet of Everything" to "Intelligent Internet of Tasks" through innovative technologies such as 5G-A/6G and 50G PON. This ensures ubiquitous, intelligent, and deterministic connectivity as the fundamental support for the digital society. For instance, in Anyang city, Henan province, we have established over 10 drone routes for low-altitude blood delivery along with China Unicom and Yunhuan UAV, covering an urban airspace of 1,200 square kilometers. By interconnecting with the drone management platform, this solution creates new scenarios in the low-altitude economy, and increases blood delivery efficiency by over 60%. At the Huatailong mine in Xizang, we have achieved unmanned safe operations through deterministic networks, reducing the manpower involved in hazardous tasks by 50% and minimizing high-risk scenarios. With the application of connectivity technology, we actively fulfill CSR, contributing to social development and the well-being of communities. As for computing and intelligence, ZTE is committed to three principles: developing efficient infrastructure, enabling efficient intelligence amplification, and accelerating impact through efficiency. Based on efficient and green computing infrastructure, we have developed a suite of software and tools, such as the resource management platform, guided training and inference platform, and automated application development platform. These tools lower the technological and deployment barriers to AI adoption across various industries, enabling rapid development of AI applications and helping customers unlock data value and achieve efficient and secure application of AI. To drive phygital convergence, we have launched a full range of innovative solutions, including the Co-sight AI agent factory, embodied intelligence, smart home terminals, and AI-native phone, to accelerate the improvement of production and quality of life through AI.

Industry Intelligence: Harnessing Technology in the Real Economy to Drive Global Industry Transformation

We firmly believe that the value of technology lies in addressing fundamental challenges in human development. In the industrial sector, the Mitsubishi factory in Shanghai has adopted ZTE's 50G PON + FTTR-B solution to replace its multi-layer switches and build an all-optical network to support quality inspection and AGV scheduling, thereby increasing production efficiency by 35%. In the energy industry, we have enabled dynamic optimization of energy consumption in computing infrastructure through all-scenario cooling solutions and green IDC technologies, supporting customers in fulfilling their carbon reduction goals. Moreover, we empower industries such as finance, healthcare, and education with "on-demand private networks + DeepSeek AiCube," providing secure and efficient technical support for remote diagnosis and personalized learning. These practices fully embody the company's commitment to "All in AI." More importantly, they demonstrate how technology can be utilized to tackle sustainability challenges—uneven resource allocation, bottlenecks in production efficiency, and unbalanced development—and truly drive social progress.

Life Experience: Bringing Intelligence to Every Home and Everyone

The ultimate goal of an intelligent society is to enhance human well-being. ZTE remains committed to making technology and intelligence accessible to all. In home scenarios, we continue to drive the upgrade of home devices into a "home intelligence center." Through smart devices in various forms with built-in computing power, we achieve the convergence of "computing, connectivity, storage, and intelligence." Our products guarantee both user experience and privacy, and satisfy people's needs in healthcare, education, entertainment, and security. For example, we have launched the "TongTong" humanoid robot jointly with China Unicom. Integrating "FTTR + Wi-Fi 7" for seamless network coverage and the terminal-cloud collaborative large model, TongTong can provide care for kids, the elderly, and pets, as well as healthcare reminders, transforming smart living from "passive response" to "proactive protection." For personal devices, we focus on AI-powered terminals, and have launched the nubia Z80 Ultra and Flip 2, creating an AI-enabled lifestyle for younger generations. We also provide better experiences to all age groups through phone series such as ZTE Xiaoxian 60 (Senior Edition), Changxing 60 Ultra, and Yuanhang 60 Plus, promoting "AI for All." In addition, we jointly launched the industry's first agentic AI phone, achieving cross-application task processing and unlocking new intelligent interaction experiences. These innovations not only improve the quality of life, but also help bridge the digital divide through cloud-edge-terminal collaboration solutions, allowing people in remote areas and disadvantaged conditions to share the benefits of intelligent technology. By doing so, we ensure that intelligent technologies truly serve the vision of a better life for all.

Ecosystem Co-Building: Creating Greater Value with Partners

Sustainability cannot be achieved without the concerted efforts of global partners. The year 2025 marks a pivotal moment for ZTE in advancing its ecosystem building. Adhering to the principles of "Openness and Collaboration, Complementary Strengths, Win-Win Success, and Long-Term Development," we are comprehensively upgrading our partnership system. With the core strategies of "Professionalism, Collaboration, and Agility," we have joined hands with over 20,000 partners to build a win-win digital and intelligent ecosystem. By embracing the philosophy of "Bringing Simplicity to Others," we have tailored modular solutions to different scenarios, boosting operational efficiency while substantially reducing costs. Through technological capability sharing and supply chain collaboration, we have built a highly resilient, anti-fragile supply chain system, and reshaped the supply chain with AI agents, achieving ultimate efficiency in auto-sensing, auto-decision-making, and auto-optimization. These efforts not only strengthen the security and resilience of the industry chain but also promote TCO optimization and low-carbon transformation across the industry. ZTE endeavors to advance sustainable development by ensuring mutual success in the ecosystem.

Along the four-decade journey, we always remain true to our original aspirations. Looking ahead, ZTE will steadfastly advance our "Connectivity + Computing" strategy, fully embrace AI, and fulfill our commitment to "All in AI, AI for All," to empower industry transformation, enhances household lifestyles, and enrich personal experiences. We look forward to working with our global partners to bridge divides through technology and unite our strengths through a robust ecosystem. Together, let's craft a new blueprint of sustainable development in the digital era.

Xu Ziyang

Executive Director and CEO of ZTE Corporation
March 2026

Message from the COO

"In 2025, ZTE celebrated its 40th anniversary and officially released its new vision: "To lead in connectivity and intelligent computing, enabling communication and trust everywhere." In the face of an ever-changing external environment, we have remained confident and forged ahead with determination. While embracing the historic opportunities brought by AI, we are putting our new vision into practice, and building up core competitiveness for the future."

In the governance field:

ZTE has made comprehensive efforts to ensure effective governance. Continuously optimizes its governance structure, establishing the role of employee director in accordance with relevant regulations. Keeps pace with domestic and international regulatory developments, and accelerates the digitalization of compliance management to further enhance the compliance system. Enhances Business Continuity Management (BCM), and systematically improves risk response capabilities and business resilience by upholding baseline standards, fostering anti-fragility, addressing weaknesses, and strengthening prevention. Launches the "Data Cross-Border Compliance Service Platform for Enterprises Going Overseas"—a one-stop solution for cross-border data transfer compliance, helping companies tackle complex global compliance challenges.

In the environmental field:

We integrate climate action deeply with our development strategy, and continue to build the "Digital Green Path" in four key dimensions: green corporate operations, green supply chain, green digital infrastructure, and green industry empowerment, ensuring the achievement of science-based targets. With our green efforts, ZTE Xi'an Base and Changsha Base have been recently recognized as the "National Green Factory", and the company has been included in the CDP "A List" for three consecutive years, which is the highest rating for climate action.

In the social field:

ZTE always aims to seek steady growth and break new ground. Driven by the "Connectivity + Computing" strategy, we accelerate the integration of AI and ICT, and continuously refine our "full-stack, full-scenario intelligent computing solutions," to promote the democratization of computing power and empower the intelligent transformation of diverse industries. Together with its partners, ZTE won the highest award at World Artificial Intelligence Conference 2025—the Super AI Leader Award (SAIL Award). In the fields of home terminals and personal devices, ZTE upholds "AI for All" and drives the intelligent transformation of terminals, accelerating the development of a full-scenario AI ecosystem. In home scenarios, ZTE deeply integrates AI capabilities into innovative terminals in diverse of forms, promoting the upgrade of home terminals into a "home intelligence center." In 2025, we jointly launched the industry's first agentic AI phone with a partner, enabling cross-application task processing and creating new AI experiences.

Leveraging digital and intelligent tools, we have built a "prevention-first" quality management system that is centered on an "intelligent and simplified" management model. Focusing on both governance and technology, we enhance AI security by maintaining the intrinsic security of AI systems while building a defense system against external threats. With AI tools, quality management efficiency has increased by more than 15%. All applicable product series have passed the EU RED cybersecurity certification, ensuring product security throughout their lifecycles.

Talent is the cornerstone of corporate development. The company always practices the behavioral guidelines of "cooperative, pragmatic, professional, and responsible," and is making continuous efforts to build a learning organization. While providing a growth platform for employees, we prioritize the health and safety of our colleagues. The company has won the "Excellence in Practice Award" from the Association for Talent Development (ATD) for six consecutive years, gaining international recognition for its talent development system. Internally, we have initiated 18 projects related to AI and AI security applications, enabling intelligent monitoring, early warning, and emergency response for safety hazards, empowering management with technology and reducing health and safety risks.

The company continues to advance the implementation of the SPIRE supply chain 2.0 strategy, integrating its expertise in digital transformation with the advantages in industry chain collaboration. In this way, we have deepened ecosystem collaboration and built an anti-fragility supply chain system. Together with partners, we released the *ZTE White Paper on the Application of Intelligent Technologies in Supply Chain* in 2025. At the same time, the company completed onsite ESG audits for 270 suppliers and organized multiple ESG training sessions, with over 450 supplier attendances, comprehensively enhancing the sustainability of the supply chain.

Adhering to its vision of "Goodwill, Everywhere" for public welfare, ZTE carries out its global welfare initiatives in four major areas: educational support, medical assistance, low-carbon environmental protection, and rural revitalization. In 2025, ZTE's total investment in public welfare reached CNY35.37 million, with 89 projects implemented in 15 countries and regions, benefiting more than 100,000 people directly. Employee engagement in public welfare has been increasing continuously, with a volunteer team of over 20,000 employees and 629 volunteering activities conducted throughout the year.

As we move into 2026, "AI+" is picking up speed dramatically, fueling both technological revolution and industrial restructuring. We are now standing at a pivotal moment of a surging era, where opportunities and challenges co-exist. ZTE will adhere to its business principle of "Unity for Prosperity, Quality for Profitability" to ensure steady and long-term growth. Adopting the development approach of "resource aggregation and ecosystem collaboration," we will strengthen strategic alignment and accountability internally, and deepen industry collaboration and value co-creation externally. With technological innovation, governance optimization, talent development, and responsibility fulfillment, ZTE endeavors to contribute to a society that is greener, smarter, more efficient, and more inclusive, creating long-term value for our stakeholders and supporting global sustainable development.

The company completed onsite ESG audits for

270 suppliers

and organized multiple ESG training sessions, with over

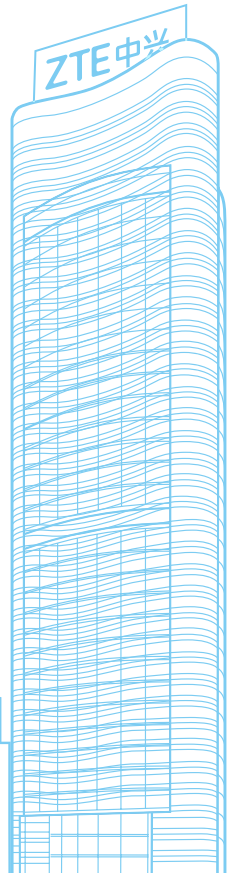
450 supplier attendances

In 2025, ZTE's total investment in public welfare reached

CNY **35.37** million

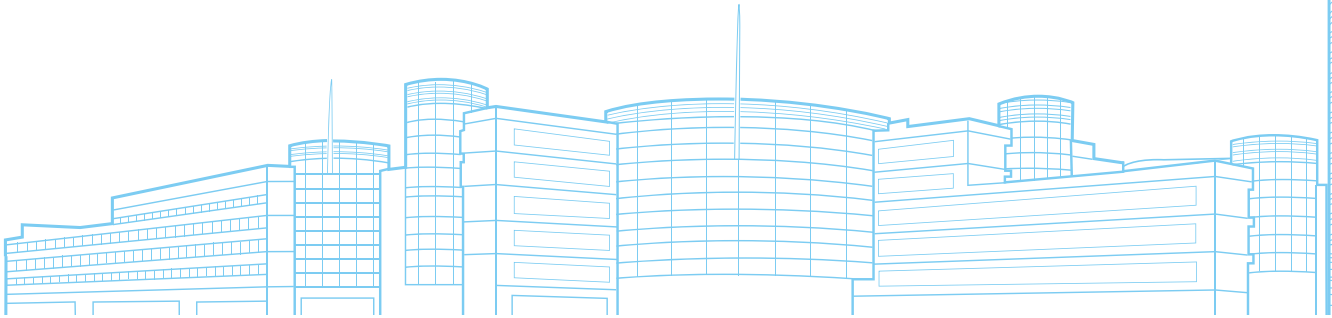
benefiting more than

100,000 people directly



Xie Junshi

EVP and COO of ZTE Corporation
March 2026



About ZTE

Company Profile

ZTE Corporation is a global leading provider of integrated Information and Communication Technology (ICT) solutions. It serves global telecom operators, government and enterprise customers, and consumers with innovative technologies and product solutions. Founded in 1985 and listed on both HKEX and SZSE, ZTE operates in over 160 countries and regions, serving one-third of the global population, with the commitment to "Enabling Communication and Trust Everywhere." Facing the new wave of technological revolution driven by intelligent innovations, ZTE will continue to strengthen innovations in core technologies and accelerate the expansion of "Connectivity + Computing + Capability + Intelligence," working with industry partners to create an efficient and intelligent future.

ZTE has a complete and end-to-end portfolio of products and integrated solutions in the ICT industry, covering wireless, wired, computing, digital energy, and terminal products, as well as professional services to meet the diversified and rapid innovation needs of global operators and government and enterprise customers. Currently, ZTE provides comprehensive services to mainstream global operators, government and enterprise customers, and consumers. The digital economy is now in full swing, and it has become a key driving force for the sustained and steady growth of the global economy. As a world-leading provider of integrated ICT solutions, ZTE is committed to becoming a "Driver of Digital Economy," promoting the global digital transformation with innovative technologies. As of December 31, 2025, ZTE has filed approximately 95,000 global patent applications, with over 50,000 patents granted globally. In the chip sector, the company holds around 5,900 patent applications and over 3,700 granted patents. In the field of AI, it has nearly 5,500 patent applications, with nearly half of them granted. ZTE has won 11 gold awards, 3 silver awards, and 39 excellence awards from the China Patent Awards, and 31 awards from the Guangdong Patent Awards.

Committed to advancing sustainability globally, ZTE aims to achieve harmony among society, environment, and stakeholders. With communications technologies, we strive to enable connectivity for people from every corner of the world. ZTE incorporates the concept of "innovation, integration, and green" into the full product lifecycle and across every business process covering R&D, production, logistics, and customer services, making continuous efforts to reduce global energy consumption and carbon emissions. In addition, the company conducts a wide range of public welfare and relief initiatives to support communities worldwide.

ZTE is a member of the United Nations Global Compact and the Global e-Sustainability Initiative (GeSI), and a key participant and one of the first Champions of the Partner2Connect (P2C) Digital Coalition initiated by the International Telecommunication Union (ITU). The company has also received official approval from the SBTi for its near-term 1.5°C target and long-term net-zero target, and has been included in the Carbon Disclosure Project (CDP) "A List" for three consecutive years, which is the highest rating for climate action.

ZTE has filed approximately **95,000** global patent applications with over **50,000** patents granted globally

ZTE has won

11 gold awards | **3** silver awards | **39** excellence awards from the China Patent Awards | **31** awards from the Guangdong Patent Awards

Our Value Chain

ESG Risks and Opportunities

Environmental

- Climate change
- Resource depletion
- Increasingly stringent regulations

Social

- Population decline and aging
- Geopolitical impact
- Industry informatization and digital and intelligent transformation
- Common prosperity and development
- Employee Care, Human Rights, and Labor Rights Protection

Governance

- Anti-bribery and anti-corruption, and practices against unfair competition
- Shareholder rights protection and compliance governance
- Board effectiveness, professionalism, and diversity

Input

Environment

- Total energy consumption: 910,579,395.41 kWh
- Total investment in environmental governance and protection: > CNY70 million

Employees

- Total number of employees: 65,095
- Total training expenditure: CNY170.83 million

Supply Chain and Community

- Number of suppliers: 3,402
- Total charitable investment: CNY35.37 million

R&D Investment

- R&D investment amount: CNY24.48 billion
- Annual global patents granted: over 5,000

Fixed Assets

- Book value of fixed assets: CNY13.42 billion
- Number of manufacturing bases: 5

Financial Scale

- Total assets: CNY217.74 billion
- Shareholders' equity: CNY75.43 billion

ZTE Business Activities

Our Business

Application: Industrial | Metallurgical Smelting | Mining | Electricity | Transportation | Government Affairs | Healthcare | Education

Platform: Digital Nebula

- Service for Ecosphere
- Integrated Interconnection
- Development Platform
- Large Model | Big Data Platform | Cloud Video Platform | Blockchain Platform
- Integrated Communication | XR Engine | GIS Engine | ...

Infrastructure:

- Network
  - IP Network
  - Router/BRAS
  - Core Network
  - EPC/5GC
  - Optical Transmission
  - OTN/MSTP/SDH
  - Fixed Network
  - OLT
  - Wireless
  - 4G/5G/5G-A...
- Computing
  - Server & Storage
  - General/Smart Computing/ Storage
  - Switch
  - DC/Industry Sark/ SMB
  - Data Centre
  - Heating & Ventilation/ Power Supply & Distribution/Smart Management
- Energy
  - Communication Energy
  - Power Source/ Energy Storage
  - New Energy
  - Solar/Fuel Battery

Terminal:

- Smart Home
- CPE/Smart Medium Screen / Router/STB
- Mobile terminal
- Handset/Tablet/ MBB & FWA
- Cloud Computer
- PAD/Cloud Notebook/Free Screen/Card Machine/Integrated Unit

Chip | Database | Operating System

Security & Intelligence | Standard & Patents

Our Value Chain

Suppliers → Manufacturing Base → Global Logistic → Customer and Consumer → After-Sales Service

Output

Business Performance

- Revenue grew by 10.38%
- Total assets increased by 5.02% in 2025

Environmental

- Received official approval from the SBTi for its near-term 1.5°C target and long-term net-zero target, and is the only company in Chinese mainland in recent years to be included to the CDP "A List" for three consecutive years
- Exceeded the first phase emission reduction targets in 2025

Social

- Customer satisfaction score > 90
- Employee service satisfaction: 95.17 (H1) and 96.58 (H2)
- 100% of suppliers and subcontractors have completed CSR assessments

Governance

- Consistently rated "A" by SZSE for information disclosure
- 100% coverage of employee compliance training and assessment
- Zero incidents of customer privacy or data security breaches

Outcomes

Driving Industry Digital and Intelligent Transformation

Partnered with 1,000+ industry leaders across 20 sectors

Driving transformation through a green digital infrastructure and an open Digital Nebula platform

Promoting Green Development

Saving tens of billions of kWh annually for global operations through green ICT solutions

Enabling society-wide carbon reduction of over 20%

Bridging the Digital Divide

P2C Digital Coalition Champion

Empowering 400 million+ people in underserved regions through ICT

Sharing the Fruits of Development

Long-term focus: education, healthcare, environment, and rural revitalization

Multi-faceted investment (funding, technology, and human resources) to foster self-sustaining growth, benefiting 100,000+ individuals in need

Honors and Achievements

Received official approval from the Science-Based Targets initiative (SBTi) for both the near-term 1.5°C target and the long-term net-zero target

Participant of the United Nations Global Compact

Member of the P2C initiated by the ITU

Member of the GeSI

The only company in the Chinese mainland in recent years to be included to the CDP "A-List" for three consecutive years

Received an ESG score of 85 from London Stock Exchange Group (LSEG)

Rated as "Low ESG Risk" by Sustainalytics for four consecutive years

Named a constituent stock of the Hang Seng Corporate Sustainability Index Series for the 14th year

Included in the S&P Global Sustainability Yearbook (China Edition) 2025

Named a constituent stock of the FTSE4Good Index Series for the 10th time

Achieved a Wind ESG Rating of AA and named to the 2025 Wind ESG 100 List

Included in the 2025 Fortune China ESG Impact List

No.	Honor	Awarded by	Awarded in
	Environmental		
1	"Best Mobile Innovation for Climate Action in Asia" award for the innovative AI-driven green and energy-saving 5G cloudified core network project of China Mobile and ZTE	Global System for Mobile Communications Association (GSMA)	June 2025
2	"2025 International Engineering Green Supply Chain Project" award for the WT project in Italy	China International Contractors Association	September 2025
3	"Green Project Management Best Practice" award for the O2 DWDM project in Germany	American Academy of Project Management (AAPM)	November 2025
4	"2025 Typical Case of Shenzhen's Leading Enterprises in ESG Practices" granted for the "Green Supply Chain Promoting Sustainable Development" project.	Organizing Committee of the National Low-Carbon City Forum (Shenzhen)	November 2025
5	"Climate Action Pioneer Enterprise of the Year" award	Southern Weekly	November 2025
6	"Intelligent Transformation of Green Supply Chain: ZTE Draws a New Blueprint for Green Supply Chain" selected into the *China Corporate Environmental, Social and Governance Report (2025)* as a typical case	People's Daily Online, All-China Environment Federation, China Quality Certification Centre	December 2025
7	"Green Pioneer Enterprise" award	Guangzhou Daily Group	December 2025
	Social		
8	2024-2025 ATD "Excellence in Practice" award for the "Improving Effectiveness of Compliance Training for All Employees" project	Association for Talent Development (ATD)	January 2025
9	National first prize for the "Building a Super Virtual Factory: 5G + Multi-Dimensional Industrial AI Models" project jointly initiated by ZTE and its partners	The 7th "Bloom Cup" 5G Application Competition	January 2025
10	"Lighthouse Project" award for the "Improving Product Reliability Based on Change" project at the 9th Corporate Learning Design Competition	Chinese Society for Talent Development (CSTD)	March 2025
11	GTI Awards 2025: "Innovative Breakthrough in Mobile Technology Award," "Innovative Mobile Service and Application Award," "Market Development & Business Value Award"	GTI	March 2025
12	Multiple awards in the optical network domain at 2025 Lightwave + BTR Innovation Reviews	Lightwave	March 2025
13	2025 Global Mobile (GLOMO) Awards: "GSMA Foundry Innovation Award" and "Best Mobile Innovation for Cities" award	GSMA	March 2025
14	Excellent case of digital public welfare for "ZTE Class" (remote education support project)	China Federation of Internet Societies, China News Network	March 2025
15	"2025 Outstanding Human Performance Intervention Award" for the "Improving Customer Satisfaction with Tailored Technical Solutions" project	International Society for Performance Improvement (ISPI)	April 2025
16	"China Patent Award (Gold Award)" for "A Data Processing Method and Device"	China National Intellectual Property Administration	May 2025
17	Full Score in Foundation Transparency Index	Foundation Transparency Index	June 2025
18	Super AI Leader (SAIL) Award granted by World Artificial Intelligence Conference 2025	World Artificial Intelligence Conference 2025	July 2025
19	"WSIS Champion Award" (Champion Projects) for the "Signal Reach Program"	2025 World Summit on the Information Society (WSIS)	July 2025
20	"Major Breakthrough of the Year" award	China Computing Power Conference	August 2025

No.	Honor	Awarded by	Awarded in
21	"Excellence-Level Smart Factory" award for ZTE Nanjing Binjiang Base	Ministry of Industry and Information Technology	September 2025
22	"Guangcai Program Contribution Award" of Guangdong province	CPC Guangdong Provincial Committee, People's Government of Guangdong Province	September 2025
23	"Global ESG Excellence Distinction" for the case of "ZTE's Post-Disaster Relief Efforts in Japan"	China Chamber of International Commerce (CCOIC), China Council for the Promotion of International Trade (CCPIT), and United Nations Training and Research Institute (UNITAR)	September 2025
24	First Prize in "ICT China (2025) Case Collection" for ZTE Mobile Smart Display	PT Expo China	September 2025
25	"Most Innovative Smart Home Experience" award for ZTE Next-Gen Smart Screen	Network X	October 2025
26	"IPMA Global Project Excellence Award (Gold Award)" for the "ZTE-Telefónica Germany Transport Network Modernization" project	IPMA	October 2025
27	"Gold Cradle" award for "Part-time Trainer Team Development" project, with three ZTE trainers named "Gold Trainers"	*Training Magazine*	November 2025
28	Two Gold Awards at the 50th International Convention on Quality Control Circles (ICQCC)	ICQCC	November 2025
29	"Light of Innovation" award for "Intelligent Computing SuperPOD Server Project" at the 2025 World Internet Conference	World Internet Conference	November 2025
30	"Distinguished Contribution Award" at the 2025 World Internet Conference	World Internet Conference	November 2025
31	"Catalyst Innovator: Voyager" award	Telecom Management Forum (TM Forum)	November 2025
32	"Best Mobile/5G Service Innovation" award for the "CelcomDigi Dual-Network Integration" project in Malaysia	International Telecom Magazine "*Capacity*"	November 2025
33	"AI Recruitment Pioneer" award	LinkedIn	November 2025
34	"Top 100 Extraordinary Employers in China" award	Liepin	December 2025
35	"Top 100 Best Employers of the Year in China" award	Zhaopin.com	December 2025
36	"Quality Sustainability Award" (QSA) for the "Intelligent Energy-Saving Solutions for 5G Base Stations"	International Academy for Quality (IAQ)	December 2025
37	"Asian Public Welfare Demonstration Institution" award	Asian Philanthropy Forum	December 2025
	Governance		
38	Best Data Governance Practice	2025 Global Data Management Summit	October 2025
39	Top 100 Listed Company for ESG (2025)	CCTV Finance Channel	October 2025
40	ESG Annual Communication Influence Pioneer	Phoenix TV	October 2025
41	Certificate of China Corporate ESG 100 Index	People's Daily Overseas Online, All-China Environment Federation, China Quality Certification Centre	December 2025

Our Impact

The impact of ZTE extends beyond its own operations. Through our technology and solutions, we actively promote social progress, economic growth, and environmental protection, contributing to the achievement of the United Nations Sustainable Development Goals (SDGs).

SDGs	Our Actions
1 NO POVERTY	• Deployed telecom infrastructure in Liberia, providing network connectivity to over 580,000 rural residents and significantly relieving economic impoverishment resulting from geographical isolation. • Empowered millions of villagers through the Telebirr platform to enjoy electronic payments and real-time information access. • Recorded an annual philanthropic investment of CNY35.37 million (including domestic donations, overseas donations, and donations from our operating subsidiaries).
2 ZERO HUNGER	• Through network construction and coverage, enabled digital transactions for farmers and herders in remote and underdeveloped areas, providing greater financial security for family livelihoods.
3 GOOD HEALTH AND WELL-BEING	• Supported smart healthcare applications with 5G technology, offering high-quality medical resources to remote areas and improving medical treatment. • ZTE Foundation operates healthcare programs such as "Bright Baby" and "VCare Space," providing children in need with health support. • Implements the ISO 45001 system and continuously carries out the Employee Assistance Program (EAP). • Rapidly restored networks in natural disasters to support disaster rescue.
4 QUALITY EDUCATION	• Collaborates with universities worldwide to cultivate skilled digital talent for the industry through internships, joint laboratories, and technology competitions. • Established a comprehensive and tiered compliance training framework, achieving systematic coverage in the development of compliance capabilities by combining "company-wide mandatory training" with "scenario-specific courses." • ZTE Foundation adopts a "charitable boarding + targeted assistance" model to comprehensively improve campus safety, school conditions, and digital resources in impoverished areas, providing children in challenging circumstances with a stable and secure educational environment.

SDGs	Our Actions
5 GENDER EQUALITY	• When nominating and appointing members of the Board of Directors, systematically considers multiple dimensions such as gender, age, cultural background, and educational background to comprehensively promote the diversity of the Board's composition. • Hosted the "Gentle Leadership" themed event in Italy, advocating an inclusive leadership philosophy centered on respect, listening, and collaboration, to promote gender equality and the career development of women.
6 CLEAN WATER AND SANITATION	• Provides employees with clean drinking water and sanitary facilities. • Conducts annual tests on wastewater to ensure that discharges meet relevant standards such as the *Discharge Standards of Water Pollutants*.
7 AFFORDABLE AND CLEAN ENERGY	• Completed new photovoltaic projects in Xi'an and Changsha, increasing the proportion of photovoltaic power generation with an annual generation of 39.22 million kWh. • Obtained approximately 33,700 green certificates (33.69 million kWh in total) in 2025.
8 DECENT WORK AND ECONOMIC GROWTH	• Offers a workplace that is trustworthy, open, inclusive, and supportive. • Provides employees with competitive remuneration and benefits. • Existing benefits comprehensively cover employees' needs in daily lives, and the employee benefits system is continuously optimized and improved.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• The GoldenDB database has become the leading choice for customers in China's domestic database innovation. • In the Balasu coal mine, Yulin city, Shaanxi province, the industry's first AI agent for mining was deployed. It empowers production and decision-making through an intelligent miner assistant with a local knowledge base. • Facilitated the cloud-based and intelligent upgrade of infrastructure for National China Railway Group and several railway bureaus, systematically enhancing the railway network's traffic capacity and anti-interference capability.

SDGs	Our Actions
10 REDUCED INEQUALITIES	• Released the *ZTE Human Rights and Labor Policy* and the *Supplier Code of Conduct*, committing to provide all employees with equal opportunities for work and development, and to avoid discrimination within the company and among suppliers. • Implements a fair, transparent, and non-discriminatory payment principle for all suppliers, without setting differentiated terms or discriminatory arrangements based on the size of the supplier.
11 SUSTAINABLE CITIES AND COMMUNITIES	• Developed in-house intelligent computing infrastructure and large AI models, achieving deep integration of city operation data. • Reconstructed processes of government affairs through metaverse, digital avatars, and large AI models. • Enables rapid connectivity recovery in disaster-stricken areas through Space-Air-Ground Integrated Network (SAGIN) technologies as well as large unmanned helicopters, to ensure the continuity of communications during extreme natural disasters. • Promoted the cloud-based and intelligent upgrade of rail transit, expressway, and railway systems, through ZTE's "Digital Nebula" solution and computing system for transportation.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Joined recycling systems in multiple countries around the world to ensure that electronic and electrical equipment meets the minimum recycling targets set by the WEEE Directive. • Introduced green philosophy in the R&D design stages, prioritized the use of environmentally friendly materials, and optimized packaging design to reduce the environmental footprint throughout the entire product lifecycle.
13 CLIMATE ACTION	• Received official approval from the SBTi for both its near-term 1.5°C target and long-term net-zero target. • Builds a "Digital Green Path" in four dimensions: green corporate operations, green supply chain, green digital infrastructure, and green industry empowerment.

SDGs	Our Actions
14 LIFE BELOW WATER	• Implements wastewater classification and pre-treatment to ensure that domestic sewage is treated in accordance with standards through septic tanks and canteen wastewater is treated through grease traps before being discharged into the sewerage system, controlling the risk of water pollution at the source and protecting aquatic life.
15 LIFE ON LAND	• Collaborated with China Mobile Qinghai to build the second 5G base station at Kusai Lake in the Hoh Xil region, using green communications technology to protect the Qinghai-Xizang Plateau ecosystem.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Established a comprehensive and multi-level internal control system, with the Board of Directors, audit committee, internal control committee, and the three lines of defense for internal control as the main framework. • Obtained ISO/IEC 27001 certification to ensure user information security and data security. • Implemented a stringent export control compliance program, and developed a country-based export control compliance risk map covering ZTE's global operations.
17 PARTNERSHIPS FOR THE GOALS	• Actively participated in international standards organizations such as 3GPP and ITU-T, contributing tens of thousands of technical proposals to promote the standardization of communications technologies in collaboration with global partners. • Collaborated with governments, Non-Governmental Organizations (NGOs), and research institutions to conduct long-term collaboration in public welfare in areas such as emergency disaster relief, environmental protection, and educational equity.

Bridging the Digital Divide to Create an Inclusive Future

The benefits of digital technology have yet to reach every corner of the globe. Uneven network coverage, high connectivity costs, and mismatches between technology and local needs still prevent billions of people from enjoying the basic rights and development opportunities of the digital age. This is not just a technological gap, but also a disparity in development opportunities. With ICT innovations in networks, computing, and applications, and guided by the philosophy of "universal service and inequality elimination," ZTE takes responsible actions to ensure the stability and security of network connectivity, supporting the "lifeline of communications" and upholding "the baseline of development." Our mission is to light up hope with connectivity and promote inclusiveness with technology, creating a digital world that is more inclusive, equitable, and intelligent.

Building Bridges: From Signal to Trust

In an era where information has become as essential as water and electricity, there are still vast expanses of lands and significant populations remaining marginalized in the digital world. ZTE believes that true connectivity goes beyond signal coverage—it is about extending opportunities, reaffirming dignity, and enabling development. We have chosen to start from the most challenging places—the least developed countries, landlocked developing countries, and small island developing states—turning robust ICT infrastructure and over 50,000 hours of technology training courses into bridges to close the digital divide.

Making Connectivity Simple and Accessible Everywhere

Every solution provided by ZTE all begins with three questions: How can we make it affordable to build? How can we ensure its stability? How can we make it accessible?

Rapid Deployment, Shortening Wait Time

In remote rural areas beyond the reach of traditional network infrastructure, high costs and lengthy construction periods have long been insurmountable barriers. Our EcoSite solution, with its modular design, and innovative 2TR tri-band ultra-wideband technology, has achieved one-week site deployment and rapid network upgrade, reducing deployment time by 60% and costs by 70%. This means that a community that once took months to gain connectivity can now be connected to the world in a matter of days.

Green Energy, Ensuring Uninterrupted Networks

Historically, unstable power grids and inaccessible electricity have rendered many telecom sites virtually useless. Yet, ZTE's EcoEnergy solution makes the sun our most reliable partner. Sites powered entirely by solar energy have eliminated the reliance on unstable power grids and costly diesel fuel, ensuring stable network operations in the wilderness, on hills, and on islands.

Universal Access, Making Services Within Reach

The value of connectivity ultimately lies in its impact on people. ZTE deeply understands that without communications devices and affordable tariffs, the network itself is no more than a castle in the air. Therefore, through the EcoDevice solution, we provide affordable smart mobile devices that support local languages and work with operator partners to design data plans that are accessible to low-income populations. Our aim is to make every mobile phone a window to knowledge, markets, and services.

By 2025, ZTE has provided network services to one-third of the global population. It is not just about technology itself, but more about how we define "coverage"—not simply as the arrival of signals, but as the door to opportunities.

When the Signal Arrives, Transformation Follows

Once connectivity is established, it takes on a life of its own, branching out in ways beyond imagination. It catalyzes profound transformation beginning from individuals to entire communities.

In Baqing county, Xizang

The People's Hospital of the county deployed ZTE's FTTR-B all-optical network solution, making it the first hospital deployed with an all-optical network at an altitude of over 4,500 meters and unlocking new possibilities for medical service delivery. This has dramatically enhanced the efficiency of doctors in patient consultations, medical image review, and day-to-day office tasks. When encountering difficult and complicated cases, the hospital can communicate in real time with experts from all over the country and conduct remote consultations, building a bridge for communication and mutual assistance between remote areas and hospitals nationwide. Even living in the highest plateau in the world, the local people can enjoy reliable medical support powered by the latest technology.

In rural Ethiopia

152 newly established agricultural network sites have brought stable 2G, 3G, and 4G connections to more than one million people. Now, herdsmen can check the weather and market prices on their mobile phones, and farmers can complete safe and convenient electronic transactions on the Telebirr platform. Nearly a hundred schools have gained access to online educational resources, and telemedicine has eliminated the need for arduous journeys to get basic medical services. At the same time, hundreds of local young people, jointly trained by ZTE and our operator partners, have become technicians safeguarding this new network, transitioning from "beneficiaries" to "builders."

Across Africa's agricultural regions and along its coastlines

Mobile networks have revitalized local economies. Electronic payment systems and e-commerce platforms for agricultural products have injected new vitality into rural areas. ZTE's "Marine Connectivity" project has not only enhanced the safety and management efficiency of fisheries, but also opened up new pathways for ecotourism through livestreaming and online tours. Our "Sky Connectivity" initiative launched in 2025 is now bringing innovative application scenarios such as low-altitude logistics and environmental monitoring to major African cities, exploring new drivers for regional growth.

In Liberian communities

Networks have become a bridge to greater equality. Over 580,000 rural residents have gained access, enabling tens of thousands of primary and secondary school students to explore a broader world of knowledge. The impact has been profound for women. When network access and digital skills reach women in rural areas, who were traditionally marginalized from information flows, their pathways to education, healthcare, financial services, and market opportunities are fundamentally transformed. This empowerment not only enhances the participation of individual economy but also, by increasing women's influence within families and communities, gradually improves the nourishment, education, and overall well-being of the next generation and the entire community—creating a virtuous and hopeful cycle.

Planting Seeds of Knowledge Today to Grow the Forests of Tomorrow

We know full well that the most sustainable infrastructure is local talent. Therefore, capability building is deeply embedded in the DNA of every project ZTE undertakes.

In Uzbekistan, the company collaborates with top universities to support the country's digital blueprint with smart classrooms and internship programs. In Malaysia, we provide AI and cybersecurity training for government officials to facilitate the modernization of their public service systems. From Ethiopia to the Philippines, as we deploy networks, we have cultivated nearly a thousand local technical professionals. It goes beyond technology transfer—it is about trust. In this way, we ensure that the engine of development is ultimately started and safeguarded by the very people it is meant to serve.

Connectivity begins with technology, but it is realized through trust. As base stations are established one after another, they also connect the shared aspirations of people for progress and dignity.

Removing Barriers, from Connecting to Belonging

In the field of consumer devices, ZTE transforms its profound technological expertise into product forms that are more inclusive and user-friendly. We believe that true technological inclusion does not lie in the fancy features, but in accurately understanding the authentic challenges faced by diverse groups in their digital lives, and in providing them with caring and reliable solutions that enhance the accessibility and applicability of digital services.

From Ease of Use to Care for Life

In response to the changing population structure of society, we have elevated to a strategic level the development of age-friendly and proactive health management features in terminal product R&D. We are acutely aware that for many seniors, smart devices are not just about staying connected, but more about safety and dignity.

Simpler, yet smarter

The Panshi AI phone, jointly launched by ZTE and partners including China Mobile Guangdong, focuses on simplified interaction and proactive care. It features a clear, large screen and enhanced voice interaction capabilities, significantly lowering the barrier to use. The built-in AI health assistant can proactively provide daily health tips and risk warnings, while the smart anti-fraud feature identifies and blocks suspicious messages and calls, bringing convenient and safe experiences for senior users.

More integrated, more seamless

Through multi-screen interaction between "mobile phone—television—smart speaker," we have built a scenario-based home interaction system. Seniors can effortlessly initiate control commands from any device, enabling seamless transitions between scenarios such as audio-visual entertainment, daily life reminders, and family calls. This system integrates digital services naturally into the daily life, further eliminating technological barriers.

More proactive, more reliable

We have also established a seamless, non-intrusive care system operating based on "sensing—alerting—responding." Adult children or caregivers can remotely monitor key health indicators and status of the elderly through an integrated health data platform. When the system detects abnormal indicators or an accident, it will automatically initiate a multi-tiered alert, notifying emergency contacts via phone calls and messages. This enables transitions from passive incident response to proactive care.

As of 2025, ZTE's home care-related products have served over 48 million elderly users in China. Behind each of these figures lies a later life with greater safety and enhanced personal independence.

Enabling Free Flow of Communication

The essence of technology is to overcome individual limitations, allowing everyone to express themselves and connect with others on an equal footing.

Specialized development for targeted support

ZTE has integrated high-accuracy real-time voice-to-text functionality into our mobile phone systems and added braille design, building a bridge of care for the daily communication of people with hearing impairments. We have also supplied customized tablets to multiple special education institutions, assisting individuals with communication barriers in emotion recognition and social skills training, and opening for them a window to a wider world.

Open ecosystem to co-create the future

ZTE sees that the capability of a single enterprise is limited. Therefore, we have shared our core AI capabilities for voice and image recognition to third-party developers, with the hope to collaborate with a broader range of creators to develop accessibility applications that cover more life scenarios, collectively promoting the wider adoption and continuous evolution of assistive technologies.

Creating a Safety Net for Children's Growth

Safeguarding minors in the digital age means proactively weaving a safety net from the very beginning of product design.

Take the ZTE Children's Watch K2 series as an example. With the core design principles of "focus cultivation, reliable protection, and full-domain safety," ZTE develops the "classroom mode" to help children manage their school time. The closed architecture of the Real-Time Operating System (RTOS) blocks external distractions, cutting off the risks of malicious plug-ins and harassment at the foundational level. This product prioritizes the deterministic and critical functions such as a SOS button, high-precision positioning, custom geofences, and a parent-managed whitelist for communications, and uses eco-friendly materials, thereby constructing a comprehensive protective system that ensures location safety, communication security, and physical well-being. In this way, technology truly serves as a reliable companion, offering assurance to parents while supporting the healthy growth of their children.

ZTE is dedicated to translating every technological breakthrough into a caring and practical response to human needs, allowing the light of the digital world to shine equally and gently on every corner.

Empowering Various Industries, Shaping the Digital Era

Digital technology is reshaping our world at an unprecedented speed. It not only drives industry transformation but also profoundly influences the fundamental logic underpinning social operations. In many sectors, there is still a gap between technological potential and social needs. ZTE is transforming its profound expertise in "Connectivity + Computing" into digital infrastructure that empowers various industries. Together with our partners, we delve into key scenarios related to national economy and people's livelihood, such as government affairs, transportation, healthcare, education, and manufacturing. With our full-domain and full-stack digital solutions, we join hands with our partners to tackle the real-world challenges and support the high-quality and sustainable development of the society and economy.

Making Public Services Smarter and More Reliable

The smooth functioning of cities, rapid response to emergencies, and efficient financial flows are the cornerstones that ensure the stable operation of a modern society. ZTE is committed to technological innovations to make these cornerstones more robust and more responsive.

For smart government services, we develop an "intelligent brain" for cities.

In Jiangning district, Nanjing city, ZTE collaborated on a city governance analysis and decision-making project. By building intelligent computing infrastructure and integrating a large amount of city operation data with large AI models, we have achieved intelligent, simultaneous processing of urban events and early risk warning, providing alerts and information support for scientific decision-making by city managers.

In Nanshan district, Shenzhen city, with the "Cloud Hall" project for government affairs, we have restructured online service processes and interaction experience by combining technologies such as the metaverse, digital avatars, and large AI models, providing the public with more efficient, convenient, and friendly digital services.

During extreme weather, ZTE's Space-Air-Ground Integrated Network (SAGIN) emergency communications system serves as a critical lifeline. Large unmanned helicopters can be deployed to disaster-stricken areas where communication has been cut off to rapidly restore connectivity. In 2025, during flood and typhoon disaster relief in 11 provinces including Hebei, Hainan, Qinghai, and Yunnan, we completed more than 50 rescue missions, providing nearly one hundred hours of critical communication support. This enabled the effective delivery of supplies and helped safeguard the affected populations.

In the field of intelligent water conservancy, we are also committed to enhancing water security with intelligent technology. By deploying intelligent equipment such as 5G-enabled intelligent inspection robots for pumping stations, we have enabled the intelligent operations of pumping stations with minimal manpower in major projects such as the national South-to-North Water Diversion Project. We have collaborated with the South-to-North Water Diversion Department of the Ministry of Water Resources to conduct research on the industry's first large model framework for project acceptance. This initiative explores cutting-edge solutions for the digital and intelligent delivery and management of major water conservancy projects, and aims to enhance the effectiveness of water security management with innovative technologies.

For smart transportation, we make urban mobility smoother and more efficient.

In Qingdao city, ZTE has developed a cloud-based "smart brain" for metros—the Hongdao Line Network Command Center. It supports the command, dispatch, and intelligent Operations and Maintenance (O&M) of six metro lines, cross-domain integration, and the migration of all operational services to the cloud. Meanwhile, we supported Qingdao Metro in launching the industry's first large model in for urban rail transit, advancing intelligent operations through AI capabilities.

In highway digitalization initiatives across major provinces such as Jiangsu, Henan, and Jiangxi, the company has helped enhance the traffic flow efficiency and management of traditional toll stations through cloud-based upgrades, laying a solid foundation for intelligent toll collection. Furthermore, through the collaboration of "large and small models" for road incident detection, we have achieved second-level sensing and rapid response to emergencies, significantly strengthening the safety and resilience of the road network and elevating road operations management capabilities.

In the railway sector, we have assisted multiple bureaus of National Railway in deploying cloud platforms to integrate dispersed compute resources, significantly improving the efficiency of O&M management. Additionally, in the Shenyang Railway Bureau, the company introduced a large vision model to promote the intelligent upgrade of railway freight inspection, enhancing operational safety and efficiency.

From metros to high-speed railways, from highways to port hubs, ZTE leverages its key competencies in networks, cloud, data, and intelligence, to develop an intelligent transportation computing system with Digital Nebula and an intelligent foundation based on large models, continuously enhancing the efficiency and resilience of China's major transportation networks.

In the field of core data, we are fully aware of the significance of its security and independence.

ZTE's in-house GoldenDB database integrates our over two decades of technological expertise. We have achieved full-stack independent R&D, from its core engine to toolchain. With six core capabilities—strong consistency, high reliability, high performance, high compatibility, ease of O&M, and cloud-native architecture—it has emerged as a leading choice for database innovation in the Chinese market. In 2025, GoldenDB has been deployed at scale within the core systems of over 500 key enterprises across important industries such as finance, telecom, government affairs, transportation, energy, and healthcare. It provides stable and reliable support for the core business operations of sectors critical to national development and people's livelihoods, such as financial transactions and telecommunications billing.

GoldenDB has facilitated the successful launch of TravelSky's new retail platform and direct sales platform for airlines. It supports TravelSky in seamlessly interconnecting with the systems of over 30 airlines, enabling better passenger experience, fostering commercial innovation, and optimizing airlines' distribution channels and efficiency. GoldenDB has helped TravelSky to build a digital foundation that is independent, controllable, secure, stable, and scalable, and capable of supporting high-concurrency business scenarios. This project was selected as a "Typical Application Case of Chinese Databases in the Transportation Industry" in 2025, among the very first cases in the industry to receive this recognition.

As of 2025, with our experience in developing GoldenDB, ZTE has contributed to and published 22 industry research proposals and white papers, 12 database industry standards, and 9 industry testing specifications. These cover areas such as technology application architecture for distributed databases, security requirements, disaster recovery requirements, and database service capability models.

Making Digital and Intelligent Services More Inclusive and Convenient

ZTE believes that the value of technology ultimately lies in enhancing human well-being, especially in areas that are essential to a better life, such as education, healthcare, and culture.

In smart healthcare, we focus on bridging geographical barriers to deliver high-quality medical resources.

With in-house a large AI model for health check report generation and computing products, ZTE has developed an AI Check Machine, we have reduced the time required to generate a health check report to one-fifth of the original. In collaboration with Shanzhen, ZTE conducted a pilot at the Huashan Hospital in Shanghai to validate this solution, and provides comprehensive and professional general physical examination reports for the people in the remote regions Yunnan province. This solution enables fast and professional health assessments in places that were once hard to reach, contributing technological expertise to healthcare for all.

In smart education, we support universities and vocational colleges in developing specialized programs and fostering industry-education integration.

ZTE has partnered with the Center for Vocational Education Development of the Ministry of Education to initiate a vertical large model project for vocational education. We have jointly developed vertical models and application systems in fields such as communications, intelligent manufacturing, and computer science. This collaboration aims to achieve large-scale and common application of AI models in vocational colleges, promoting the innovation and digital transformation of education mechanisms. It also helps cultivate practice-oriented professionals that better meet industry demands, and provides a digital foundation for more accessible educational resources and industry-education integration.

In smart culture and tourism, we use technology to bring ancient civilizations to life.

At the Hubei Provincial Museum, "Journey Through the Bronze Age", China's first film-grade digital artifact project with large-space VR experience, has been launched, with an end-to-end 5G-A VR solution provided by ZTE and China Unicom Hubei. By empowering cultural preservation with cutting-edge technology, we have created a new paradigm for immersive historical exploration, allowing cultural heritage to reach the public in a more vivid and tangible way.

Making Traditional Industries Safer and Greener

In the face of core challenges in safety, cost, and green transformation in heavy industries such as mining, steel, and electric power, ZTE engages in the most complex production environments, enabling profound change with solutions in connectivity, computing, and data intelligence.

In smart mining, safety is always the non-negotiable priority.

At the Balasu coal mine in Yulin, Shaanxi province, ZTE has deployed the industry's first mine AI agent. By building a localized knowledge base and creating an "Intelligent Miner Assistant" for both office and production scenarios, we enabled real-time Q&A, intelligent analysis and report generation, and decision-making support. Through intelligent operations optimization, we have helped customers save tens of millions of Chinese yuan in electricity costs annually, fully unlocking the value of data and setting a benchmark for intelligent mine construction.

We have partnered with China Pingmei Shenma to implement intelligent video solutions in the Tianhong Coal Preparation Plant, Bayan Coal Preparation Plant, and Shiyi Mine. The solution achieves real-time intelligent monitoring of belt conveyors, equipment operation, personnel activities, and environmental safety. It is able to accurately identify various risks such as belt misalignment, coal accumulation, and abnormal personnel behavior, and provides real-time monitoring and early warning for the operational status of key equipment like hydraulic supports and wire rope hoists. Meanwhile, the system also supports parameter recognition, equipment status analysis, anomaly early warning, and predictive maintenance in key areas such as the mining face, chambers, and power generation rooms. Through the coordination and integration of large and small models, the overall recognition accuracy has been increased to over 96%, effectively enhancing proactive and predicative safety management.

ZTE is actively participating in the digital transformation of mines across several provinces, including Shaanxi, Shanxi, and Henan. The company provides integrated solutions for the intelligent upgrade of networks, data centers, and private clouds for major mining enterprises such as ChinaCoal, CHN Energy, and China Huaneng Group. We drive the evolution of mine production towards unmanned operations, continuously improving operational efficiency and safety levels, thereby contributing to the high-quality development of the industry.

In smart steelmaking, we empower the entire chain from R&D to production.

Through our partnership with Yunnan Sunho, the company has implemented a centralized production control platform and a large model for safety production in 2025. With ZTE's intelligent management and control system, digital twin, and AI technologies, we have enhanced management precision and work collaboration, increasing production efficiency by over 10%. The establishment of a centralized control center has enabled remote operations in hazardous environments, effectively reducing onsite safety incident rates by more than 15%. By building a proprietary knowledge base for green electrical aluminum processes, we have enabled intelligent query and analysis of production data and intelligent adjustment and analysis of process parameters, achieving a 15% improvement in anode quality.

ZTE has also entered into a strategic collaboration with HBSI Digital Technology to jointly release a full-scenario large model for the steel industry, covering multiple areas including R&D and design, production and manufacturing, equipment maintenance, and energy and environmental protection. Additionally, the AI agent solutions for centralized production control and steelmaking have been implemented at enterprises such as Baosteel Shanghai, Xinjiang Shenhuo, and Chihong Zn&Ge.

In smart power, we help make the power grid more "clever."

Focusing on smart power generation and smart grids, ZTE leverages its Digital Nebula platform and edge intelligence technologies to develop digital power station solutions. Targeting core O&M scenarios in power stations, converter stations, and substations, we have adopted an integrated management and control architecture and a centralized construction model featuring AI-powered monitoring based on edge-terminal collaboration. By combining large AI models with intelligent station inspection, we enable remote unattended operation and highly efficient O&M at power stations. The solutions primarily provide foundational capabilities such as hyper-convergence, integrated communication networks, IoT sensing, and edge intelligence platforms. For electric power equipment O&M, we integrate large AI models with equipment inspection operations, empowering the intelligent transformation of onsite equipment O&M.

In the power grid sector, with State Grid Corporation of China (SGCC), we have completed large-scale deployments of digital power station projects in over 10 provinces including Fujian and Hubei, as well the Inner Mongolia Autonomous Region. Meanwhile, ZTE has engaged in the delivery of digital substation projects for China Southern Power Grid in provinces such as Guizhou, Yunnan, and Hainan. Regarding power generation, together with the country's top five power generation groups and local energy enterprises, we have advanced smart AI power plant projects across provinces including Liaoning, Hunan, and Sichuan, as well as Beijing. Based on the empowerment model of "connectivity + computing + applications," we have increased fault detection rates at power stations by 200% and reduced inspection time by 40%. By replacing traditional manual patrols with automated, unattended operations, we have significantly improved inspection efficiency and reduced safety risks.

As of 2025, ZTE has collaborated with more than 10 power enterprises, including SGCC, China Southern Power Grid, CHN Energy, State Power Investment Corporation (SPIC), China Huaneng, and Beijing Energy, successfully delivering over 40 digital power station projects.

In smart logistics, we make automotive manufacturing more flexible.

Leveraging self-developed AGVs (including both software and hardware) and SLAM technology, ZTE has developed end-to-end smart logistics solutions, covering final assembly, stamping, welding, and painting workshops in the automotive industry, as well as production lines and warehousing logistics scenarios across the supply chain.

At Geely's Lynk & Co factory, we have achieved China's first large-scale application of "5G + SLAM" AGVs in complex environment (characterized by high environmental dynamics, random movement of forklifts and tugs, and mixed production of three vehicle models), improving material distribution efficiency in the final assembly workshop. ZTE has secured Geely's annual AGV framework agreement, with deployments at multiple Geely factories in cities such as Ningbo, Yiwu, Xi'an, and Jinzhong.

At present, ZTE has established partnerships with multiple automotive manufacturers such as Geely Auto and Changan Automobile, as well as numerous upstream and downstream supply chain partners. Through these practices, ZTE promotes the digitalization of production logistics for automakers, enhances factory operational efficiency and automation levels, and provides actionable solutions for supply chain optimization and digital transformation in the automotive industry. This helps industry customers transition towards more automated and flexible production.

Making Ecological Conservation More Connected and Intelligent

In the Hoh Xil Nature Reserve, ecological conservation efforts were once severely hampered by a lack of connectivity. Following ZTE's successful deployment of the first 5G base station at the Zhuonai Lake protection station in 2023, the company once again partnered with China Mobile Qinghai in April 2025 to build the second 5G base station in Hoh Xil, located at Kusai Lake at an altitude exceeding 4,600 meters. This marked a critical breakthrough, transforming the area from "unconnected" to "connected."

Facing an extreme environment with an average annual temperature of -10°C, oxygen levels less than 40% of the those on the plains, and over 250 days of gale-force winds (level 8) per year, our project team ventured into the uninhabited area twice and endured extreme weather events such as "whiteouts" (blizzards). Through the innovative "5G + high-capacity microwave" solution, they successfully achieved ultra-long-distance transmission exceeding 50 kilometers per hop. The base station is powered entirely by solar energy and can withstand temperatures as low as -50°C and winds up to level 11. Field tests show a download speed of 221 Mbps with a coverage radius of 9 kilometers, providing stable and reliable communication and ecological monitoring support for the protection station and surrounding areas.

Now, the two base stations at Zhuonai Lake and Kusai Lake have achieved intelligent O&M through a unified microwave network management system. They not only provide stable communication support for the protection stations but also support the video monitoring for the Sanjiangyuan National Nature Reserve, safeguarding this pristine plateau area with reliable technology.

ZTE's journey of empowering industries is about integrating innovative technological capabilities into the global digital transformation—collaborating with partners worldwide to build a digital future that is smarter, more inclusive, and more sustainable.

Sustainability Strategy and Management

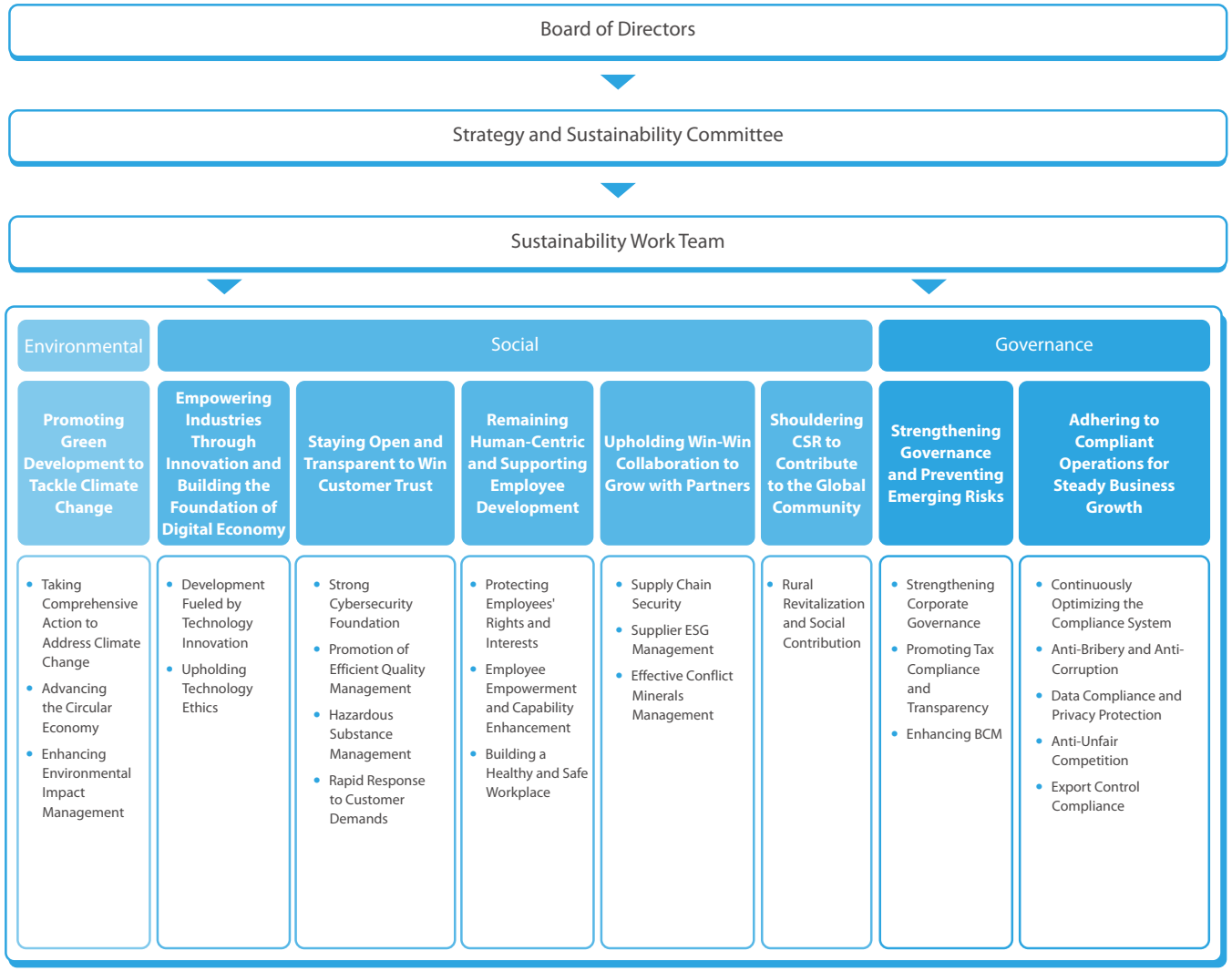
ZTE is committed to implementing the concept of sustainability worldwide, while creating an intelligent future with digital innovation, an excellent growth platform for employees, and greater value for customers, shareholders, and stakeholders across the globe.

- Governance
- Strategy
- Risk Management
- Metrics and Targets
- Double Materiality Assessment

01

Governance

ZTE continuously builds and improves its three-tier sustainability governance system of "Strategy—Decision-Making—Execution" to comprehensively strengthen the company's core competitiveness and sustainability. In 2025, the company's sustainability architecture has remained the same as that of 2024 and has continued to operate effectively.



ZTE Sustainability Architecture

Management Level	Organizational Structure	Personnel Composition	Functions and Responsibilities
Strategic level	Board of Directors	• Company Directors	• Reviews and approves major strategic directions, sustainable development plans, significant projects, etc.
Decision-making level	Strategy and Sustainability Committee	• The members of the Committee include the company's Chair, CEO, heads of all level-2 units, and Chief Scientist. • Among them, the Chair serves as the director of the Committee; the CEO is the deputy director, and all the EVPs and the head of Strategy and Investment are standing members.	• Studies and formulates the goals and plans for the company's medium- and long-term strategy and sustainable development, conducts preliminary review of the plans, and tracks and manages the implementation of key tasks. • Studies and reviews major investments, financing plans, and major capital management and operation projects that must be approved by the Board of Directors. • Studies and reviews major issues that affect the company's development (including the major adjustments to sustainable development goals). • Implements the decisions of the Board of Directors on matters concerning ESG, and mitigates related risks. • Regularly reviews and evaluates the strategic plans for the existing and new business fields of the company. • Regularly reviews and evaluates the company's sustainable development goals, strategies, process management, and results.
Execution level	Sustainability Work Team	• Members of the responsible departments for each module.	• Undertakes the strategy formulation, daily management, and implementation of ESG-related matters, and supports major decisions on sustainability. • The Enterprise Development Dept. coordinates the departments involved in the modules to regularly report major matters to the Committee, including those on information disclosure and ESG, and provide support for decision-making. The department also offers guidance to each business field to support the execution of strategies and decisions related to sustainable development.

ZTE Sustainability Architecture

Operating Mechanism

To ensure the orderly progress of ZTE's strategy and sustainability work and advance the achievement of all relevant goals, ZTE has established the *Regulations on the Operations of the Strategy and Sustainability Committee*, which stipulates the positioning of the Committee, relevant organizational structure and responsibilities, and operating mechanism.

The Strategy and Sustainability Committee listens to reports from the Sustainability Work Team through regular and special meetings, including quarterly high-level seminars, meetings of the Sustainability Steering Committee, regular work meetings, and ad hoc meetings held for specific events. Meeting topics include discussions and deliberations on the overall planning of ZTE's sustainable development, review of medium- and long-term goals, budgets, strategies, and major measures, assessment of related risks and opportunities, and supervision of the implementation by each business field.

For meeting resolutions and major work related to strategy and sustainability, ZTE will arrange for relevant units to implement them, issue key tasks, and conduct tracking and management. The implementation of resolutions is included in the appraisal system—"bonus and deduction based on the completion of major strategic tasks". In addition, we organize an annual review of the effectiveness of sustainability work to analyze and assess the implementation of related tasks, so as to adjust the medium- and long-term goals, strategies, key paths of the company's sustainable development, and optimize our subsequent actions based on the review results.

To ensure the fulfillment of ZTE's sustainable development goals, since 2023, the completion of goals for the dual-carbon project has been linked to the annual performance appraisal scores and bonuses of the senior management who are closely related to the project, such as the Chief Strategy Officer (CSO), Chief Technology Officer (CTO), and Senior Vice Presidents (SVPs) in charge of Supply Chain and Administration Affairs and Real Estates. The impact of appraisal results on performance bonuses of the relevant senior management ranged from 3% to 10%.

Professional Skills

Members of the Strategy and Sustainability Committee and Sustainability Work Team possess extensive professional knowledge and practical experience in ESG. They engage in interactions and exchanges with internal and external stakeholders and ESG experts annually, and participate in relevant training.

The Chair, CEO, CSO, and other executives frequently share ZTE's insights, strategies, and progresses in the field of sustainable development through public channels.

In 2025, the company organized multiple specialized ESG training sessions aimed at enhancing internal sustainability capabilities:

In April, the company prepared ESG materials to share with and brief the Chair and other senior executives through written communications.

From June to October, members of the Sustainability Work Team participated in training sessions organized by CDP, covering topics such as the *CDP 2025 Disclosure Process and Questionnaire Changes.*

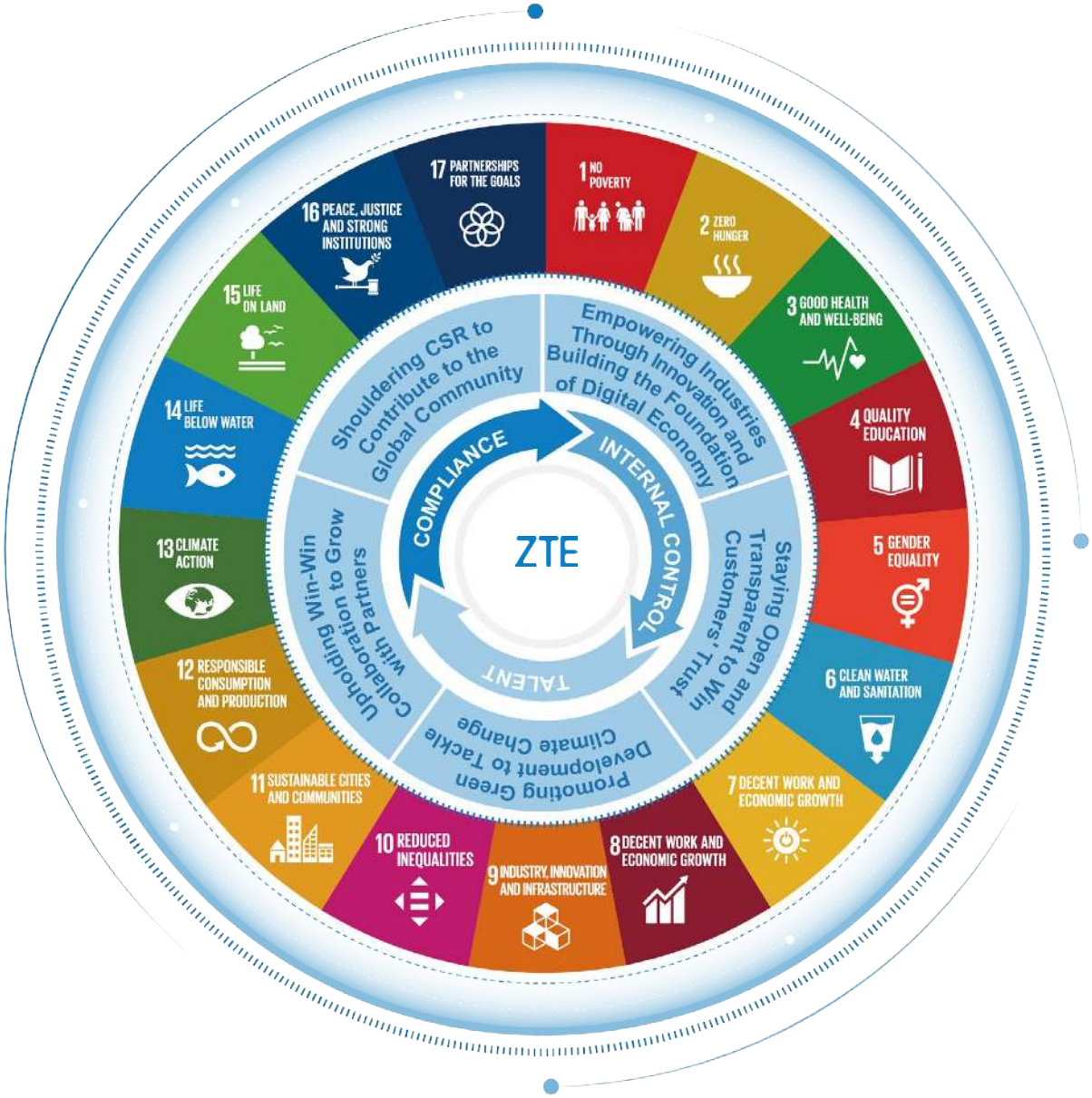
Company representatives actively participated in various activities of the IFRS Sustainability Reference Group (SRG), contributing industry insights while deepening their understanding of international standards.

In June, the Sustainability Work Team participated in the annual sustainability training initiated by a professional organization, analyzing international disclosure rules and exploring optimization pathways based on ZTE's circumstances.

Since September 2024, the company has published the *Sustainability Quarterly Report* for all employees, covering topics such as the company's latest ESG progress, stakeholder activities, ESG ratings, and certifications. By the end of 2025, the total number of views had exceeded 91,000.

Strategy

ZTE integrates sustainability with its corporate strategy. Based on the company's vision and three cornerstones—internal control, compliance, and talent—the company has developed a strategic framework for sustainability, aligning with the United Nations SDGs and industry development trends.



ZTE Sustainability Strategy System

Eight Modules	Our Actions	Topics
Strengthening Governance and Preventing Emerging Risks	Continuously improving the governance structure, and proactively addressing emerging risks, to ensure the steady implementation of our strategy.	• BCM
Adhering to Compliant Operations for Steady Business Growth	Strictly adhering to global laws and regulations, and continuously deepening our compliance management system with a focus on three key areas: export controls, anti-bribery, and data compliance. This provides a solid foundation for the steady development of our business in the global market.	• Data Security and Customer Privacy Protection • Anti-Bribery and Anti-Corruption • Anti-Unfair Competition
Promoting Green Development to Tackle Climate Change	Prudently managing and controlling resources and energy consumption, reducing carbon emissions, and optimizing waste management, contribute to the circular economy; continuously reducing our operational environmental footprint, enabling green development across various industries through technological empowerment, and building a green and low-carbon industrial chain with global partners.	• Climate Change and Energy Utilization • Pollutant Discharge • Circular Economy • Waste Management • Environmental Compliance • Ecosystem and Biodiversity Conservation • Water Resource Utilization
Empowering Industries Through Innovation and Building the Foundation of Digital Economy	Leveraging our advantages in the R&D innovation and commercialization of fundamental technology to accelerate the digital and intelligent transformation of all industries through technological leadership, upholding technology ethics, and contributing to sustainable social and economic development.	• Innovation-Driven Development • Technology Ethics
Staying Open and Transparent to Win Customer Trust	Ensuring the cybersecurity of customers' networks with high-quality products, and promptly addressing their needs with premium services.	• Product and Service Security and Quality
Remaining Human-Centric and Supporting Employee Development	Safeguarding employees' rights and interests, focusing on their comprehensive development, and fostering an inclusive and empowering work environment that supports the mutual growth of both our employees and the company.	• Employee Rights Protection • Employee Training and Capability Enhancement • Healthy and Safe Workplace
Upholding Win-Win Collaboration to Grow with Partners	Engaging in strategic collaboration with suppliers to ensure a secure and reliable supply chain, and promoting the sustainable development of more value chain partners through partnerships and continuously enhancing their capabilities.	• Supply Chain Security • Supplier ESG Management • Equal Treatment of SMEs
Shouldering CSR to Contribute to the Global Community	Participating in the sustainability agendas of local communities worldwide, contributing to rural revitalization through technology, funding, and volunteer services, and thus making a positive impact on the global community.	• Rural Revitalization and Social Contribution

Risk Management

Strengthening the Three Lines of Defense

In accordance with the requirements of relevant laws, regulations, and normative documents—including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Basic Standards for Enterprise Internal Control*, and the *Supporting Guidelines for Enterprise Internal Control*—ZTE has established a comprehensive and multi-layered internal control system.

This system is structured around a main framework comprising the Board of Directors, Audit Committee, Internal Control Committee, and "Three Lines of Defense" for internal control.

The first line

The first line of defense lies with each business unit. They hold the primary accountability for risk management and internal controls as well as the implementation.

The second line

The second line of defense consists of internal control teams of the company and level-2 business units respectively, as well as the departments responsible for related business fields. They are in charge of policy development, capability building, and supervision on the implementation of risk management and internal controls.

The third line

The third line of defense is composed of the internal control and audit departments of the company. They are responsible for the independent monitoring of the effectiveness of the risk management and internal control system.

Risk Management Enhancement

Company-Wide Risk Management

ZTE is continuously advancing its comprehensive risk management system, reinforces the responsibilities of risk management organizations at all levels, and constantly improves its risk identification, assessment, and response methodologies. It is also actively exploring and integrating AI technologies into business risk control.

The company has established a systematic, tiered risk management mechanism. At the company level, risks are classified into five categories—severe, significant, moderate, minor, and negligible—based on the calculated *risk value* (risk value = *likelihood of occurrence* × *degree of impact*). The impact is assessed across seven dimensions: daily operations, legal and compliance, personnel health and safety, corporate reputation, product competitiveness, market share, and financial loss.

When setting new business objectives or when significant changes occur in the internal or external environment, each business unit must identify the top risks that could affect the achievement of these objectives, assess their likelihood and potential impact, and formulate its own top risk list. For risks that meet the criteria for classification as severe or significant risks, control objectives, responsible individuals, and key control measures must be clearly defined. A risk may only be removed from the list when the conditions for closure are met or its risk value falls to the level of a medium risk or below, and after this has been assessed and confirmed by business experts.

In the face of uncertainties brought about by new technological transformations, such as AI, ZTE embraces opportunities while remaining highly vigilant and proactive in addressing emerging risks.

Integration of ESG Risk Management

The company has fully integrated ESG risk management into its risk management system. Each ESG module shall identify both risks and opportunities within its domain, manage significant ESG risk events through culture building, key task advancement, and systematic closed-loop monitoring, and develop and implement targeted control measures.

By conducting regular comprehensive inspections to eliminate hazards and mitigate risks, and carrying out continuous supervision, the company ensures the ongoing improvement and effective operations of its ESG risk management and internal control system. For identified ESG risks, the company employs a combination of qualitative and quantitative assessment methods to define control objectives, establish Key Control Points (KCPs), and implement corresponding key control activities. This ensures that risk management measures are executed in a targeted and effective manner.

Metrics and Targets

Field	Target	Progress in 2025	SDGs
Strengthening Governance and Preventing Emerging Risks	Ensure the corporate governance is lawful and compliant and meets the requirements of the supervisory regulators.	ZTE has been rated "A" in the information disclosure assessment of SZSE.	
	Integrate the BCMS operations with business operations. Stay risk-oriented, provide training for frontline employees. Manage risks in a digital manner and enhance the resilience of the industry chain.	RTO achievement rate: 95% Implementation Rate of drills and tests: 100% Pass rate of drills and tests: 100% Closure rate of internal and external audit findings: 100%	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Adhering to Compliance in Operations for Steady Business Growth	Build integrity in the workplace and establish a longs-term effective mechanism where employees dare not, cannot, and would not commit any violations.	Produced short videos on workplace integrity, attracting over 150,000 views; published anti-corruption communications across multiple platforms, generating more than 400,000 reads/clicks. Reduced the average whistleblowing investigation cycle to under 65 days and achieved a closure rate of over 90%.	
	Comply with legal requirements and prevent and control risks. Facilitate the implementation of compliance requirements at business units and co-build the compliance image. Ensure business sustainability and fulfill requirements related to digital ethics.	ZTE optimized the standardized actions for external regulation monitoring and risk assessments, and implemented special risk governance for high-risk scenarios. No breach of customer privacy occurred in 2025. No data security incident occurred in 2025. ZTE organized data compliance training and exams for all employees, achieving a coverage rate of 100%. ZTE arranged for all employees to sign the Letter of Commitment on Data Compliance, achieving a signing rate of 100%.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Zero major violations related to false advertising, monopolistic practices, and infringement of trade secrets.	There was no lawsuit or major administrative penalty resulting from unfair competition practices.	

Field	Target	Progress in 2025	SDGs
Promoting Green Development to Tackle Climate Change	Emission Reduction by 2030: • Scope 1 & 2 (Operational Emissions): Reduce operational emissions by 52% compared to the 2021 base year. • Scope 3 (Upstream and Downstream Emissions): Reduce carbon emissions per unit of product performance by 52% (measured by physical intensity) without increasing total emissions. Net-Zero by 2050: • Reduce total emissions, including those from operations and the value chain, by 90% from 2021 levels. Offset or remove any residual emissions that cannot be eliminated.	✓ Scope 1 & 2 (Operational Emissions): A year-on-year reduction of 0.6% in carbon emissions in 2025, and a 46% reduction compared with the base year. ✓ Scope 3 (Upstream and Downstream Emissions): An 8.55% reduction in physical emissions intensity during the use and maintenance phase of telecom products; a year-on-year reduction of 3.05% in absolute emissions across the full lifecycle of terminal products. ✓ Promoted carbon accounting among 152 top-level suppliers (covering 50.82% of procurement spend).	
	Gradually increase the rate of internal compliant recycling and reuse of returned telecom products	✓ Achieved a rate of 78.2% for compliant recycling and reuse of returned telecom products.	
	• Ensure environmental compliance, with no administrative penalties incurred due to environmental issues. • Maintain the validity of the ISO 14001 Management System Certification.	✓ Achieved compliant emission of exhaust gases, wastewater, and noise, with no major environmental pollution incidents occurring. ✓ Maintained validity of the ISO 14001 certification across five major manufacturing bases (Shenzhen, Xi'an, Heyuan, Nanjing, and Changsha).	
Empowering Industries Through Innovation and Driving the Digital Economy	Continuously strengthen R&D innovation capabilities and increase the number of patent applications and granted patents to protect our core technologies.	✓ The proportion of R&D expenses to operating revenue reached 17.0%. ✓ Over 2,000 patent applications were filed globally. ✓ Over 5,000 patents were granted globally.	
	Prevention and control of risks in sci-tech ethics, and promotion of responsible innovation and tech for good.	✓ A new data compliance review member has been added to the Science and Technology Ethics Committee.	
Staying Open and Transparent to Win Customer Trust	Provide services that safeguard the customer cybersecurity.	✓ Zero major security incident caused by human errors in customer networks throughout the year. ✓ Zero major customer complaint regarding security incidents and vulnerabilities.	
	No major safety accident at customers' sites. Enhance customer satisfaction. Digital and intelligent transformation of quality management. Improve quality personnel skills.	✓ No major safety accident at customers' sites. ✓ Customer satisfaction score exceeded 90 points. ✓ AI capabilities have been progressively integrated into various quality activities, resulting in a quality management efficiency improvement of over 15%. The front-line #0 Digital Auditor has been put into practical application. ✓ The skill assessments throughout the year covered 99% quality positions. ✓ The completion rate of capability enhancement plans was 100%.	
	• No external complaints related to hazardous substances. • Products produced and sold within China shall meet the national standard requirements for the restriction of 10 hazardous substances in electrical and electronic products, as well as the upgraded labeling provisions. • Continuously phase out the use of hazardous substances.	✓ No external complaints related to hazardous substances were received. ✓ All products involved have met the requirements for the limits of hazardous substances and the requirements for the latest labeling provisions. ✓ The company uses eco-friendly soy-based ink on all its packaging materials and prohibits the use of mineral oil–based ink.	

Field	Target	Progress in 2025	SDGs
Remaining Human-Centric and Supporting Employee Development	• Compliant employment with no incidents of employee rights violations • Enhance employee protection. • Improve the efficiency of zService (internal one-stop service platform). • Increase employee well-being and satisfaction.	Incidents of child labor and forced labor: 0. Employee complaint resolution rate: 100%. Commercial insurance coverage for employees: 100%. Social insurance coverage for employees: 100%. In 2025, over 99.34% of documents were handled within 3 working days. Employee service satisfaction scores in the first and second halves of 2025 were 95.17 and 96.58 points respectively.	
	Comprehensively improve employees' core capabilities and professional qualities, create value, ensure alignment between individual development and the company's strategy, and actively respond to external changes.	Employee participation in training reached 100%. Learning resource satisfaction achieved 90.3 points. Rate of senior experts giving lectures reached 73.5%.	
	Achieve systematic safety management and become an industry benchmark.	Completion rate of special equipment registration certificates: 100%. Certification rate of special operation personnel: 100%. Fire incidents with direct economic losses exceeding CNY50,000: 0. No government penalties or shutdown notices due to occupational health and safety issues.	
Upholding Win-Win Collaboration to Grow with Partners	Ensure no disruptions in manufacturing and continuous enhance business assurance levels in high-risk scenarios.	There were no manufacturing disruptions caused by anomalies. Comprehensive measures were implemented to ensure uninterrupted power supply to key locations and optimize mechanisms for resource sharing regions, sites, and personnel for high-risk scenarios such as power outages.	
	Continuously empower and manage suppliers to improve the overall ESG management across the supply chain.	93.68% of suppliers/subcontractors that have signed the *Supplier CSR Agreement*. 100% of suppliers/subcontractors that have received CSR evaluation. 87.14% of major suppliers/subcontractors that have received onsite CSR audits. 100% of audited/assessed. suppliers/subcontractors participating in improvement actions or capacity building. 93.33% of procurement specialists that have received CSR training in across all regions. No child labor and forced labor instances were found among suppliers/subcontractors.	
Shouldering CSR to Contribute to the Global Community	Fulfill CSR and promote sustainable social development.	Invested CNY35.37 million in public welfare (including domestic donations, overseas donations, and donations from operating subsidiaries). Implemented 89 public welfare projects globally, benefiting over 100,000 people. 20,691 registered volunteers, 13,139.5 onsite service hours, and 629 volunteer service events throughout the year. Received a full-score rating on the China Foundation Transparency Index (FTI) for nine consecutive years.	

Double Materiality Assessment

At the core of our sustainability management is a deep focus on material topics. Particularly, ZTE's sustainability planning begins with an assessment of the financial and impact materiality. By adopting a systematic approach to identifying and responding to topics of financial and impact materiality, the company can more effectively manage emerging sustainability risks, collaborate with stakeholders to co-create long-term value, and achieve a win-win, sustainable future for all.

Stakeholder Identification and Engagement

ZTE has established a regular mechanism for identifying stakeholders and their concerns, maintaining open and diverse communication channels with all stakeholders. In accordance with the relevance of stakeholders to the business, the company designates specific departments to conduct targeted communications, during which the stakeholders' concerns and expectations are systematically collected and analyzed. On this basis, ZTE fully integrates stakeholders' concerns, needs, opinions, and suggestions into strategic planning for operations management and sustainable development. This includes key processes such as risk and opportunity identification, goal setting, and the optimization of management mechanisms, all aimed at achieving collaborative development and shared growth with stakeholders.

Category	Representative	Key Concern	Communication Method and Frequency	Response Measure
Shareholders and Investors	• Shareholders and investors • Potential investors	• Company business and fundamentals • Long-term development plans, financial performance, and ESG performance • Corporate governance and risk management • Communication and interaction with investors	• Periodic release of annual, semi-annual, and quarterly reports • Announcements for major matters • Shareholder meetings convened as needed to deliberate and decide on major matters • Investor roadshows to maintain regular communication • Onsite investor visits hosted to discuss business operations and strategies • Dedicated hotlines and emails for inquiries, with regular collection of investor feedback	• Scientific formulation and effective implementation of development strategies • Steady operations to create value for investors and shareholders • Improvement of corporate governance and risk management • Establishment of effective investor communication channels
Regulators	• Governments at all levels & competent authorities • Shenzhen Stock Exchange • Hong Kong Stock Exchange • China Securities Regulatory Commission	• Lawful and compliant operations • Green development and climate change • Product quality and cybersecurity • Standardized disclosure of sustainable development information • Contributions to economic growth	• Participation in relevant meetings to maintain regular communication • Daily communication with industry associations through industry meetings, research, etc.	• Timely and efficient implementation of regulatory policies to ensure compliance • Steady advancement of climate strategy for green and low-carbon operations and industry-wide transformation • Establishment of strict information disclosure procedures to ensure accurate and timely external release of relevant information
Customers and Consumers	• Chinese and international enterprise customers • Global consumers	• High-quality product performance • Information security and privacy protection • Green and low-carbon products • Timely and efficient customer services • Technological innovation and intellectual property compliance • Responsible production and operations	• Regular presales communication and aftersales service system • Regular customer communication to collect feedback • Participation in exhibitions in China and abroad to showcase product and technological innovation • Participation in relevant training • Acceptance of customer audits	• Advancement of product and technological innovation • Continuous enhancement of information security and privacy protection management mechanisms, with relevant certifications obtained • Green technology and product innovation to reduce product carbon footprint • Development of a global customer service and aftersales service network • Continuous optimization of the responsible operations systems, with relevant certifications obtained

Category	Representative	Key Concern	Communication Method and Frequency	Response Measure
Employees and Their Families	• All employees • Families of all employees	• Competitive compensation and benefits • Comprehensive training systems • Transparent career development paths • Work-life balance • Health and safety at workplace	• Promotion of employee participation in management through trade unions • Regular communication through online platforms, public reporting channels, face-to-face sessions with senior management, Open Days for families, and family appreciation activities • Regular communication with employees via health and safety managers or employee representatives	• Protection of employee rights and interests, and establishment of a multi-channel communication mechanism • Open, transparent, and fair career development pathways • Improvement of employee health and safety management • Promotion of work-life balance
Value Chain Partners	• All suppliers • All distributors	• Fair and transparent selection processes • Timely payment of cooperation funds • Long-term and stable cooperation • Fair, just, and transparent procurement environment • Product performance and profit margins • Marketing and sales support • Stability and longevity of partnerships	• Regular communication with partners through annual ZTE Global Supply Partners Day, visits, and executive-level exchanges • Capability building through irregular supplier audits and supplier training sessions • Dedicated supplier complaint hotline to protect supplier rights and interests	• Development of the SPIRE 2.0 strategy to ensure supply chain security and resilience • Development of a full lifecycle management strategy—from supplier onboarding to offboarding, promoting healthy development with suppliers
Industry Peers	• ICT industry enterprises	• Fair competition • Technology exchanges	• Periodic visits to peer enterprises • Participation in industry activities and conferences • Active engagement in project cooperation exchanges	• Cultivation of an industry ecosystem, with knowledge sharing through platforms such as *ZTE Technologies* (a journal) • Formulation of regulations and policies against unfair competition, with self-inspection and peer oversight mechanisms to promote healthy industry development
Communities	• Communities surrounding factories • Areas targeted for poverty alleviation support • Underdeveloped countries and regions	• Contribution to the sustainable development of communities • Sharing of the benefits of corporate development • Bridging of the digital divide for sharing the value of information technologies	• Face-to-face communication with community representatives • Public welfare activities to ensure that our business growth benefits the local communities • Dedicated complaint hotlines to collect community opinions and suggestions	• Systematic and strategic advancement of public welfare initiatives through ZTE Foundation to maximize social impact, including active participation in rural revitalization programs • Closed-loop management of all complaints to ensure timely feedback on all opinions and suggestions received
Social Organizations	• Universities and research institutions • ESG rating agencies • Media • NGOs, industry associations, etc.	• Sound cooperative relationships • Timely sharing of corporate experience and practices • Transparent information communication and sharing • Joint development of industries	• Updates on company progress through media briefings, company websites, official social media channels, etc. • Communication with relevant organizations to enhance mutual trust • Project cooperation to achieve mutual benefit and win-win results	• Advancement of industry-university-institute cooperation • Continuous improvement of internal ESG management to enhance ESG ratings • Proactive participation in external activities to share best practice and experience, promoting industry development

Highlights of Management Engagement with Stakeholders (2025)

In August 2025, Fang Rong, Chair of ZTE, delivered a keynote speech at the "ESG Lecture Hall" hosted by China Media Group. Under the theme "Tech for Good: Bridging the Gap, Co-Creating the Future," she shared ZTE's innovative thinking and practices in ESG, and exchanged insights with fellow guests.

On November 7, 2025, ZTE Global Supply Partners Day was held in Shenzhen under the theme "Winning an Intelligent Future Together."

In his opening speech, Xu Ziyang, CEO of ZTE, noted that the company has maintained strategic resilience, promoting business growth driven by "Connectivity + Computing" and fully seizing the tremendous development opportunities brought by AI across network, computing, and energy infrastructure, as well as industry applications and endpoint devices. Looking ahead, Xu Ziyang stated that ZTE will actively embrace the global wave of AI and work closely with partners to advance connectivity upgrading, computing-network convergence, and phygital innovation, so as to build a more efficient, greener, smarter, and more inclusive future.

On September 25, 2025, ZTE successfully convened its 4th Quality Summit simultaneously in Shenzhen, Beijing, and Fuzhou. Themed "Leading Digital Intelligence, Redefining Quality Excellence," the Summit focused on quality management transformation and innovation in the AI era. Xie Junshi, Executive Vice President and COO of ZTE, delivered a keynote speech on the new connotations, systems, and practices of quality management in the AI era.

On July 24, 2025, the 14th Annual Meeting of the ZTE's University Strategic Collaboration and Development Committee was successfully held in Shenzhen under the theme "Creating an Intelligent Future with Digital Innovation." The event attracted over 120 guests from the Ministry of Education of China and multiple universities across the country.

In his speech, Gu Junying, Senior Vice President of ZTE, stated that collaborations with universities in talent development and scientific research has yielded remarkable results. He expressed the company's commitment to deepening cooperation and exploring innovative models for university-enterprise co-development.

On November 26, 2025, the 5th ZTE Strategic Summit was held in Shenzhen under the theme "AI Empowerment, Ecosystem Synergy."

Wang Xiang, Senior Vice President and CSO of ZTE, delivered a keynote speech titled "Open Collaboration: Forging a New Digital-Intelligence Engine." He shared the company's insights and practices in 3 key areas: strategic foresight, new intelligent engines, and ecosystem building.

On November 21, 2025, the 5th ZTE Supply Chain Strategic Development Forum kicked off in Shenzhen under the theme "Expanding Boundaries, Integrating Intelligence, Connecting the Future."

Yang Jianming, Senior Vice President of ZTE, stated that the global supply chain was undergoing systemic evolution. He also emphasized the need for the supply chain to rely on the following 3 pillars of certainty to address uncertainty: core competitiveness, evolution, and synergy of the supply chain.

On September 29, 2025, the sub-forum on "Bridging the Digital Divide and Promoting Digital Transformation" of the China-Africa Internet Development and Cooperation Forum was held at the Xiamen International Conference & Exhibition Center in Fujian Province.

Liu Jian, Senior Vice President of ZTE, delivered a keynote speech themed "Driving Development, Promoting Transformation—Unleashing Digital Economy Momentum." He shared ZTE's global practices and insights regarding digital infrastructure construction and intelligent transformation.

In July 2025, the AI for Good Global Summit was convened in Geneva. Cui Li, CDO of ZTE, was invited to a workshop themed "Navigating the Intersect of AI, Environment and Energy for a Sustainable Future."

In her speech titled "Accelerating Progress Towards SDGs with AI-Powered New Paradigm," she shared ZTE's innovative practices in promoting the efficient and green development of AI, deepening the integration of AI and ICT, and accelerating AI democratization to support the low-carbon transition of the entire society.

On May 17, 2025, Chen Zhiping, Vice President of ZTE, was invited to participate in a roundtable forum on "Amplifying Women's Influence and Participation in the Digital Era" at the World Telecommunication & Information Society Day. She noted that digital technologies not only bring connectivity, but also reshape mindsets, employment structures, and competency models. An increasing number of emerging roles no longer rely on physical strength, but rather emphasize creativity, communication, and critical thinking—precisely where women excel. She called for greater efforts to bring empathy and strength to technology, thus unlocking the potential of more women.

Double Materiality Assessment Framework

ZTE strictly follows the requirements for double materiality analysis stipulated in the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange—Preparation of Sustainability Reports* issued by the Shenzhen Stock Exchange, as well as the *EFRAG IG 1: Materiality Assessment* issued by the European Financial Reporting Advisory Group (EFRAG).

The company has established a four-step approach to materiality analysis: 1) identification; 2) development of the material topic list; 3) assessment; 4) integration into corporate management. This ensures that the analysis of material topics not only meets the exchange's compliance requirements for information disclosure but also integrates deeply with corporate operations. By leveraging information disclosure to promote management, ZTE drives high-quality and sustainable development of the company.

Four-step approach to materiality analysis

Understanding the company's activities and business relationships

Conduct an in-depth analysis of the company's business models, map out the value chain, and precisely identify stakeholders at each stage and their level of engagement.

Developing the list of material topics on sustainability

Build a scientific and holistic list of sustainability topics. This process integrates relevant disclosure standards and guidelines, capital market rating requirements, peer benchmarking, and industry trend research, all tailored to ZTE's business operations.

Assessing and confirming materiality

Invite internal/external stakeholders and financial experts to perform a quantitative analysis of the risks and opportunities associated with each listed topic, thereby completing the double materiality assessment.

Reporting on topics and incorporating them into strategy

The results of the assessment serve two primary purposes. First, they will be included in ZTE's annual sustainability report, where financially material topics are disclosed in accordance with the four-element framework as required by regulations. Second, these findings will be incorporated into the company's strategic planning for sustainable development. Topics identified as having double materiality are designated as key priorities, with dedicated resources allocated to ensure their indicators and targets are met, thus aligning disclosure with management.

Understanding the Company's Activities and Business Relationships

Based on comprehensive analysis, ZTE integrates internal and external information along with stakeholder feedback to gain deep insights into its operational activities and business relationships. This systematic, multi-dimensional perspective enables the company to identify its position within current markets and global value chains, and to pinpoint sustainability topics of greatest relevance to ZTE's operations.

For more details, please refer to the sections *Our Value Chain* and *Stakeholder Identification and Engagement* in this report.

Developing the List of Material Topics on Sustainability

Based on its business operations, ZTE develops a scientific and holistic list of material topics on sustainability. This process integrates sustainability disclosure standards and guidelines, capital market rating requirements, peer benchmarking, and industry trend research. In 2025, ZTE identified a total of 21 sustainability topics with significant impact.

Assessing and Confirming Materiality

Impact Materiality Assessment

In 2025, the company conducted an impact materiality assessment survey among key stakeholders to identify and evaluate the economic, environmental, and social impacts associated with each topic. This process helps define both the positive and negative external impacts of ZTE's operations and business activities.

In this assessment, ZTE adopted a differentiated approach to identifying and evaluating impacts across various stakeholder groups:

- Suppliers, employees, and industry consultants: specialized surveys via structured questionnaires.
- Customers, regulators, and investors: analysis of public feedback, policy requirements, information disclosure expectations, and records of ongoing communication.
- Communities, industry associations, and academic institutions: analysis of public statements, feedback from collaborative projects, and social sentiment information.

Through integrated analysis of multi-channel, multi-source information, ZTE has gained a more comprehensive and objective understanding of the actual or potential impacts of different issues on its stakeholders.

Financial Materiality Assessment

As the internal and external environments remain relatively stable, and to enhance the efficiency and consistency of information disclosure, the 2025 financial materiality assessment of ZTE continues to follow the conclusions established in 2024.

Meanwhile, the company is actively exploring viable pathways to conduct financial materiality assessment and quantitative financial analysis for material topics, aiming to establish a scientific, reasonable, and comprehensive quantitative analysis framework of financial materiality. In 2025, several departments of ZTE conducted pilot analyses on climate change, energy utilization, and supply chain security based on actual business scenarios. Through comprehensive identification of primary risks associated with each topic, the company has developed corresponding quantitative analysis methodologies, enabling refined risk assessment and forward-looking management of related risks.

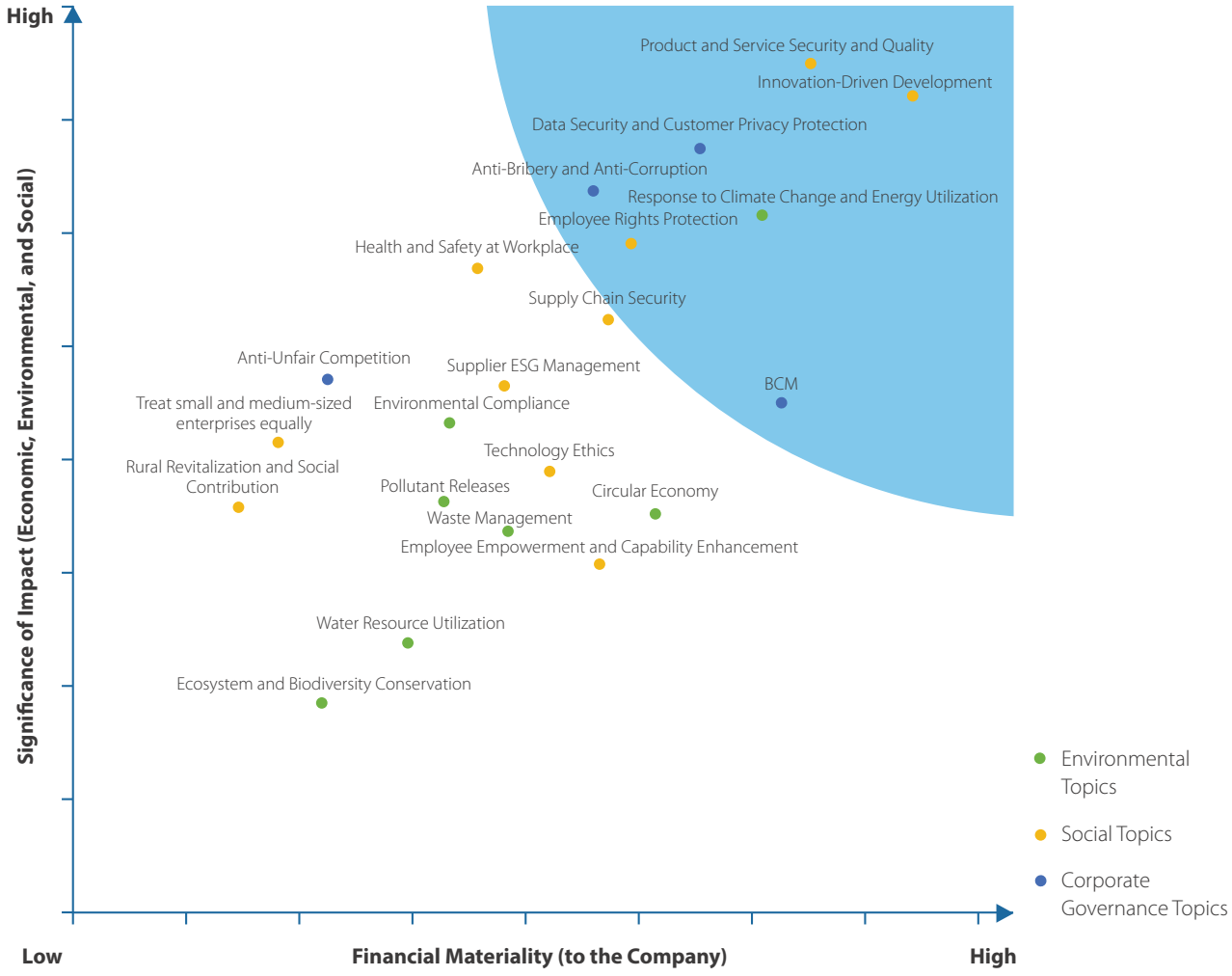
Double Materiality Topics Matrix

Based on the results of its materiality analysis, ZTE has determined differentiated approaches to information disclosure. Specifically, a structured disclosure framework is adopted based on the "four elements": 1) governance; 2) strategy; 3) impact, risk, and opportunity management; 4) metric and target. Topics are categorized as follows in accordance with their characteristics:

Merged topics: Water resource utilization, waste management, pollutant releases, and environmental compliance—these 4 topics, due to their high interrelation, are disclosed together under the four-element framework, with management measures and performance data collectively presented.

Topics not fully aligned with the four-element framework: Fair treatment of Small and Medium Enterprises (SMEs), and biodiversity and ecosystems—these 2 topics, due to their lower financial materiality and relevance to business operations, are not disclosed using the four-element framework.

Standard topics: The remaining 15 topics are systematically disclosed in accordance with the four-element framework requirements, covering governance, strategy, risk and opportunity list, annual progress, as well as metrics and targets.



ZTE 2025 Double Materiality Matrix

Impact, Risk, and Opportunity Management of Material Topics

ZTE's Strategy and Sustainability Committee has thoroughly reviewed and confirmed the materiality matrix of 2025. For topics identified as having high or medium materiality, responsible departments conducted comprehensive risk prediction and opportunity identification from multiple dimensions, extending the impact analysis from the company's operations to its value chain activities. In its information disclosure, ZTE prioritizes the reporting of annual control measures and progress on the material topics. In its management practices, the company strengthened comprehensive management of relevant topics, leveraging its mature internal control system and risk management mechanisms to rigorously control risks and seize opportunities, thereby driving tangible progress toward its sustainable development goals.

Material Topic	Nature of Impact		Impact Cycle			Scope of Impact			Affected Stakeholder	Risk	Opportunity	Impact Level	Location in the Report
	Positive	Negative	Short-Term	Medium-Term	Long-Term	Upstream	Operations	Downstream					
BCM	✓	✓	✓	✓	✓	✓	✓	✓	• Value Chain Partner • Customers and Consumers	Emergencies and insufficient BCM capabilities of partners may lead to business disruptions.	BCM capabilities become a core competence in market competition, and ZTE helps value chain partners enhance their BCM capabilities.	Medium Negative Impact High Positive Impact	Enhancing BCM
Anti-Bribery and Anti-Corruption	✓	✓	✓	✓	✓	✓	✓	✓	• Shareholders and Investors • Regulators • Value Chain Partners	Bribery and corruption incidents may lead to significant economic costs, legal consequences, and reputational damage.	Anti-bribery and anti-corruption efforts can help the company establish robust internal management system and process, optimize internal management, and improve management efficiency and transparency.	High Negative Impact Medium Positive Impact	Anti-Bribery and Anti-Corruption
Data Security and Customer Privacy Protection	✓	✓	✓	✓	✓	✓	✓	✓	• Regulators • Customers and Consumers • Value Chain Partners	Non-compliant data and privacy management may lead to data breach, compliance risks, fines, or litigation, and erode customer trust.	Fully leveraging the company's experience in compliance can help build capabilities to empower industries and create new business opportunities for the company; productizing the experience of building a data compliance system can help promote the development of the data factor market and facilitate the efficient and secure circulation of data.	Medium Negative Impact High Positive Impact	Data Security and Privacy Protection
Anti-Unfair Competition	✓	✓	✓	✓	✓	✓	✓	✓	• Shareholders and Investors • Regulators • Customers and Consumers • Industry Peers • Value Chain Partners	Non-compliant pricing and inaccurate product descriptions can lead to risks of anti-competitive behavior, causing litigation or administrative penalties.	Meeting the legal requirements for anti-unfair competition, safeguarding the legitimate rights and interests of customers and partners, and maintaining trust between the company and its customers can help promote stable business operations of the company.	Medium Negative Impact Medium Positive Impact	Anti-Unfair Competition
Response to Climate Change and Energy Utilization	✓	✓	✓	✓	✓	✓	✓	✓	• Regulators • Customers and Consumers • Value Chain Partners	Extreme weather events and natural disasters caused by climate change may bring about physical and transition risks, which may result in the loss of owned assets, increased cost expenditures due to supply chain disruptions, and impacts on product strategies due to shifts in market preferences.	Engaging in the core efforts of global climate change can help expand the commercial value of solutions; technological transformations for energy saving can yield long-term and stable energy supplies; participating in sustainability-related financing can enhance competitiveness in the global market.	High Negative Impact High Positive Impact	Taking Comprehensive Action to Address Climate Change

Material Topic	Nature of Impact			Impact Cycle		Scope of Impact			Affected Stakeholder	Risk	Opportunity	Impact Level	Location in the Report
	Positive	Negative	Short-Term	Medium-Term	Long-Term	Upstream	Operations	Downstream					
Circular Economy	✓	✓	✓	✓	✓	✓	✓	✓	• Value Chain Partners • Customers and Consumers	If the recycling and reuse rates of products do not meet customer requirements or local regulations, it may result in penalties or loss of orders.	Engaging in the circular economy can extend product lifecycles, reduce resource consumption, continuously improve product recycling and reuse rates, decrease pollutant releases, save costs, and strengthen the company's competitiveness.	High Negative Impact Medium Positive Impact	Advancing the Circular Economy
Environmental Compliance	✓	✓	✓	✓			✓		• Regulators	Improper management of environmental issues may lead to direct economic losses or damage to the company's reputation due to regulatory penalties.	Effective environmental compliance management can reduce OpEx, enhance market competitiveness, and drive the green development of industries.	Medium Negative Impact Medium Positive Impact	Enhancing Environmental Impact Management
Water Resource Utilization	✓	✓	✓				✓		• Employees and Their Families • Communities	Industrial parks in certain regions, such as Northwest China, may face water shortages.	Implementing effective water-saving measures can help reduce water usage costs and enhance corporate image.	Negligible Negative Impact	Enhancing Environmental Impact Management
Pollutant Releases		✓	✓				✓		• Communities	Failure to treat and regularly monitor pollutants in accordance with laws and regulations may lead to excessive releases, causing environmental compliance risks.	Long-term compliant releases and operations can enhance the company's reputation and image.	Low Negative Impact	Enhancing Environmental Impact Management
Waste Management		✓	✓				✓		• Communities	Improper and non-compliant waste disposal may lead to pollution of the surrounding environment and incur regulatory fines.	Long-term compliant waste disposal can enhance the company's reputation and image.	Low Negative Impact	Enhancing Environmental Impact Management
Ecosystem and Biodiversity Conservation	✓			✓	✓		✓	✓	• Customers and Consumers • Communities	Human activities may lead to changes in the ecological environment, resulting in the destruction of habitats for certain species.	Leveraging the company's digital and intelligent technologies can enhance the efficiency of ecosystem and biodiversity conservation.	Negligible Negative Impact Low Positive Impact	Empowering Industries Through Innovation and Building the Foundation of Digital Economy

Material Topic	Nature of Impact		Impact Cycle			Scope of Impact			Affected Stakeholder	Risk	Opportunity	Impact Level	Location in the Report
	Positive	Negative	Short-Term	Medium-Term	Long-Term	Upstream	Operations	Downstream					
Innovation-Driven Development	✓		✓	✓	✓	✓	✓	✓	• Shareholders and Investors • Customers and Consumers • Value Chain Partners • Industry Peers	The new technology may be incompatible with the existing systems during implementation, which could increase the difficulty of applying the new technology and affect the smooth progress of the project.	Technological innovation and forward-looking planning can help the company take the lead in the industry development trends, drive social progress, and provide new momentum for economic growth.	Negligible Negative Impact Very High Positive Impact	Driving Technology Innovation for Development
Technology Ethics	✓	✓	✓	✓	✓	✓	✓	✓	• Regulators • Customers and Consumers • Value Chain Partners • Communities	Failure to effectively manage ethical issues can lead to technology ethics and security risks, which may result in regulatory penalties, declined market trust, and damage to brand reputation.	In areas such as energy efficiency improvement, production optimization, and product and service innovation, AI can achieve substantial emission reductions, enhance operational efficiency, and create entirely new business models, thereby unlocking the growth potential of the 2nd-curve business.	High Negative Impact	Upholding Technology Ethics
Product and Service Security and Quality	✓	✓	✓	✓	✓	✓	✓	✓	• Regulators • Customers and Consumers • Value Chain Partners	Global cybersecurity regulations are continuously tightening, driving an increase in security expectations among customers worldwide. If the company's product quality and security practices fail to consistently comply with regulations across various countries, it may face penalties, loss of trust, and reputational risks.	Persistent external pressures continue to drive the enhancement of security capabilities, while high-standard practices bolster product competitiveness. By transforming security strengths into credible digital infrastructure capabilities, the company can lead the evolution of next-generation communication security.	Very High Negative Impact Very High Positive Impact	Staying Open and Transparent to Win Customer Trust
Employee Rights Protection	✓	✓	✓	✓	✓	✓	✓		• Employees and Their Families • Value Chain Partners	In the process of employee selection, training, use, and retention, if the corresponding plans are unreasonable, implementation is non-standard, the process is not transparent, or communication channels are not smooth, employees may not perceive fairness and justice, which can affect their work enthusiasm and motivation, resulting in an increased turnover rate.	Respecting talent, providing employees with a good career platform, creating an equal, inclusive, diverse, healthy, and safe working environment, and offering comprehensive learning and development opportunities—all of which can strengthen employees' recognition of the company's values.	High Negative Impact High Positive Impact	Protecting Employees' Rights and Interests
Employee Empowerment and Capability Enhancement	✓	✓	✓	✓	✓		✓		• Employees and Their Families	Lack of control over the capability centers may compromise the effective implementation of their work and impede the development of a learning organization.	The company's comprehensive employee learning and development as well as talent cultivation system can help accelerate employee development, enhance the company's brand and market competitiveness, and bring potential business opportunities.	Medium Negative Impact Medium Positive Impact	Employee Empowerment and Capability Enhancement

Material Topic	Nature of Impact			Impact Cycle		Scope of Impact			Affected Stakeholder	Risk	Opportunity	Impact Level	Location in the Report
	Positive	Negative	Short-Term	Medium-Term	Long-Term	Upstream	Operations	Downstream					
Health and Safety at Workplace	✓	✓	✓	✓	✓	✓	✓	✓	• Employees and Their Families • Value Chain Partners	Inadequate health and safety control may lead to safety incidents, occupational health hazards, and property loss; failure to promptly follow up on regulatory changes and implement requirements accordingly may result in compliance risks such as fines and suspension for rectification.	Safeguarding employee health and safety not only protects their rights and interests but also enhances corporate productivity and economic performance. Furthermore, it helps maintain the company's positive image and reputation, thereby strengthening its market competitiveness.	High Negative Impact High Positive Impact	Building a Healthy and Safe Workplace
Supply Chain Security	✓	✓	✓	✓	✓	✓	✓	✓	• Customers and Consumers • Value Chain Partners	Insufficient anti-fragility may result in the inability to respond to supply chain security incidents in a timely and effective manner.	A robust supply chain security management system can help the company maintain good operations during crises, thereby boosting customer confidence.	High Negative Impact Medium Positive Impact	Supply Chain Security
Supplier ESG Management	✓	✓	✓	✓	✓	✓	✓	✓	• Customers and Consumers • Value Chain Partners	Serious ESG incidents (such as child labor/forced labor/severe safety or environmental incidents) at suppliers may lead to supply disruptions and damage to the company's brand.	By communicating ZTE's ESG requirements to suppliers at all tiers, which include enhancing the working conditions and labor rights of employees and reducing environmental impact, suppliers can elevate their ESG fulfillment capabilities, thereby improving the supply chain's competitiveness in sustainable development.	High Negative Impact Medium Positive Impact	Supplier ESG Management
Equal Treatment of SMEs		✓	✓			✓			• Value Chain Partners	Overdue accounts payable to suppliers may affect the company's reputation.	Timely payment can help the company build a positive reputation and image.	Negligible Negative Impact	Supplier ESG Management
Rural Revitalization and Social Contribution	✓		✓	✓	✓		✓		• Employees and Their Families • Communities • Social Organizations	If non-compliant incidents occur during the execution of a project, it may lead to public scrutiny, legal compliance disputes, and damage to the credibility of ZTE Foundation.	Having a positive impact on communities and people in need can boost employees' sense of pride, create far-reaching social benefits, and strengthen public recognition of ZTE's core values.	Negligible Negative Impact Medium Positive Impact	Shouldering CSR to Contribute to the Global Community

Material Topic	Nature of Impact			Impact Cycle		Scope of Impact			Affected Stakeholder	Risk	Opportunity	Impact Level	Location in the Report
	Positive	Negative	Short-Term	Medium-Term	Long-Term	Upstream	Operations	Downstream					
Stakeholder Engagement	✓	✓	✓	✓	✓	✓	✓	✓	• All Stakeholders	Failure to promptly respond to stakeholders' expectations and demands may undermine the company's information transparency and harm the company's reputation	Proactively listening and responding to the legitimate concerns of all stakeholders can sustain long-term relationships built on mutual trust.	Medium Negative Impact Medium Positive Impact	Stakeholder Identification and Engagement
Due Diligence	✓	✓	✓	✓	✓	✓	✓	✓	• Value Chain Partners • Customers and Consumers • Communities	Inadequate due diligence, in terms of its effectiveness and reliability, can lead to supply chain security or operational security issues.	Comprehensive due diligence can improve operational efficiency while minimizing potential risks.	Medium Negative Impact Medium Positive Impact	Anti-Bribery and Anti-Corruption; Supplier ESG Management

Positive Impact			Negative Impact		
Monetary Threshold (Unit: CNY10,000)	Symbol	Impact Level	Monetary Threshold (Unit: CNY10,000)	Symbol	Impact Level
<100	●	Negligible Impact	<100	●	Negligible Impact
100—500	●●	Low Impact	100—500	●●	Low Impact
500—1,000	●●●	Medium Impact	500—1,000	●●●	Medium Impact
1,000—5,000	●●●●	High Impact	1,000—5,000	●●●●	High Impact
>5,000	●●●●●	Very High Impact	>5,000	●●●●●	Very High Impact

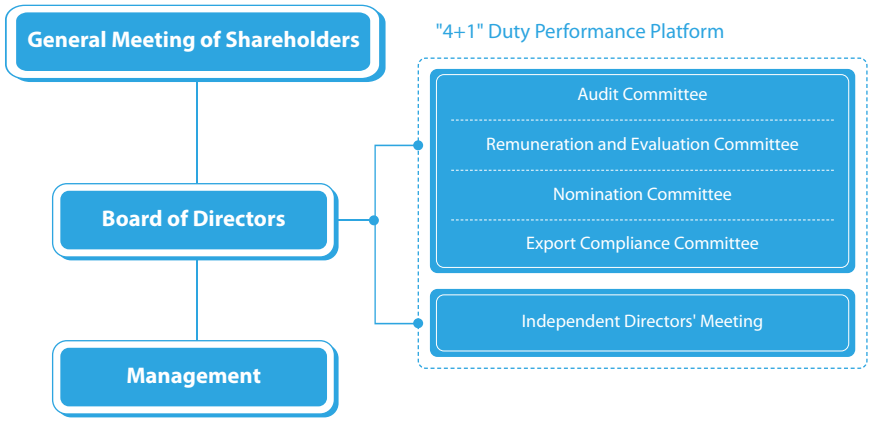
Company Law of the People's Republic of China
Securities Law of the People's Republic of China Code of Corporate Governance for Listed Companies in China

Strengthening Governance and Preventing Emerging Risks

Strengthening Corporate Governance

In 2025, in accordance with the revised *Guidelines for the Articles of Association of Listed Companies* issued by the CSRC, ZTE further optimized its corporate governance structure by: Abolishing the Supervisory Committee and transferring its supervisory authority to the Audit Committee. Electing an employee representative to the Board of Directors via the employee representative assembly. These adjustments were reviewed and approved by the first Extraordinary Shareholders Meeting held on April 24, 2025, at which revisions to ZTE's *Articles of Association*, *Rules of Procedure for the Shareholders Meeting*, and *Rules of Procedure for the Board of Directors* have also been completed.

ZTE's corporate governance framework is structured as follows: The General Meeting of Shareholders is the highest authority of the company. The Board of Directors, elected by the General Meeting of Shareholders, serves as the company's decision-making body. Under the Board of Directors are the "4+1" duty performance platform, namely, the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Export Compliance Committee, along with the Independent Directors' Meeting. These committees conduct prior deliberation on specific matters within the scope of their functions and authorities, and provide professional recommendations. Furthermore, the Audit Committee also assumes the supervisory authority. The company's senior management team, appointed by the Board of Directors, serves as the executive body responsible for the daily operations management of the company.



ZTE's Corporate Governance Structure

Board Diversity

The company has nominated and selected directors in strict accordance with the requirements stipulated in its *Articles of Association* and the *Working Rules of the Nomination Committee of the Board of Directors*. To continuously optimize the structure of the Board of Directors and enhance the diversity and accuracy of decision-making, the company has formulated and implemented the *Board Diversity Policy*.

We are committed to establishing a diverse Board of Directors in consideration of multiple factors such as gender, age, cultural and educational background, professional experience, skills, and knowledge. While all appointments are merit-based, we objectively evaluate how diversity enhances our governance throughout the selection process.

Both the Board and the Nomination Committee emphasize diversity in director selection. To implement its *Board Diversity Policy*, the company has set specific, measurable objectives as follows:

- The Board includes at least one female member.
- The Independent Non-Executive Directors (INEDs) account for at least one-third of the Board, with a minimum of 3 members. Furthermore, the chairs of the Audit Committee, the Remuneration and Evaluation Committee, and the Nomination Committee are all INEDs.
- Ongoing efforts are made to foster diversity in the professional backgrounds among Board members.

The company currently has nine directors, of whom 3 are INEDs and 2 are female.

We consistently uphold the principles of openness, fairness, justice, and independence in the appointment of directors, striving to build a governance structure that is both representative and highly competent. As of the end of 2025, the average tenure of the company's Board members was 3.41 years.

For details about Board members, please refer to ZTE's 2025 *Annual Report*.

The company currently has **9** directors | of whom **3** are INEDs | and **2** are female | the average tenure of the company's Board members was **3.41** years

Board Professionalism

ZTE emphasizes the systematic and continuous upgrading of directors' professional knowledge and the enhancement of their capabilities to perform duties. Our executive directors possess specialized management and operations experience in the electronics and telecommunications industries. Non-executive directors offer extensive and diverse business and management experience, while INEDs hold professional qualifications and substantial experience in finance, accounting, law, and compliance. This diversity ensures a wide range of perspectives and high-caliber expertise while maintaining the independence necessary for objective judgment and informed decision-making on major corporate matters. In 2025, the company provided directors with several topical briefings in written forms. Key contents included: Latest revisions to the *Corporate Governance Code* issued by Hong Kong Stock Exchange. Interpretation of supporting rules under the revised *Company Law of the People's Republic of China.* the key requirements of the *Guidance for Boards and Directors* issued by Hong Kong Stock Exchange. The analysis of the *Chinese Sustainability Disclosure Standards for Business Enterprises No. 1 – Climate (trial)* issued by China's Ministry of Finance. Key areas of focuses in the accounting supervision of listed companies' financial reports. Export compliance and anti-bribery policies. These efforts facilitate the directors' understanding of the latest regulatory requirements and promote informed decision-making and duty performance.

Diligent Fulfillment of Duties by Committees

The company has established 4 specialized committees under the Board of Directors, namely Audit Committee, Remuneration and Evaluation Committee, Nomination Committee, and Export Compliance Committee. All committee members carry out their responsibilities diligently and exercise their duties in a professional and prudent manner. Prior to each meeting, they thoroughly review relevant materials, conduct objective and independent analysis on various agenda items, and offer constructive suggestions based on the company's actual operations. This provides professional support for decision-making of the Board and continuously enhances corporate governance.

For detailed operations of these specialized committees, please refer to *ZTE's 2025 Annual Report*.

In accordance with the *Measures for the Administration of Independent Directors of Listed Companies* issued by the CSRC, the company convenes special meetings exclusively for its INEDs. These INEDs perform their supervisory duties as legally mandated and hold several special powers in corporate governance. Matters involving potential significant conflicts of interest, such as related-party transactions, must obtain prior approval from the Independent Directors Meeting before being submitted to the Board for deliberation.

Protection of Shareholders' Rights and Interests

ZTE is committed to protecting the lawful rights and interests of all shareholders, ensuring that every shareholder can fully exercise their rights and enjoy equal status. The company maintains close communication with investors through diversified channels, including an investor hotline, the interaction platform of the Shenzhen Stock Exchange, and participation in investment strategy conferences organized by broker—all of which ensure smooth communication and timely responses.

In 2025, the company continued to keep the investor hotline open and responded to investor inquiries via the Shenzhen Stock Exchange interaction platform. Meanwhile, ZTE actively participated in investment strategy conferences organized by Chinese and international brokers, engaging in in-depth exchanges with institutional investors and analysts.

ZTE places great importance on protecting the rights of small and medium shareholders. In accordance with the *Articles of Association*, written notices are sent to all registered shareholders prior to each shareholders meeting, clearly stating the agenda items, time, and venue. Shareholders (or their proxies) exercise their voting rights based on the number of shares held, following the "one share, one vote" principle. To facilitate shareholder participation, meetings offer both onsite and online voting options. The voting results of small and medium shareholders are disclosed separately in the resolution announcements, ensuring their voices are truly heard and respected.

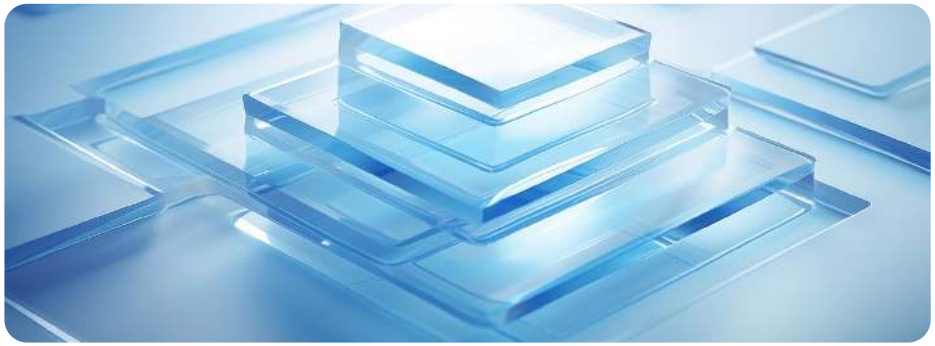
Promoting Tax Transparency and Compliance

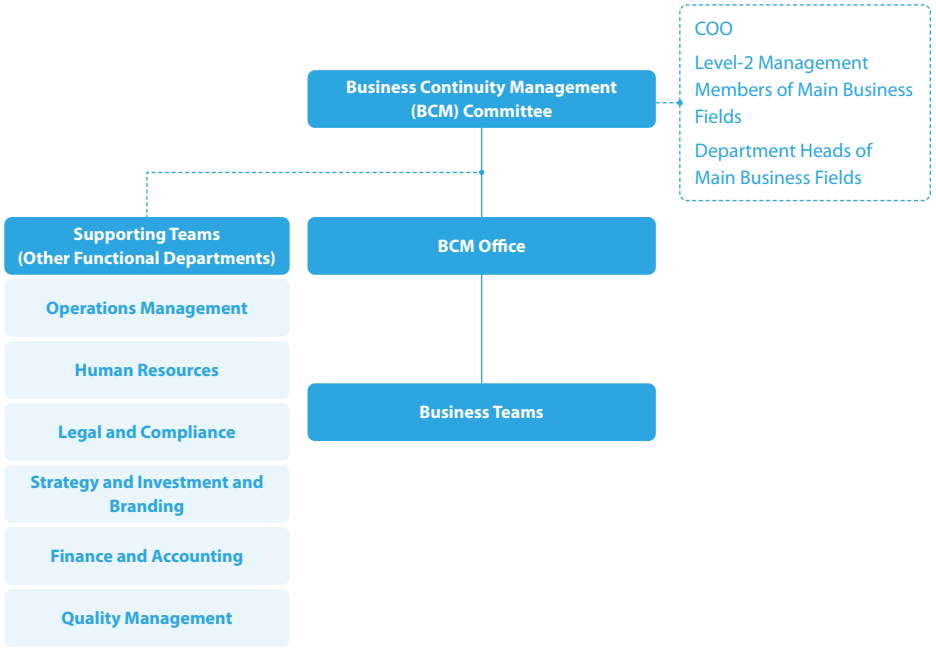
ZTE prioritizes tax governance and transparency, and has established a Global Tax Compliance Committee to coordinate tax compliance efforts. The company pays special attention to the integration of core tax operations and financial accounting by leveraging digital tools to achieve the unified management of invoices, accounts, and tax filings. Through proactive engagement with tax authorities and third-party consultants, ZTE keeps enhancing its understanding of the evolving tax laws and regulations, ensuring all tax activities are conducted in a standardized manner.

Enhancing BCM

Governance

In 2018, ZTE established the BCM Committee, responsible for formulating business continuity strategies, ensuring the operations of resource support systems, and guaranteeing their adaptability and effectiveness. The committee convenes meetings quarterly and conducts management review on an annual basis. The Director of the BCM Committee is chaired by the COO of the company, while the position of Deputy Directors is assumed by leaders of the main business fields. Other members consist of department heads of main business fields. Additionally, the company has set up a BCM Office under the Quality Management Dept. of Operations Management, serving as a standing body of the committee. This office, reporting to the committee, is responsible for daily business management, organizational coordination, promoting BCM-related standards and technical practices, establishing process documentation and management regulations, and regularly inspecting and reviewing the operations of various business teams.





ZTE's BCM Structure

Strategy

In 2025, the company's ISO 22301:2019 certification for its management system remained valid, and covers its 5 manufacturing bases and major R&D centers. The efforts to obtain certification also encouraged key suppliers to establish their own BCM systems.

With a focus on "upholding baseline standards, fostering anti-fragility, and addressing weaknesses, and strengthening prevention," the company advanced its BCM efforts based on a full-process management framework. This framework integrates proactive warning and prevention, in-process tracking and assessment, and post-event response and resolution. To adapt to changing external environments, the company conducts the comprehensive Business Impact Analysis (BIA) at least once a year. Through this analysis, the company clarifies the priorities of critical business processes and resources, and ensures corresponding control measures are implemented in accordance with risk management standards.

Furthermore, the company utilizes digital tools to monitor external risks in a proactive and targeted manner—which may arise from natural disasters, geopolitics, cybersecurity, and social trends. These risks are assessed and addressed through closed-loop management processes tailored to actual business conditions, continuously enhancing the BCM proactiveness and precision.

Impact, Risk and Opportunity Management

When planning its BCM system (BCMS), ZTE thoroughly considered both internal and external environments as well as the needs of relevant stakeholders, and identified and responded to risks and opportunities, to ensure the achievement of intended targets via the system, prevent adverse impacts, and drive continuous improvement. The planning solution included risk and opportunity management processes, and effectiveness verification. Also, the planning solution was integrated into the entire management process to ensure the control of business continuity risks across all stages. For the 2025 fiscal year, the company's BCM risk and opportunity list remained unchanged from 2024.

Risk and Opportunity List

Category	Description	Probability	Impact Level	Measure
Risk	Business interruption risks caused by natural disasters.	High	Medium	• Identify natural disaster risks through public channels, and proactively plan business deployment and resource assurance based on emergency response plans. • Share information in a timely manner during emergency response processes, and collaborate with relevant stakeholders to efficiently restore business operations. • Conduct irregular drills and tests for high-risk scenarios, and optimize emergency response plans accordingly.
	Business interruption risks caused by wars and conflicts abroad.	Medium	Medium	• Continuously optimize overseas risk monitoring mechanism, with a focus on personal safety, material support, situation developments, property protection, business continuity, etc. • Collaborate with external stakeholders to organize drills and tests in high-risk countries, and refine emergency response plans accordingly.
	Business interruption risks caused by insufficient BCM capabilities of partners.	Low	Low	• Promote the enhancement of BCM capabilities among suppliers and property contractors by organizing training activities, joint drills, and tests. • Engage in business continuity exchanges with customers, assisting them in establishing the BCMS and risk management mechanism.
Opportunity	Opportunities to help enhance the BCM capabilities of value chain partners, with BCM capabilities becoming a core competence in market competition.	High	High	• Apply management system methods and best practices to systematically optimize business processes and enhance capabilities, foster a culture of business continuity, and actively engage in exchanges with customers, suppliers, and internationally renowned industry organizations to elevate the company's brand image and influence. • Collaborate with upstream and downstream partners as well as external stakeholders to shape and enhance the resilience of the industry chain.

Annual Progress

Enhancing Emergency Response Capabilities

To meet the needs of emergency communications services and rapid business recovery, the company planned and implemented major communications support projects during summer. By properly allocating disaster relief resources, standardizing disaster information reporting, and refining the emergency response and operations mechanisms, the company ensured that emergency communications support was delivered in a swift, efficient, and orderly manner. These efforts received high recognition from government authorities and telecom operators. In 2025, the company reported a total of 81 incidents with a 95% achievement rate of Recovery Time Objectives (RTOs), meeting its annual target.

Simultaneously, Unmanned Aerial Vehicles (UAVs) were widely deployed to bolster emergency support, including communications services, supplies airdropping, search and rescue, as well as disaster assessment. The UAVs created a vital "lifeline in the sky" and a fast track that facilitated rescue and emergency response. During Typhoon "Kaijiki" in Hainan, ZTE set records for the longest flight duration (3 hours and 32 minutes) and the highest altitude (2,100 meters).

Conducting Regular Drills and Tests

The company has established a targeted and realistic drill and testing system to ensure high-quality and scenario-based exercises. With a focus on high-risk business areas, the company organizes drills for scenarios of sudden extreme events. It also conducts joint tests with key suppliers and among multiple business units to verify emergency response capabilities, identify improvement opportunities, and promote the closed-loop management of outstanding issues.

In 2025, the company conducted a total of 77 drills that covered a variety of scenarios, including data center facility failures (power, cooling, liquid cooling, IT, and security systems), overseas geopolitical conflicts, extreme natural disasters, cybersecurity incidents, and international shipping disruptions. Through these drills, the company identified and implemented 129 improvement measures, continuously optimizing and enhancing its BCMS.

Empowering the External Stakeholders

ZTE included the enhancement of suppliers' BCM capabilities in its annual key plans. It continuously encouraged suppliers to obtain ISO 22301 certification for management system and provided specialized training for key suppliers, including logistics service providers and tier-2/tier-3 material suppliers. Meanwhile, the company strengthened collaboration with property management vendors by jointly formulating business continuity plans and organizing joint drills, so as to systematically improve the risk response capabilities of its ecosystem partners.

Furthermore, ZTE actively engaged in experience exchanges regarding BCMS development and risk management with customers and other external stakeholders. In 2025, the company organized over 50 thematic sharing sessions, driving the enhancement of resilience across the entire value chain.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
BCM	Short-term target: Integrate the BCMS operations with business operations. Medium-term target: Stay risk-oriented, provide training for frontline employees, and conduct drills and tests to achieve in-depth governance and enhance resilience. Long-term target: Manage risks in a digital manner and enhance the resilience of the industry chain.	• RTO achievement rate: 90% • Implementation rate of drills and tests: 100% • Pass rate of drills and tests: 100% • Closure rate of internal and external audit findings: 100%	• RTO achievement rate: 95% • Implementation rate of drills and tests: 100% • Pass rate of drills and tests: 100% • Closure rate of internal and external audit findings: 100%

Adhering to Compliant Operations for Steady Business Growth

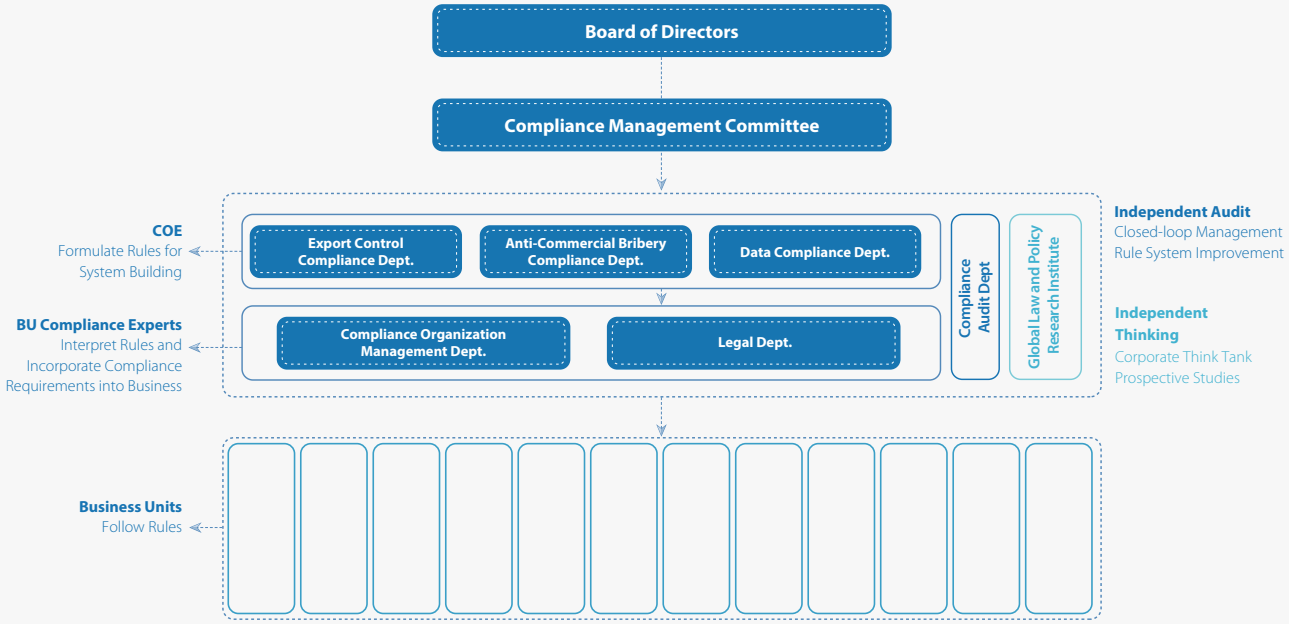
ZTE consistently upholds business ethics and complies with the laws and regulations of the countries and regions in which it operates. The company has embedded compliance management into all business processes, seamlessly integrating business development and risk control. By continuously optimizing its compliance system, the company transforms compliance governance into a competitive advantage, providing a solid foundation for sustainable development.

Continuously Optimizing the Compliance System

Governance

ZTE focuses on 3 key compliance areas: export control compliance, anti-bribery compliance, and data compliance. It has established an efficient compliance management structure featuring both horizontal collaboration and vertical integration. The Compliance Management Committee is the highest deliberative and decision-making body for the company's compliance affairs. Established based on the resolution of the company's Board of Directors, the Committee is composed of the Chair, CEO, EVPs, SVPs, Chief Compliance Officer, Chief Legal Officer, and heads of certain business units. The main responsibilities of the Committee include formulating the company's compliance management goals, assessing compliance risks arising from the company's operations, as well as reviewing and approving solutions to such risks.

The Committee convenes quarterly meetings to review and make decisions on policies and major issues related to key compliance areas. During quarterly meetings, all Committee members receive training on knowledge and skills in key areas such as export control, anti-bribery, and data compliance, so as to strengthen their professional capabilities and risk awareness. Additionally, the Committee reports to the Board of Directors every quarter and submits special reports on specific matters at the Board's requests.



Compliance Management Organizational Structure of ZTE

Strategy

ZTE's legal and compliance management is driven by two missions: to identify, report, and address legal risks, and to participate in, facilitate, and contribute to business operations. With a strategic goal of establishing an "independent, effective, and efficient corporate compliance system," the company keeps identifying and mitigating risks to safeguard business operations. Through highly efficient management, ZTE also unleashes vitality and integrates compliance management into business processes, thereby supporting business growth and ensuring "Compliance Creates Value."

In 2025, the company further strengthened its forward-looking compliance management by refining the mechanism of "Collaborative Response to Policies and Trends" and integrating it into the dynamic monitoring and assessment of the external regulatory landscape. Through the collaboration of legal, compliance, and business departments, ZTE conducted routine screening of the legal and regulatory trends in China and abroad. For significant trends that may impact the company's strategic planning and operations, the compliance departments collaborated with relevant business units to take proactive actions by jointly formulating response strategies and promoting the integration of compliance requirements into business decision-making and process design. This ensured the company maintained compliant operations and achieved sustainable development amid a complex and ever-changing regulatory landscape.

Regarding processes, ZTE is promoting a two-way integration of compliance and business to drive the development of its 2nd-curve business through process diagnosis and optimization. The company is also strengthening the bottom-up mechanism for rule refinement—continuously improving the compliance rule system based on frontline research and analysis of business pain points. In 2025, the company updated 385 compliance obligations across 3 major compliance areas, refreshed all 202 KCPs, and proposed and implemented 70 improvement recommendations. Furthermore, 22 optimization sub-projects were launched to reinforce rule diagnosis and ensure closed-loop management of problems. This promotes efficient synergy between compliance rules and business operations.

the company updated
385 compliance obligations

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22 optimization sub-projects were launched to reinforce rule diagnosis and ensure closed-loop management of problems

Annual Progress

Compliance Culture Building

ZTE established a comprehensive and tiered compliance training framework that precisely targets different audiences. In addition to general training courses for all employees, the company also provided scenario-specific courses, so as to develop compliance capabilities in a comprehensive manner. Based on specific job functions and levels of business involvement, the company designed differentiated curriculum, developing a three-tiered course structure that encompasses general compliance knowledge, domain-specific expertise, and scenario-based operation guidelines.

In 2025, nearly 60,000 employees participated in the annual company-wide compliance training via the online learning platform, achieving a 100% training coverage rate. The training reached all staff, including management personnel and interns. The curriculum covered key areas such as anti-bribery compliance, export control compliance, and data compliance. For local employees, the company developed training materials in 18 languages, including Spanish, French, Arabic, Italian, and Portuguese.

Compliance Perception Survey

In 2025, over 40,000 ZTE employees participated in the compliance perception survey. By analyzing employee feedback, the company gauged employees' perceptions of compliance initiatives and formulated targeted improvement measures. This data-driven approach helped continuously optimize and refine the compliance management system. According to the 2025 survey results, 99.9% of respondents believe that management personnel have placed importance on compliance, allocated sufficient resources to compliance management, and translated this commitment into their daily actions.

In-Depth Compliance Capability Enhancement

Ecosystem Co-Building to Enhance Corporate Compliance Capabilities

In 2025, ZTE continued its special initiatives to enhance trade compliance capabilities. In collaboration with local commerce authorities in multiple regions and the China Chamber of Commerce for Import & Export of Machinery and Electronic Products (CCCME), ZTE hosted specialized trade compliance events in Shanghai, Qingdao, Fuzhou, and Hefei. Drawing on ZTE's hands-on experience in global compliance management, these events featured a content design that deeply integrated "policy guidance, case analysis, system development, and tool application," providing enterprises with systematic and practical compliance support.

ECSS Optimization and Ecosystem Expansion

In 2025, ZTE continued to optimize its Export Compliance Screening System (ECSS), advancing system iteration in 3 key directions—algorithm enhancement, business integration, and efficiency and usability improvement. Meanwhile, the company actively leveraged ECSS to empower external parties and promote co-development with industry partners, engaging in in-depth exchanges with over 100 enterprises regarding compliance management system development and digitalization. This year, ZTE promoted ECSS to new sectors such as chemicals and automotive. By now, ECSS has been implemented across telecommunications, energy, software, consumer electronics, semiconductors, photovoltaics, medical, chemicals, and automotive fields, continuously enhancing compliance management efficiency across various industries.

Recognized for its technological innovation and practical value, ECSS won the Second Prize in the compliance technology category of the "Golden Flash" China Internet Innovation Competition and the Outstanding Industry Solution Award for the iStar Program at the 2025 China Mobile Global Partners Conference. Furthermore, ECSS practices were included in the "2025 Typical Application Cases of China's Cloud Ecosystem" by the Zhongguancun Cloud Computing Industry Alliance.

Innovation in Digital and Intelligent Compliance Management

In 2025, the company continued to advance its digital compliance capabilities by independently developing a "compliance news & trends crawling tool" that serves as a smart "compliance sentinel". Leveraging automation technology, this tool enables all-day dynamic identification of global compliance information, instant multi-language translation, and automatic summarization and deduplication of key insights for push notifications—providing an efficient digital engine for corporate compliance operations.

In 2025, ZTE continued to enhance its digital compliance risk monitoring platform iCompliance, and established a 4-in-1 architecture integrating "risk management, digital inspections, compliance tools, and compliance profiling." Relying on data modeling and intelligent algorithms, the platform upgraded the monitoring model from manual spot-checks to comprehensive real-time oversight, significantly improving the efficiency and accuracy of violation detection and driving the shift of compliance management from reactive response to proactive prevention. In terms of functionality, the "risk management" module integrated 18 red flags, supporting compliance teams in dynamically monitoring business risks and promoting closed-loop management of those risks. The "digital inspection" module covered 16 scenarios, including the LTC process and material flows, expanding inspection coverage from sampling to full scope.

the "risk management" module integrated

18 red flags

The "digital inspection" module covered

16 scenarios, including the LTC process and material flows, expanding inspection coverage from sampling to full scope

In December 2025, the company utilized the iCompliance platform to strengthen the self-inspection system for frontline business, implementing automated monitoring and early warnings for 11 high-risk business activities. These activities cover 5 core business areas: marketing, R&D, supply chain, engineering services, as well as finance and accounting. In response to the leads from the platform, the company rapidly assigns self-inspection tasks to business units, with Compliance Points of Contact (CPOCs) leading specialized investigations. This established a closed-loop mechanism of "detection-verification-remediation-closure," ensuring timely elimination of potential risks.

Whistleblowing and Whistleblower Protection

Whistleblowing and Handling Procedures

The *Handling and Investigation of ZTE Whistleblowing Job Specification* defines the management requirements for the entire whistleblowing process to ensure that violations are responded to and investigated promptly under the principles of independence, objectivity, impartiality, and confidentiality. The company employs dedicated whistleblowing administrators who receive reports via channels such as the official website, dedicated email boxes, and telephone hotlines. Upon receipt, the reports are registered and categorized within the system. Based on the nature of the issues involved, they are then assigned to the corresponding investigation departments for handling. Once the investigation is completed, cases are formally closed. The company also conducts regular follow-ups with the real-name reporters, thereby establishing a closed-loop management mechanism that covers receipt, assignment, investigation, and feedback.

Furthermore, the company's *Regulations on Compliance Reporting* provides specific guidance for compliance audit by further detailing the scope and channels for whistleblowing, as well as policies regarding whistleblower protection and rewards in key areas such as export control, anti-bribery, and data compliance.

Scope of Whistleblowing Handling

The company handles reports concerning violations committed by any regular or former employees of ZTE, as well as any partners—including suppliers, distributors, subcontractors, and customers. Reportable conduct includes any action that violates national laws and regulations or company policies, and that causes losses or poses potential risks to the company. Specific types of violations include, but are not limited to: fraud and malpractice (such as job-related embezzlement and corruption), compliance violations (in the areas of export control, data compliance, anti-bribery, etc.), and issues related to information security, the implementation of HR policies (such as unfair performance appraisals), CSR (such as discrimination, harassment, occupational health and safety, and environmental protection), and supplier ESG (transparent cooperation).

Whistleblowing Channels

- Website: https://www.zte.com.cn/global/index.html (Click Whistleblowing at the bottom of the homepage; Whistleblowers can check the handling progress of their reporting through the website.)
- Tel: +86-0755-26771199
- Email: audit@zte.com.cn
- Mail address: Internal Control and Audit Office, 3rd Floor, Building A, ZTE Building, No. 55 Keji South Road, Nanshan District, Shenzhen (Postal code: 518057)
- Verbal whistleblowing: report violations to personnel with investigative responsibilities

For compliance issues, ZTE has also set up whistleblowing channels managed by an external independent legal agency. The whistleblowing website and email support Chinese, English, and 15 other languages.

- Website: http://www.tip-offs.com.cn/ZTE
- Email: ZTEWhistleblowing@tip-offs.com.cn
- Tel: 400-0707-099 (Chinese mainland), + 8621-3313-8584 (Global)

ZTE also provides the following internal whistleblowing channels:

- Email of the Compliance Audit Dept.: complianceaudit@zte.com.cn
- LCM system: http://lcm.zte.com.cn (path: Compliance Audit > Report Violation Clue)

The company clearly defines its internal whistleblowing channels in the official website announcements and company-wide emails. To ensure every employee is aware of these accessible whistleblowing channels, ZTE also uses pull-up banners and posters for promotion in R&D centers, representative offices, and other workplaces.

Whistleblower Protection and Rewards

ZTE has established a comprehensive mechanism to safeguard whistleblower information protection and prevent retaliation in accordance with the company's *Regulations on Protection and Rewarding of Real-Name Whistleblowers* and *Regulations on Compliance Reporting*. These regulations explicitly stipulate that the personal information about whistleblower and the content of their reports are strictly confidential and must not be disclosed to any third party—a fundamental principle upheld in whistleblowing handling.

The company advocates good-faith reporting and provides whistleblowers with a three-level protective measures, encompassing dedicated information management, desensitization and encryption, and dynamic follow-up:

First Layer of Protection

Whistleblowing information is managed exclusively by the uniquely authorized administrator and cannot be accessed by others.

Second Layer of Protection

Real-name whistleblowing information is classified as confidential and undergoes the data desensitization process, ensuring the strict protection of whistleblower identity information.

Third Layer of Protection

Real-name whistleblowers receive one-on-one regular follow-ups that are intended to protect the whistleblowers against any retaliation.

For real-name whistleblowers, the company offers 3 types of incentives as follows:

Prioritized investigation: Leads from real-name whistleblowers are prioritized as the highest level for investigation.

Expanded reward eligibility: The scope of recipients of rewards for real-name whistleblowing has been expanded, covering not only internal personnel but also external parties, such as suppliers, distributors, and subcontractors.

Substantial rewards: After the reported content is verified, the real-name whistleblower may receive rewards ranging from CNY5,000 to CNY5 million.

In 2025, the company received a total of 171 leads from various whistleblowing channels, with a 100% handling rate. Among all those leads, 13 were related to anti-bribery. In the anti-bribery compliance investigations concluded that year, 5 cases were confirmed to have violated the company's internal anti-bribery regulations. For these verified violations, corresponding disciplinary actions were implemented against the individuals involved. In addition, the company organized 4 compliance whistleblowing reward assessment sessions throughout the year, continuously enhancing the effectiveness of its compliance management system.

Anti-Bribery and Anti-Corruption

Governance

Anti-Bribery

ZTE's Anti-Commercial Bribery Compliance Dept. is fully responsible for building and improving the company's anti-bribery compliance system, and leads the formulation of rules in anti-bribery compliance. Anti-bribery governance is integrated into ZTE's compliance governance framework.

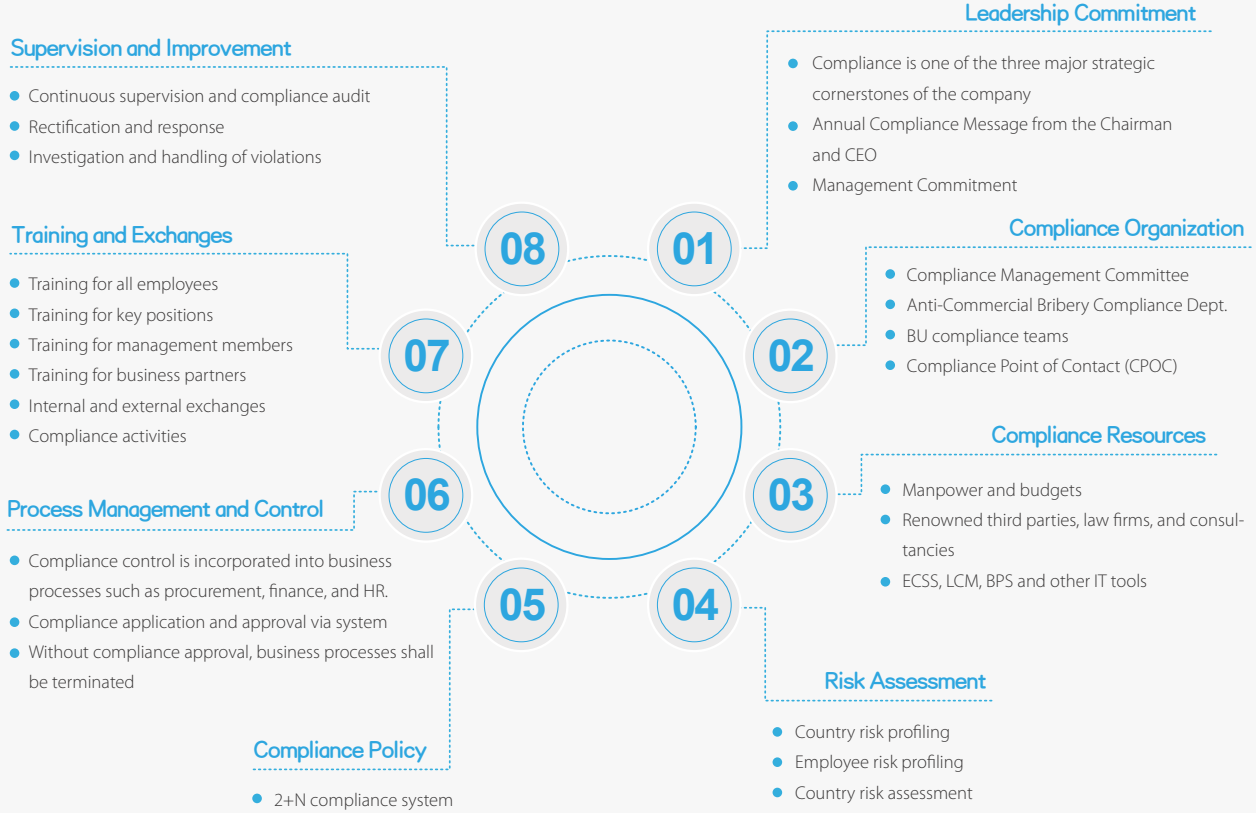
Anti-Corruption

ZTE's Internal Control and Audit, which is a level-2 unit, is fully responsible for the company's anti-corruption efforts. It independently conducts audits, inspections, and supervision activities without interference from any other department or personnel, ensuring the independence, objectivity, and authority of the anti-corruption efforts. On a quarterly basis, the Internal Control and Audit reports to the Board of Directors and the Audit Committee on various matters, including internal control, risk assessments, audit and supervision, and anti-corruption initiatives. The company's anti-corruption governance is integrated into its internal control governance framework.

Strategy

Anti-Bribery

Based on the ISO 37001 standard and its own situations, ZTE has established an anti-bribery management system consisting of eight elements: "Leadership Commitment, Compliance Organization, Compliance Resource, Risk Assessment, Compliance Policy, Process Control, Training and Communication, Supervision and Improvement." Through the continuous execution, review, and enhancement of the elements, the company continuously improves the effectiveness of the system.



ZTE Anti-Bribery Management System

Anti-Corruption

ZTE has been continuously fostering a culture of integrity to solidify the foundation of compliance. Our strategic roadmap is structured as follows:

Short-term: Enhance employees' awareness of integrity, boost the efficiency and effectiveness of whistleblowing investigations, and optimize anti-fraud mechanisms.

Medium-term: Strengthen work ethics among employees, crack down on any violations, and eliminate loopholes to improve processes and management.

Long-term: Build integrity in the workplace and establish a long-term effective mechanism where employees dare not, cannot, and would not commit any violations.

As an important part of the company's internal control and audit, anti-corruption is integrated into the company's internal control system. The company has established a comprehensive, multi-level internal control system, with the framework consisting of the Board of Directors, the Audit Committee, the Internal Control Committee, and three lines of defense for internal control. In addition, the company adopts the five-step method for internal control (organizational building, risk assessment, regulation formulation, implementation inspection, and rectification and accountability) to promote the implementation of various tasks, including anti-corruption.

Impact, Risk and Opportunity Management

Anti-Bribery

To manage anti-bribery risks, ZTE has established the *Regulations on Risk Assessment of Anti-Bribery Compliance*, which clearly defines the responsibilities of various departments and the principles, triggers, methodologies, formats, and procedures of risk assessment.

The company conducts regular assessments for anti-bribery risks every year. Furthermore, it will promptly initiate risk assessments in response to significant changes in the external environment or major internal events and business transformations.

Anti-Corruption

To standardize the identification, assessment, and prevention of violation and fraud risks, and to reduce operational risks, ZTE has developed the *Guide to Fraud and Violation Risk Management*. It defines violations and frauds, outlines risk management strategies, and standardizes risk identification methods, the mechanism for establishing and improving the list of violations and frauds, and the requirements for preventing and detecting risks as well as investigating violations and frauds. This document provides clear guidance for business units on managing violations and fraud risks.

Risk and Opportunity List

In 2025, with no structural changes in the internal and external environments, the major risks and opportunities faced by ZTE in the areas of anti-bribery and anti-corruption remained substantially unchanged.

Category	Description	Probability	Impact Level	Measure
Risk	New forms of corruption and disguised corruption are emerging, such as "shadow shareholders," "shadow companies," and "fake transactions." They are difficult to detect and pose significant challenges for investigations.	High	High	The company has enhanced the application of digital tools, such as developing inspection models and conducting data analysis, to improve the efficiency and accuracy in evidence collection.
Risk	Providing cash or other items of value to customers, business partners, or individuals with close relationships to those groups for the purpose of improperly influencing the recipient's legitimate duties or actions to gain undue commercial benefits may cause significant economic costs, legal consequences, operational risks, or reputational damage to the company.	Low	High	At the policy level, the company clearly prohibits any form of corruption or bribery during business operations. In addition, the company has formulated a series of regulations, processes, and guidelines to reduce the risk of bribery. Moreover, compliance controls have been incorporated into relevant business processes to build a comprehensive mechanism comprised of pre-incident review, in-process supervision, and post-incident audits.
Opportunity	Efforts in anti-bribery and anti-corruption help companies establish and improve internal management systems and processes, optimize internal management, and increase efficiency and transparency.	High	Medium	Internal controls and audits have been strengthened to identify and correct problems in management in a timely manner, ensuring the continuous optimization of corporate management.

Annual Progress

Enhancing System Certification

In 2025, ZTE maintained the validity of the ISO 37001 certification for anti-bribery management systems. The certification scope covered subsidiaries and branches in 38 key countries, providing structured support for the anti-bribery compliance management across global operations.

ISO 37001 certification scope covered subsidiaries and branches in

38 key countries

Systematic Risk Assessment

In 2025, the company continued its annual systematic risk assessment. Drawing on Transparency International's Corruption Perceptions Index (CPI) and internal business data, ZTE further refined the country-specific anti-bribery risk profiling model and related data.

With digital tools, the company has achieved online and automated management of risk profiles. Relying on the centralized data platform, ZTE achieved comprehensive coverage of country-specific data, with risk indices and rankings dynamically updated. This has significantly enhanced the efficiency and real-time responsiveness of risk assessments.

Additionally, adopting a risk-oriented approach, the company conducted in-depth assessments on six medium- to high-risk countries identified. These assessments examined each country's level of integrity, legal provisions, employees' compliance awareness, and specific business risks. Based on the findings, ZTE optimized anti-bribery compliance controls in a targeted manner.

Meanwhile, business units conducted systematic reviews to map violation and fraud risks, focusing on key areas such as transaction opportunities, positions of authority, funds and expenses, asset control, and access to important information. Taking the actual business operations into account, business units identified and managed fraud risks more effectively. They optimized the design of KCPs and the risk management matrix, providing foundational support for the planning and implementation of subsequent inspection projects.

All employees signed the *Letter of Commitment on Anti-Bribery*

100%

Rules Optimization

ZTE maintains a "zero tolerance" attitude toward corruption and bribery of any form, and regularly reviews and optimizes its internal regulations. In 2025, the company updated its *Business Code of Conduct.* A number of specialized anti-bribery compliance regulations were also updated, including: *Regulations on Anti-Bribery Compliance Management of Gifts and Hospitality*, *Regulations on Anti-Bribery Compliance Management Regarding Business Travel Provided to External Parties*, *Regulations on Anti-Bribery Compliance in Charitable Donation*, *Regulations on Anti-Bribery Compliance Management for Business Partners*, and *Regulations on Anti-Bribery Compliance Management of Procurement Transactions.* These updates improved the applicability and effectiveness of the regulations, providing employees with clearer compliance guidance.

To further standardize and institutionalize anti-corruption and anti-bribery management, the company has formulated a series of rules and regulations such as the *Code of Conduct for ZTE Employees*, *Accountability Management Regulations*, and *Handling and Investigation of ZTE Whistleblowing Job Specification*. These rules and regulations prohibit any form of corruption and fraud, and provide detailed standards and guidelines for managing corruption and bribery risks.

Advocating a Culture of Integrity

In 2025, the company implemented differentiated anti-bribery compliance training and awareness programs targeting different groups. This ensured company-wide training while delivering specialized training to key partners. The details are as follows:

- All members of the Board of Directors, the CEO, EVPs, and SVPs received specialized anti-bribery compliance training, with 100% participation.
- All management members completed mandatory anti-bribery compliance coursework, with 100% coverage.
- Personnel in key functions—such as compliance review, finance and accounting, engineering services, marketing, certification, and procurement—participated in multiple rounds of thematic training covering policy updates, scenario-based guidelines, IT system operations, and interpretation of customers' compliance requirements.
- All employees signed the *Letter of Commitment on Anti-Bribery*. Throughout the year, 57 thematic briefings were distributed company-wide, covering policy interpretation, case analysis, and compliance practices to continuously reinforce awareness.
- All the identified medium- to high-risk business partners received dedicated anti-bribery compliance training.

Beyond training programs, the company systematically developed a multi-dimensional communication framework to promote anti-corruption and anti-bribery. Monthly emails about integrity awareness were sent to all Chinese employees, highlighting key company regulations, topical issues, and typical cases. These communications featured several regular columns, including summaries of typical violations, legal knowledge comics, and Q&A sessions. Each edition reached an average readership exceeding 10,000, with total annual views surpassing 400,000.

The company also carried out integrity education activities across frontline business units. Through a combination of warning lectures, face-to-face dialogues, and fraud prevention exchanges, real-life cases were used to strengthen risk awareness and enhance frontline self-control capabilities. In high-risk business areas, legal and judicial experts were invited to deliver specialized sessions analyzing duty-related crime cases and interpreting applicable laws and regulations, supporting further refinement of internal control measures.

To diversify its communication formats, the company produced integrity-themed short videos based on real cases. Two series—one launched in 2024 and another in 2025—accumulated over 150,000 views.

Case

A Debate Competition Themed "Debate to Understand Integrity, Act to Uphold Original Aspiration"

From August to December 2025, ZTE held a themed debate competition open to all employees. A total of 151 proposed debate topics were submitted, and 16 teams from 10 units participated. The related content received 134,000 views.

Debate topics centered on corporate governance and employee conduct, including questions such as whether high compensation can ensure sustained integrity, and whether self-discipline or external supervision plays a more critical role in preventing corruption. By promoting learning through debates, the competition engaged employees in in-depth reflections, reinforced their ethical awareness, and enhanced integrity at the workplace.

In addition, the company launched an integrity-themed culture building activity in 2025, establishing 3 award categories—Outstanding Team, Best Practice, and Outstanding Individual—to encourage the internalization of integrity principles from formal requirements into shared values and daily conduct.

Due Diligence

The company implements graded risk management for business partners. Prior to onboarding a supplier, ZTE conducts a background investigation focusing on anti-corruption and anti-bribery compliance. Based on the assessment results, appropriate control measures are implemented. All newly-onboarded suppliers are required to sign the *Supplier Commitment Letter of Transparent Cooperation and Anti-Bribery Compliance*. For all business partners categorized as high-risk, a due diligence report issued by a third-party institution is required. The investigation covers, but is not limited to, the partner's shareholder information, and any corruption- or bribery-related information involving the partner, its shareholders, or management team.

In addition to third-party due diligence, the company's compliance reviewers conduct in-depth investigations based on each partner's specific risk profile. These may involve self-developed digital due diligence tools, traditional compliance system screening, public information searches, document reviews, interviews, and onsite visits. Notably, the company's self-developed due diligence system enables automated data retrieval and integration to generate independent reports. Equipped with AI-assisted risk analysis, the system extracts and interprets key risk indicators, helping compliance experts rapidly identify priority concerns. This significantly improves the precision of risk identification and decision-making while enhancing the efficiency of compliance reviews.

In 2025, the company initiated due diligence on 60 business partners through third-party institutions. Except for cases receiving special compliance approval, 100% of high-risk business partners were covered by due diligence reviews conducted either by third-party institutions or ZTE's compliance personnel.

the company initiated due diligence on **60** business partners through third-party institutions

100% of high-risk business partners were covered

Supervision and Audit

ZTE conducts ongoing supervision, inspection, and audit of anti-bribery compliance annually to ensure the sustained effectiveness of the compliance management system and compliant operations across global businesses.

In 2025, the company conducted special risk-oriented audits in areas such as provision of business travels to external parties, charitable donations, employment, conference activities, business partners, and procurement transactions. Additionally, ZTE completed country-level audits of 9 subsidiaries/branches across 8 countries. Through both full-scope and in-depth reviews, the company kept monitoring and inspecting all operations across the globe. The remediation of identified issues was tracked to ensure closed-loop management.

Furthermore, to further strengthen inspection and audit efforts, the company independently developed an anti-bribery compliance inspection and supervision system. The system conducts comprehensive screening of full business data related to anti-bribery compliance, automatically flags anomalies, and pushes alerts to inspection personnel for review. It also provides a one-stop workflow to track remediation and closure of identified issues.

In 2025, Internal Control and Audit carried out 27 special audits across business areas such as supply chain, R&D, government and enterprise business, and international sales. Investigations were also conducted based on whistleblowing leads. For identified internal control deficiencies, the Audit Dept. worked closely with relevant business units to implement systemic solutions that address root causes.

The company is advancing digitization of the end-to-end audit process. Operations at key steps—whistleblowing leads registration and processing, project initiation, plan formulation, working paper management, report circulation, opinion solicitation, and remediation tracking—having been fully digitalized. The relevant business activities are centrally managed within the Governance, Risk, and Compliance (GRC) system, improving audit process transparency, operational standardization, and overall efficiency. In 2025, based on investigations initiated by Internal Control and Audit and decisions made by the company's Violation Handling Committee, a total of 36 individuals were subject to disciplinary action.

ZTE completed country-level audits of **8** countries **9** subsidiaries/branches

carried out **27** special audits

a total of **36** individuals were subject to disciplinary action

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Anti-bribery and anti-corruption	**Short-term:** Enhance employees' awareness of integrity, boost the efficiency and effectiveness of whistleblowing investigations, and optimize anti-fraud mechanisms. **Medium-term:** Strengthen work ethics among employees, crack down on any violations, and eliminate loopholes to improve processes and management. **Long-term:** Build integrity in the workplace and establish a longs-term effective mechanism where employees dare not, cannot, and would not commit any violations.	• Promote a culture of integrity, diversify communication forms, and strengthen employees' awareness of work ethics. • Investigate and take disciplinary action against misconduct and violations. • Optimize the anti-fraud mechanisms.	• Produced short videos on workplace integrity, attracting over 150,000 views; published anti-corruption communications across multiple platforms, generating more than 400,000 reads/clicks. • Reduced the average whistleblowing investigation cycle to under 65 days and achieved a closure rate of over 90%.

Data Security and Privacy Protection

Governance

ZTE's data compliance governance is an important part of the company's overall compliance governance framework. The Data Compliance Dept. is responsible for continuously improving the data security and privacy protection management system; researching global data protection laws, regulations, policies, and standards, and converting them into internal regulations; and planning, formulating, and implementing privacy protection compliance strategies and compliance rules, and supervising their implementation; and assessing and monitoring compliance risks in specific business processes.

For matters concerning data security and the privacy compliance of new technologies in business, the Data Compliance Dept. gathers the experts from the Product Security Dept., the Information Management Dept., and other departments, to enhance the security and confidentiality of products, services, and information systems, strengthen data security, and improve the company's compliance reputation.

Strategy

The company has established and continuously optimized a compliance control mechanism for the entire data lifecycle, covering all stages from data collection, storage, use, processing, transmission, sharing, to deletion. Additionally, the company has built a data compliance governance system based on eight elements, namely, management commitment, governance structure, rules and regulations, risk assessment, process control, recordkeeping, compliance training, and inspection and supervision.

During the data processing activities, under the principles of legality, fairness, transparency, and integrity, ZTE implements graded and category-based data protection, fulfills data security obligations, guarantees the accuracy, integrity, and confidentiality of data, and gives special protection to core data, important data, and personal information.

In 2025, the company revised a series of regulatory documents including the *ZTE Corporate-Level Manual for Data Compliance*, *Regulations on Privacy by Design (PbD)*, and *Regulations on Compliance Management of Personal Information Categorization and Classification*. These revisions were made to strengthen the control requirements for critical data governance, compliance audits, and risk assessments, thereby aligning with evolving external laws and regulations as well as the company's business development. The company also continued to enhance its information security system by implementing a comprehensive set of management rules covering application systems, servers, networks, public cloud services, identity authentication and access control, mobile offices, cloud desktops, and computers. Together, these measures help safeguard data integrity and confidentiality, while enabling continuous monitoring and timely response to information security threats.

Impact, Risk and Opportunity Management

Risk and Opportunity List

In 2025, with no structural changes in the internal or external environment, the major risks faced by ZTE in the areas of data compliance and customer privacy protection remain substantially unchanged.

Category	Description	Probability	Impact Level	Measure
Risk	Non-standard management of key data and customer privacy may lead to data breach, resulting in compliance risks, fines or lawsuits, and thus damage customer trust.	Medium	Medium	ZTE has developed a series of regulations to manage key data and customer privacy, including the *Compliance Management Regulations on Important Data*, *Regulations on Data Protection Impact Assessment*, *Personal Data Breach Response Process*, and *Process of Responding to Data Subject Rights Requests*.
	Against the global backdrop of increasingly stringent and differentiated controls for cross-border data transfer, non-compliance with local laws and regulations in such transfer may lead to compliance risks, fines or lawsuits, and thus reduce customer trust.	Medium	Medium	ZTE has developed and optimized the guidelines on graded controls over cross-border data transfer based on data types and national regulatory requirements, mitigating compliance risks in cross-border data transfer.
	During the development of new business and technologies such as AI, non-standard management may lead to data breach, resulting in new challenges and risks related to data compliance, fines or lawsuits, and thus reduce customer trust.	Medium	Medium	With a risk-oriented approach, ZTE has conducted risk assessments for scenarios such as data transactions, algorithm filing, large AI models, and web crawling, and refined related compliance rules and control requirements.
Opportunity	Leveraging experience acquired in corporate compliance management to empower industries may bring new business opportunities. Productizing experience in data compliance management may promote the growth of the data factor market and facilitate the efficient and secure circulation of data.	High	High	ZTE has actively participated in the formulation of industry standards, and promoted the commercialization of experience in data compliance management, empowering various industries and enterprises in data compliance.

Annual Progress

Strengthening the System Building

Since 2005, ZTE has been certified to the ISO/IEC 27001 - Information Security Management System, with the certification scope covering all products and services. Since 2020, the company has held ISO/IEC 27701 certification for Privacy Information Management System. As of 2025, both certifications remain in force.

Regarding product compliance, additional five key fixed network and multimedia products were successfully awarded the EU's ePrivacyseal Global certification in 2025.

Conducting Emergency Drills

In 2025, the company conducted personal data breach emergency drills across high-risk business scenarios such as human resources and strategic investment, effectively strengthening its capabilities for responding to and handling data security incidents.

Implementing Company-Wide Data Compliance Training

Data compliance has been incorporated into the company's annual mandatory training program, with examination results linked to performance appraisals. In 2025, the training coverage achieved 100%. For key compliance roles—particularly the high-risk positions involving cross-border data processing and personal data handling—multiple rounds of specialized training were conducted. These sessions focused on regulatory updates and control requirements (e.g., cross-border data transfer and privacy-by-design compliance), continuously strengthening job-specific competency.

Advancing Compliance Digitalization

In 2025, the company continued to advance the digitalization of data compliance management. Notably, ZTE launched an online dashboard platform for global laws and policies registration and visualization, completed the interconnection between its Intelligent Data Screening app and core business systems. This significantly improved the efficiency of compliance inspections.

Case **"Cross-Border Data Compliance Service Platform for Enterprises Going Global" Officially Launched**

In 2025, the company's self-developed data compliance product, the "Cross-Border Data Compliance Service Platform for Enterprises Going Global," was officially launched on the "Shenzhen Qianhai International e-Station", a platform operated by the authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen. Under a partnership model, ZTE's ECSS now provides standardized data compliance services to the public, including cross-border data compliance services.

Currently, ECSS has successfully completed the migration of its AI data screening system and enabled AI-powered risk assessments for cross-border data transfers and intelligent selection of compliant transfer pathways.

Enhancing External Collaboration and Empowerment

In 2025, ZTE continued to deepen collaboration and exchanges with external stakeholders. The company provided legislative feedback regarding data compliance on 14 occasions, conducted 26 thematic exchanges with regulators and other relevant parties, and delivered 28 compliance seminars with customers. Additionally, the *ZTE Privacy Protection White Paper* was updated and publicly released.

Meanwhile, the company actively participated in the revision of the national standard GB/T 35273, *Information Security Technology — Personal Information Security Specification*, contributing practical insights to promote the standardized development of the industry.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Data security and privacy protection	• Comply with legal requirements and prevent and control risks. • Facilitate the implementation of compliance requirements at business units and co-build the compliance image. • Ensure business sustainability and fulfill requirements related to digital ethics.	• Coverage rate of controls over scenarios with high risks in data compliance: 100% • Number of violations in customer privacy: 0 • Coverage rate of employee training: 100% • Pass rate of employee training and exams: 100% • Signing rate of the *Letter of Commitment on Data Compliance*: 100%	• ZTE optimized the standardized actions for external regulation monitoring and risk assessments, and implemented special risk governance for high-risk scenarios. • No breach of customer privacy occurred. • No data security incident occurred. • ZTE organized data compliance training and exams for all employees, achieving a coverage rate of 100%. • ZTE arranged for all employees to sign the *Letter of Commitment on Data Compliance*, achieving a signing rate of 100%.

Anti-Unfair Competition

Governance

ZTE's Legal Dept. is responsible for continuously improving the anti-unfair competition management system. Its specific responsibilities include: ensuring that the company's business operations comply with the laws and regulations on anti-unfair competition; providing legal and compliance opinions for major business decisions; offering legal consultations related to anti-unfair competition; enhancing the awareness of compliance risk prevention and mitigating relevant legal risks.

Strategy

ZTE strictly complies with applicable laws and regulations worldwide, including those governing anti-unfair competition and antitrust, and continues to enhance and rigorously enforce its internal compliance management system. The company is committed to achieving its goal of "zero major violations", which includes eliminating false or misleading advertising, prohibiting monopolistic conduct, and effectively preventing and stopping trade secret infringement/misappropriation. To strengthen enforcement, ZTE has established "zero major violations" as a KPI for the Legal Dept.

Guide by applicable anti-unfair competition laws and regulations, as well as lessons drawn from typical violation cases, ZTE has carried out anti-unfair competition risk assessments in alignment with its internal compliance requirements and risk management framework. The company has implemented full-process risk management covering pre-incident screening, in-process control, and post-incident handling.

Pre-Incident Risk Screening	In-Process Risk Control	Post-Incident Risk Handling
Early Warning: The company proactively assesses the likelihood and potential risks of anti-unfair competition conduct to ensure full compliance with applicable laws and regulatory requirements. All public-facing materials—including press releases, advertisements, and brand communications—are subject to mandatory prior review by designated departments.	**Risk during the process:** The company has established self-inspection and risk reporting mechanisms to manage anti-unfair competition risks in accordance with applicable laws and regulations. Once red flags are identified, the designated review departments or business units must promptly escalate the matter through internal reporting channels to the Legal Dept. The Legal Dept. will then conduct a formal risk assessment, provide legal opinions, and collaborate with the business units to implement appropriate measures to contain loss, mitigate risks, and complete remediation.	**Accountability Determination:** Once violations of anti-unfair competition regulations are confirmed, accountability is determined in accordance with the company's regulations, and appropriate disciplinary action will be taken. **Training for Capability Enhancement:** The company delivers targeted training programs for employees involved in terminal business or other key business areas. These initiatives include knowledge challenges and competitions designed to strengthen legal awareness.

ZTE's Full-Process Risk Management for Anti-Unfair Competition

Impact, Risk and Opportunity Management

Risk and Opportunity List

In 2025, with no structural changes in both internal and external environments, the major risks faced by ZTE in the area of anti-unfair competition remained substantially unchanged.

Category	Description	Probability	Impact Level	Measure
Risk	Non-compliant price control may expose the company to the risks related to restriction of competition, leading to lawsuits or administrative penalties.	Low	High	• ZTE has established internal rules such as the anti-monopoly redline, implemented special projects for risk assessment and governance of unfair competitions, refined existing regulations, management guidelines, and cooperation agreements to ensure compliance with anti-unfair competition laws and regulations, and incorporated legal review into the business approval processes.
	Inaccurate product descriptions may result in violations in advertising and promotion, triggering administrative penalties.	Low	Low	• ZTE has developed regulations and business guidelines related to anti-unfair competition to ensure its business activities comply with anti-unfair competition laws and regulations. • The company regularly reviews the marketing and promotional materials intended for external release, to ensure their authenticity and accuracy. • The company conducts publicity and training activities for employees in key business fields.
Opportunity	Complying with anti-unfair competition laws and regulations, safeguarding the legitimate rights and interests of consumers and partners, and maintaining trust between the company and its customers can promote stable business operations of the company.	Low	Medium	• ZTE has established and improved the anti-unfair competition risk management system to ensure all business activities meet legal requirements.

Risk Identification and Management

ZTE conducted a systematic review of key business models across its mobile phones and mobile application platform segments to assess compliance with the *Anti-Unfair Competition Law of the People's Republic of China*. No violations were identified, and the review further strengthened risk awareness within the terminal business.

Annual Progress

Rule System Development

ZTE further strengthened the research and training in anti-unfair competition rules, and regularly carried out case-by-case analysis of typical anti-unfair competition cases and industry trend judgment. Following the amendments to the *Anti-Unfair Competition Law of the People's Republic of China*, the company promptly carried out specialized analysis and interpretation of the revised provisions, assessed potential operational impact, and formulated preliminary response recommendations. The company also disseminated the findings to relevant professional teams. This provided a critical foundation for subsequent company-wide training, internal policy updates, and compliance communication initiatives.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Anti-unfair competition	Zero major violations	Zero major violations related to false advertising, monopolistic practices, and infringement of trade secrets.	achieved There was no lawsuit or major administrative penalty resulting from unfair competition practices.

Export Control Compliance

Export Control System Development

ZTE continues to advance the rules-based development of its export control compliance system. Export control compliance policies and management commitment statements are reviewed and issued annually. The *ZTE's 2025-2026 Export Control Compliance Policy and the ZTE's 2025-2026 Export Control Compliance Management Commitment Letter* have been released to all employees, further strengthening compliance commitment and duty performance across the organization.

In 2025, the company continuously improved its export control compliance system. Building on its established governance structure and dedicated compliance team, ZTE implemented a full-process mechanism covering the identification of applicable compliance obligations, the mapping of risk scenarios, and the integration of control measures. The company embedded key export control risk points into IT systems, enabling deep integration between risk management and business operation. The company's export control compliance system complied with the requirements of the ISO 37301:2021 across planning, implementation, monitoring, and improvement, and received the certification for the first time in December 2025.

Export Control Risk Assessment

In 2025, the company placed particular emphasis on enhancing the systematic, digital export control risk management. Based on the inherent risk analysis model, the company developed a company-level, country-specific export control risk map covering global operations. Through a unified digital platform, multi-dimensional risk data was visualized and dynamically presented, enabling personnel across organizational levels and business functions to clearly, comprehensively, and accurately identify and assess relevant compliance risks.

The company continuously monitors changes in global export control policies and categorizes them for taking targeted response measures. In 2025, in response to 10 external policy changes that had a material impact on business, ZTE conducted specialized risk assessments, formulated and carried out control plans and strategies to ensure compliance requirements were effectively implemented in business processes.

Meanwhile, focusing on material topics such as "compliance language," the company arranged for business teams to conduct in-depth research and specialized risk assessments. Based on the findings, assessment reports were issued, and control mechanisms were continuously refined to systematically address gaps and proactively respond to regulatory concerns.

Environmental

The telecommunications industry is a key enabler of the low-carbon transition across society. ZTE has consistently integrated the philosophy of green development deeply into its business practices, continuously advancing emission reduction initiatives. Together with global partners, we are building a green, low-carbon industry chain and are committed to providing customers with efficient and eco-friendly ICT digital and intelligent products, co-creating a sustainable future.

- Taking Comprehensive Action to Address Climate Change
- Advancing the Circular Economy
- Enhancing Environmental Impact Management

03

Taking Comprehensive Action to Address Climate Change

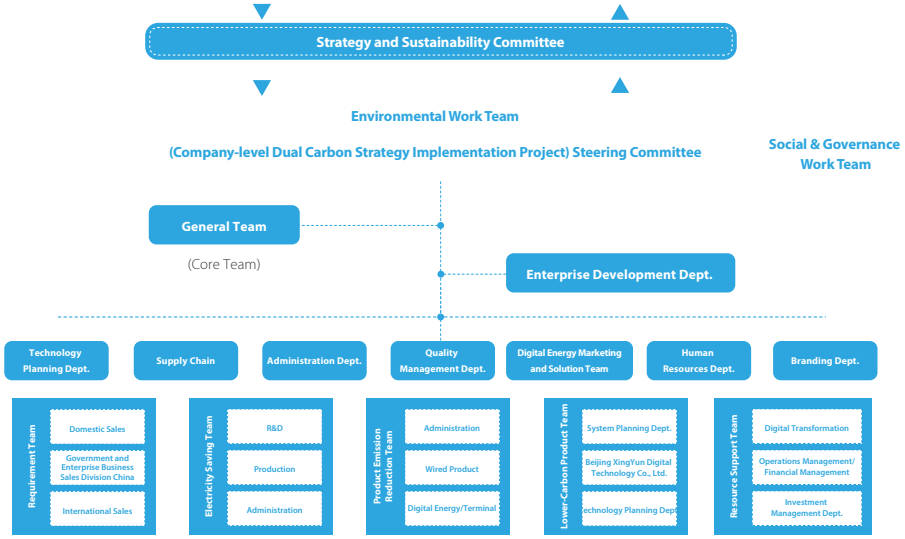
In May 2023, ZTE joined the Science Based Targets initiative (SBTi); and in April 2024, it officially received approval from the SBTi for both its 1.5°C target and long-term net-zero target. The company continues to advance its "Green Digital Path" initiative across four dimensions: green operations, green supply chain, green digital infrastructure, and green empowerment of industries, ensuring the fulfillment of its science-based carbon reduction targets and contributing to global sustainable development.

Governance

ZTE has incorporated climate change governance into its ESG management framework. Through regular reporting mechanisms as well as digital and intelligent management tools, we ensure end-to-end integration from the Board-level strategic decision-making to execution by business units, achieving systematic, continuous, and effective climate change management. The Board of Directors, as the highest decision-making body for climate governance, reviews and approves major strategies, investments, and core organizational adjustments related to climate change. Environmental topics, including climate change, are listed as standing items on the agendas of the Board of Directors and the Operations Committee, so that they can be assessed regularly.

ZTE has integrated performance on its dual-carbon goals into the compensation and incentive system for executives and the Dual Carbon Strategy Implementation Project Team (hereinafter referred to as the Dual Carbon Team). Through a combination of short-term bonuses and long-term incentive plans, the company encourages the management to take responsibility for climate strategy, energy conservation, emission reduction, and green transition of the supply chain.

For the Dual Carbon Team, short-term incentives are provided, such as project bonuses which are tied to milestone delivery, achievement of energy-saving targets, awareness-building on energy conservation and emission reduction, and improvement of supplier compliance capabilities. Responsibilities such as supporting dual-carbon goals and improving ESG ratings are included in individual performance assessments, affecting eligibility and payout levels under long-term incentive plans.

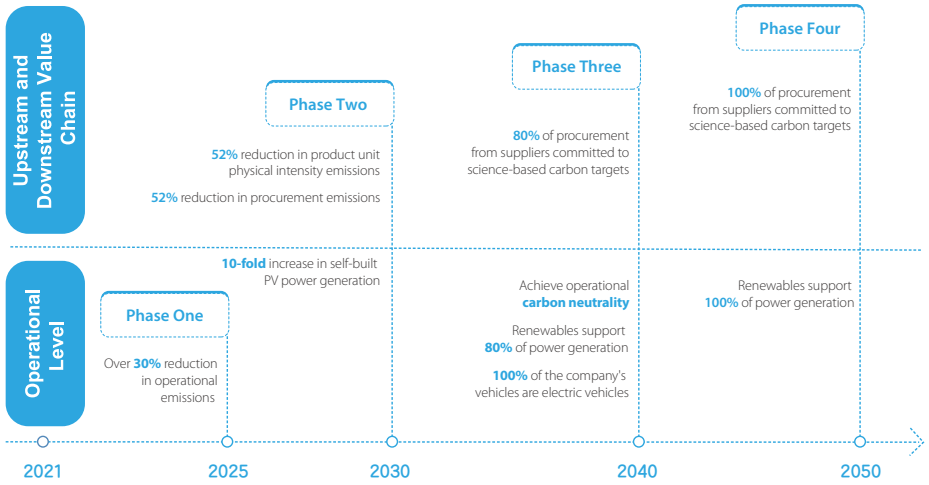


ZTE Sustainability Work Team – Environmental Work Team

Strategy

ZTE takes full account of stakeholder requirements and analyzes the risks and opportunities brought by climate change, the company's emission inventory, abatement potential, and the associated investments and returns. On this basis, the company positions green and low-carbon development as a core element of its sustainability strategy. Through green operations, green supply chain, green digital infrastructure, and green empowerment of industries, ZTE is paving the "Green Digital Path," leveraging its technological innovation to support global economic decarbonization.

In the *2024 ZTE Net-Zero Strategy White Paper*, the company officially released the green development strategy—"Green Digital Path", aiming to promote low-carbon transition across the entire value chain through technological innovation. The company continues to carry out a number of energy-saving and emission-reduction activities in accordance with the set roadmap, ensuring that climate action is deeply integrated with the company's development strategy and is advanced in an orderly manner toward the established targets.



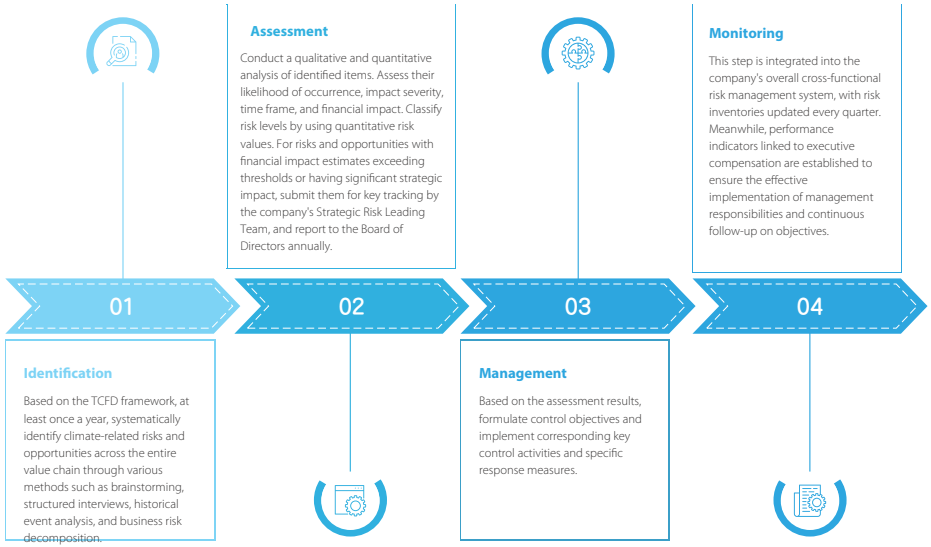
ZTE Dual-Carbon Roadmap

In 2025, through management measures for energy saving and technologies such as AI-based dynamic scaling and remote control, the company exceeded its Phase I target, reducing operational carbon emissions by 46% compared with 2021.

Impact, Risk, and Opportunity Management

Risk and Opportunity Analysis

ZTE has established a process to manage environmental and climate-related risks and opportunities, which is integrated into the company-wide risk management. Such process is structured around four stages: identification, assessment, management, and monitoring.



ZTE's Environmental and Climate-Related Opportunities and Risks Management Process

Time Horizon	Time Range	Definition
Short-term	0–3 years	Corresponds to the detailed planning and tight control cycle at the execution and operational level.
Medium-term	4–10 years	Corresponds to the strategic planning cycle for major business and investment decisions.
Long-term	11–30 years	Corresponds to the realization cycle of the company's long-term vision and binding long-term commitments (such as SBTi net-zero targets), reflecting the planning needs for long-term issues such as climate change.

Physical Risk Analysis

Risk Description		Business Impact	Financial Impact	Scope of Impact	Time Horizon of Impact	Likelihood of Impact	Measure
Acute Risk	Tropical cyclone activity such as hurricanes and typhoons	Nearly 20% of ZTE's overseas raw material suppliers are located in East and Southeast Asia. Their production facilities are susceptible to natural disasters such as earthquakes and tropical cyclones. Although the probability of severe climate-driven damage is low, once it occurs, it may still lead to short-term production stoppages or logistics disruptions, thereby threatening supply chain stability.	Increased material provisioning cost	Upstream value chain	Long-term	High	• Implement safety stock management: Conduct reviews and make decisions regarding high-risk materials to establish safety stock. • Implement multi-sourcing: Maintain multiple suppliers across different regions to ensure diversified supply of high-risk materials. • Implement spot procurement: In the event of a supply disruption, source the required materials immediately from the spot market.
	Earthquake						
	Flood			Upstream value chain	Long-term	High	
	Heavy rain						
Chronic Risk	Sea level rise	Certain suppliers in Southeast and South Asia as well as some coastal operational sites are prone to seawater inundation, which may result in damage to production facilities and stoppages, thereby affecting the company's product output.	Increased direct/indirect costs	Upstream value chain, internal operations	Long-term	Medium	• Main supplier diversity with full consideration of climate-related environmental impacts. • Implement collaborative production across multiple manufacturing bases with mutual backup capabilities to enhance production flexibility and resilience.
	Water scarcity	Operational sites in Northwest China are susceptible to water scarcity, which may affect employees' daily living conditions.	Rising water prices and OpEx	Internal operations	Long-term	Medium	• Raise employee awareness of water conservation and continuously implement various water-saving measures such as installing water-saving equipment.

Transition Risk Analysis

	Risk Description	Business Impact	Financial Impact	Scope of Impact	Time Horizon of Impact	Likelihood of Impact	Measure
Policy Risk: Renewable Energy Consumption Obligation and Cost	Driven by the low-carbon transition policies and market mechanisms, many regions across China are actively advancing the building of zero-carbon parks, factories, and enterprises, while gradually introducing renewable energy consumption requirements for key enterprises. At the same time, some of the company's operational sites have begun to face constraints such as green power ratios.	By 2030, ZTE may need to continuously increase the purchase volume of green electricity or green certificates.	Increased cost of purchasing green electricity/green certificates	Internal operations	Short-term	High	• Deeply explore energy-efficiency improvement opportunities to continuously reduce power consumption of high-energy-consuming equipment such as cooling, heating, and drive systems. • Develop and execute science-based green energy sourcing strategies, optimizing energy mix, purchase timing, transaction types, and supply sources to reduce the acquisition cost of green electricity and green certificates.
Policy Risk: Carbon Price Cost	Since 2026, the Carbon Border Adjustment Mechanism (CBAM) has officially entered the definitive phase. The EU will gradually phase out free allowances and expand the CBAM scope. It is expected that multiple countries will follow suit to address climate change and safeguard their climate policies.	Changes in the CBAM may significantly increase ZTE's carbon tariff amount, driving up costs.	Increased annual carbon tariff amount	Internal operations	Short-term, medium-term	Medium	• Encourage and drive ZTE's metal product suppliers to implement green procurement and increase the proportion of low-carbon steel and aluminum in raw materials.
Market Risk	Climate change is driving market preferences toward low-carbon products. If the company's products fail to meet green demands, it will directly affect competitiveness and sales volume.	Reduced demand for products and services may directly lower revenues.	Decreased market revenue	Internal operations	Short-term, medium-term, long-term	Medium	• Implement product carbon reduction by improving energy efficiency and reducing carbon footprint from multiple perspectives—such as components, principles, algorithms, and architecture—thereby enhancing the product's green competitiveness.
Technology Risk	The rapid expansion of AI data centers is driving a sharp rise in their energy consumption and emissions. This poses serious challenges for most operators in achieving carbon neutrality by 2030, and the resulting environmental pressures will be transmitted upstream along the supply chain.	The company must reduce product carbon footprints by purchasing green power and improving product energy efficiency, leading to increased abatement expenditures. ZTE's upstream suppliers also need to make similar efforts. OpEx for the above entities may increase.	1) Increased costs for ZTE's downstream customers to offset emissions from intelligent computing products 2) Increased costs for ZTE to offset manufacturing emissions from intelligent computing products 3) Increased costs for ZTE's upstream suppliers to offset emissions from raw materials	Upstream value chain, internal operations, downstream value chain	Short-term, medium-term	High	• Establish a dedicated program for carbon reduction in intelligent computing products, seeking breakthroughs across multiple areas—such as AI algorithm efficiency, computing-network co-optimization, core component technologies, and green manufacturing—to mitigate challenges.
Brand Risk	High carbon emissions can easily plunge an enterprise into a public opinion crisis, thereby causing damage to its brand image.	Demand for products and services may decline.	Decreased direct revenue	Internal operations	Medium-term	Low	• Implement product carbon reduction.

Climate-Related Opportunity Analysis

Opportunity Description		Business Impact	Financial Impact	Scope of Impact	Time Horizon of Impact	Likelihood of Impact	Measure
Transition Opportunity	R&D innovation for new product or service development	ZTE leverages leading digital energy technologies to enter the core business of global climate change, creating new energy solutions for the green and low-carbon development of various industries. These solutions cover end-to-end business scenarios on the power generation side, grid side, and user side. The company incorporates climate change response and energy-saving features into its digital solutions for various industries, to empower green transition across sectors and increase the commercial value of these solutions.	Revenue from digital energy business may maintain high growth for the long term, thereby increasing total revenue.	Internal operations, downstream value chain	Long-term	High	• Establish the Digital Energy Product Operation Division and increased investment in digital energy to fund the R&D, production, and sales of new products. • Continuously invest in power-system-level digital energy business and intelligent-computing-oriented power and environment business. • Continuously invest in power-system grade digital energy business and intelligent-computing oriented power & environment business.
	Utilization of renewable energy	ZTE constructs its own PV facilities to partially self-supply its electricity needs, reducing carbon emissions, while realizing long-term and stable savings on power costs.	Electricity cost savings reduces OpEx.	Direct operations	Long-term	Medium	• Deploy rooftop PV facilities at scale across its campuses nationwide. Building on years of operating its PV plants, the company continues to ramp up self-built, integrated solar-plus-storage deployments, so as to achieve self-generation for self-consumption and export surplus electricity to the grid.
	Capital flow and financing	ZTE engages in industry collaboration and external exchanges, partnering with leading ESG institutions to structure sustainability-linked financing products and securing preferential financing terms based on excellent environmental performance scores.	Access to deposit rates higher than those offered on standard deposits and loan rates lower than those offered on standard loans increases interest income and reduces borrowing costs.	Direct operations	Short-term	Medium	• Take a series of measures to improve its ESG ratings and performance, including enhancing the internal management system, setting science-based carbon targets, and carrying out a series of energy-saving and emission reduction initiatives.

Scenario Analysis

To comprehensively address climate-related risks and opportunities and enhance strategic foresight and resilience, ZTE has conducted a systematic climate scenario analysis based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. The analysis adopts the IPCC's SSP-RCP scenarios and draws on reference pathways such as the IEA's NZE Scenario, systematically examining the main external changes, potential impacts, and financial performance of the company across four dimensions—policy and legal, market, technology, and physical—under different policy stringency, technology pathways, and physical climate conditions.

Selected Scenarios for Climate Scenario Analysis

No.	Scenario Name	Scenario Description	Reason for Selection
1	Orderly Transition (or Accelerated Transition)	Driven by clear policies and strong market signals from governments worldwide, global net-zero transition is achieved before 2050. The physical impacts of climate change are limited, which is consistent with the SSP1-1.9 scenario. By 2050, the increase in global average temperature relative to pre-industrial levels is kept within 1.5°C.	To assess ZTE's readiness for a rapid transition in the short term (2025–2030).
2	Disorderly Transition (or Delayed Transition)	China and developed countries are slow to act in the transition to net-zero emissions, continuing to rely on fossil fuels in the near term, leading to continued warming. Physical impacts are consistent with the SSP2-4.5 scenario (2°C of warming by mid-century). By 2030, China and developed countries recognize the need for urgent action to achieve net-zero targets, resulting in sudden and unanticipated drastic changes in policy and markets.	To assess ZTE's resilience to a particularly concentrated and disruptive transition in the medium term (2031–2040).
3	Hot House World	China and the global community abandon net-zero targets, with no emission reduction actions domestically or internationally. Existing policies are overturned, and fossil fuels continue to be used. Climate change causes severe impacts, with the global average temperature rising by 2.4°C above pre-industrial levels by 2050, and by 4.4°C by 2100 (consistent with the SSP5-8.5 scenario).	To assess how collective failure in emission reduction may gradually erode value in the long term (2041–2050).

Physical Risk Scenario Analysis

Under the "Hot House World" scenario, ZTE primarily faces long-term, progressively intensifying physical risks. Around 2050, climate change is expected to drive more frequent and severe extreme weather events, materially affecting the company's operations and supply chain:

Operating assets: Manufacturing bases located in low-lying coastal areas such as Shenzhen face significantly elevated risks of riverine and coastal flooding, which are expected to result in annual losses to related assets and revenue.

Supply chain: In East and Southeast Asia, key sourcing regions for the company, days with extreme heat and heavy precipitation are projected to increase substantially, potentially raising supply disruption risks by over 50%, threatening supply chain stability and security.

In response, ZTE has established short-term disaster response mechanisms (such as flood prevention and work stoppages during extreme heat) and a BCM system. Climate risk assessment has also been incorporated into long-term facility investment decisions. Moving forward, ZTE needs to continuously strengthen supply chain geographic diversification and inventory resilience building.

Transition Risk Scenario Analysis

Under the "Orderly Transition" and "Disorderly Transition" scenarios, the company's primary exposure lies in transition risks, with peak pressures arising in the short term (2025–2030) and medium term (2031–2040):

Policy and compliance

The deepening of domestic and international carbon pricing mechanisms (such as the expansion of China's national Emissions Trading System (ETS) and the EU's CBAM), along with mandatory green power ratios, may increase company's annual compliance costs.

Customers and markets

Major ICT operator customers have already set science-based carbon targets and established explicit requirements for supply chain emission reduction. Failure to meet these requirements could result in reduced product competitiveness, loss of market share, leading to potential revenue declines.

Technology iteration

The rapid development of new business such as AI computing and 6G is accompanied by significant energy consumption and carbon emissions. If green technologies are not deployed in advance, the company will face significantly higher emission reduction pressures and costs across Scope 1, 2, and 3.

In response, ZTE has obtained SBTi 1.5°C target certification and formulated the "Green Digital Path" strategy. It is systematically advancing operational energy conservation and emission reduction, collaborative carbon reduction across the supply chain, and product energy efficiency improvement. These actions are intended to proactively address transition pressures and keep compliance costs within an affordable range.

Key Opportunity Scenario Analysis

Based on the findings, climate transition has created clear growth opportunities for the company, mainly in:

Digital energy business

The energy transition across society is driving rapid growth in product demands such as green power generation, energy storage, and data center cooling. The annual growth rate is expected to exceed 20%, with significant revenue increase in related business by 2030.

Green empowerment of industries

ICT technologies are enabling energy conservation and carbon reduction across various industries (such as intelligent manufacturing, smart energy, and green transportation). The company's green solutions, including "Digital Nebula," have been deployed in 15 major industries, creating social benefits while delivering sustainable commercial returns.

The company has established the Digital Energy Product Operation Division and strengthened its industry solutions business (including the establishment of Beijing XingYun Digital Technology Co., Ltd.), with continued investment in related R&D and market expansion to turn climate opportunities into new growth momentum.

Climate Resilience

Based on the conclusions of scenario analysis, ZTE is fully aware of the challenges and possibilities brought by climate change across different time horizons. The company has integrated climate factors into its governance, strategy, and daily operations, and formulated forward-looking response strategies. This enables ZTE to be better prepared for uncertain future climate conditions, supporting stable business operations and sustainable development.

Integration of Climate Change Analysis Conclusions into ZTE Strategies

Integration into Strategy	Strategy Description	Resource Investment
Linking governance, appraisals, and incentives	• Tie the achievement of the Dual Carbon Strategy Implementation Project targets to the annual performance and short-term/long-term incentives of core executives—including the CSO, CTO, and SVP of Supply Chain—as well as the project execution team.	Administrative costs supporting this appraisal and incentive process, performance bonuses for executives and team members, etc.
Long-term Strategic Goals	• Set SBTi 1.5°C science-based targets. • Publish the *2024 ZTE Zero-ZTE Strategy White Paper* to align strategic goals with global temperature control pathways.	Expenditures on energy conservation and emission reduction projects, technology retrofits and upgrades for energy efficiency, equipment replacement, deployment of energy management information systems, green certifications, etc.
Supply Chain Resilience	• Strengthen capacity backup across manufacturing bases, diversify supply chain geography, and adapt a safety stock strategy. • Incorporate natural disaster and extreme weather response into the BCM work plan.	OpEx for short-term disaster response mechanisms, assessment and development costs for enhancing long-term resilience (such as facility hardening and supply chain restructuring), supply chain management expenses, etc.
New Business Planning and Build-Out	• Proactively seize market opportunities arising from energy transition and digitalization, and establish the Digital Energy Product Operation Division to plan and build out business centered on digital energy and green solutions.	Staffing support for the newly established division, R&D expenses for new business in digital energy and green solutions, corresponding market development and promotional funding, etc.

Annual Progress

Since 2021, ZTE has been continuously carrying out energy conservation and emission reduction in accordance with the established carbon reduction roadmap and project plan. Taking 2021 as the base year, by the end of 2025, the company had achieved significant results in the following areas:

Overall electricity savings

purchased electricity down by 16.3%, with a compound annual reduction rate decline of 4.3%, resulting in cost savings of nearly CNY100 million.

Overall efficiency improvement

comprehensive energy efficiency (defined as comprehensive energy consumption per unit of revenue and measured in tons of coal equivalent per CNY100 million) up by 28.39%.

Carbon emission reduction

operational carbon emissions down by 46%, with a compound annual reduction rate decline of 14.3%.

Green Operations

Energy Mix Optimization

By deploying in-house distributed PV systems, the company continuously optimizes the application of clean power. In 2025, ZTE completed PV projects in Xi'an and Changsha, with an annual PV power generation of 39.22 million kWh (accounting for 5.52% of the campus's electricity consumption).

In addition, the company actively participated in green electricity trading and obtained 33,700 green electricity certificates (a total of 33.69 million kWh of electricity) throughout the year.

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Refined Technical Energy-Saving Solutions

The company develops differentiated technical energy-saving solutions based on the electricity consumption profiles of different departments, effectively reducing electricity consumption in operational processes.

- In 2025, the electricity consumption of central air-conditioning decreased by 5.2% year on year, saving 3.72 million kWh. At the Shanghai R&D Center, a chiller plant upgrade was completed in May 2025: legacy chillers were replaced with high-efficiency magnetic levitation chillers, and high-efficiency cooling towers and pumps were installed simultaneously. After the retrofit, the Energy Efficiency Ratio (EER) increased from 3.5 (needing urgent upgrade) to 6.7 (excellent). The comprehensive energy-saving rate reached 46%.

- Energy Resource Management System (ERMS) plus intelligent air switches, alongside scheduled and real-time energy-saving strategies, provide remote on/off control of equipment. This meets users' energy-saving requirements in various scenarios. In 2025, the ERMS deployment rate increased from 79% to 93%, with saved kWh and energy-saving duration increased by more than 35%.

Electricity Saving by Management

The company's four bases (Shenzhen, Heyuan, Xi'an, and Changsha) remain certified to ISO 50001 energy management system. ZTE has implemented various management measures to reduce energy consumption, including powering down R&D environments during idle periods, intelligent inspections, and extreme energy-saving during holidays. Specifically, through continuous reinforcement of extreme energy-saving measures during holidays, electricity consumption during short holidays in 2025 decreased by 10.6% compared to 2024, resulting in a cumulative energy saving of 820,000 kWh.

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Dual-Carbon Digitalization

The company has been continuously advancing the process of carbon digitalization. In 2025, the electricity module of its Dual-Carbon Visualization app achieved a demonstration rollout to subsidiaries, continuously improving data accuracy. With the carbon module of the app, the company reached 90% accuracy for Scope 1 and 2 and exceeded 85% for Scope 3 product module data.

The intelligent production energy management system, initially implemented at the Binjiang base in Nanjing, has been rolled out to all five bases, providing multi-dimensional visibility into production electricity consumption. The automatic monitoring and early-warning system for temperature and humidity in workshops has been deployed at the Nanjing Binjiang, Heyuan, and Shenzhen bases. This system collects data in real time and issues warnings for anomalies, delivering estimated annual energy savings of over 500,000 kWh.

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Capability Building and Awareness Enhancement

The company invites industry experts and scholars to share cutting-edge innovative thinking and insights with the Board of Directors and management through events such as the Strategic Summit and Innovation Day Forum. Through explanations of the evolution of international and domestic climate policies, carbon market mechanisms, and low-carbon industry development trends, these engagements enhanced the foresight and strategic capabilities of decision-makers in climate governance.

To continuously improve the professional capabilities of management, the company's Dual Carbon Team regularly pushes the latest climate information and in-depth analytical materials to senior executives through internal columns such as Strategic Headlines and Expert Insights.

- Dual Carbon Team Training: Team members systematically master professional knowledge on climate change science, international carbon accounting standards, and domestic and international climate policies through continuous internal and external training. Grounded in the company's business context, they continuously improve competencies in climate risk identification, emission reduction strategy formulation, and closed-loop management.
- Employee Awareness Enhancement Activities: The company plans and organizes events such as Earth Hour and National Low-Carbon Day at major bases and R&D institutes to promote energy conservation and consumption reduction, raising employee awareness.
- Innovation Competition: The "Golden Idea" Innovation Challenge is continuously held to solicit innovative and practical proposals from all employees across fields including supply chain, intelligent manufacturing, digital energy, optical networks, and AI applications, with substantial rewards offered. In 2025, a total of 661 proposals were received, and these solutions are tracked and implemented on an ongoing basis.

- Leveraging the internal learning platform "iLearning," ZTE has launched a series of ESG-focused courses covering key areas such as disaster emergency response, ESG fundamentals, the "Dual Carbon" strategy, green supply chains, and product carbon footprints. Notably, *"Dual Carbon" Strategy: Energy Conservation and Emission Reduction Awareness"*, a mandatory course for all employees, has already been completed 45,000 times.

Case **Digital Intelligence Empowering ESG, Building a Green Future Together**

On May 29, 2025, ZTE's "Innovation Day" ESG Sustainability Forum was held in Shenzhen. Themed "Digital Intelligence Empowering ESG, Building a Green Future Together," the forum brought together government experts, top scholars, well-known enterprises, and consulting organizations such as Deloitte and CDP. Participants engaged in in-depth dialog on the critical topic of ESG and sustainability, sharing trend insights and innovative practices, and exploring the essential pathways by which digital and intelligent technologies empower a green future.

At the forum, Wang Xiang, SVP and CSO of ZTE, joined industry guests to jointly release the *ICT Industry Green Development Initiative*, proposing four action calls: (1) set benchmarks to lead China's new green and sustainable development; (2) leverage digital intelligence to create a new paradigm for industry green transition; (3) promote openness and collaboration to co-build a new green ICT industry ecosystem; (4) advance green development to fulfill a renewed commitment to CSR. This initiative aims to drive joint action across the industry to reduce the overall carbon emission intensity of the ICT industry by more than 45% by 2030 compared with 2020; and to fully unleash the multiplier effect of digital and intelligent technologies to empower green transition and upgrading of global industries, striving to help reduce global carbon emissions by more than 20% by 2030.

Green Supply Chain

ZTE has incorporated low-carbon requirements into its SPIRE supply chain strategy. By collaborating with partners, the company strengthens the management of green suppliers, enables suppliers to reduce emissions, promotes green manufacturing processes and smart factories, optimizes transportation and warehousing, and builds green logistics. Meanwhile, ZTE accelerates digital transformation, using technology as a driver to build an end-to-end green supply chain and promote sustainable development of the industry chain.

Green Factories

In 2025, through technological and managerial energy-saving innovations, ZTE reduced energy consumption per unit of output by 22.1% year on year across its five manufacturing bases. On the technology front, the company promoted low-power process design and implemented all-SMT assembly, completed retrofits to low-power equipment, and applied the frequency conversion technology for air compressors at the Shenzhen and Heyuan bases; optimized product testing solutions by replacing high/low-temperature chamber testing with self-heating modes; shortened inter-process turnaround to effectively boost production efficiency and reduce end-to-end energy consumption. On the management front, the company established a refined air-conditioning control mechanism linked to production scheduling and launched extreme energy-saving initiatives during holidays; leveraged a manufacturing electricity visualization system for multi-dimensional statistics, intelligent analysis, and visualized management of production power use, continuously eliminating energy waste and comprehensively enhancing both operational efficiency and production energy performance.

In 2025, the company's Xi'an and Changsha bases were designated as national-level green factories. To date, ZTE has three national-level green factories (Changsha, Xi'an, and Heyuan) and one provincial-level green factory (Nanjing Binjiang).

Green Logistics

ZTE continues to advance the digitalization and intelligence of logistics, prioritize low-carbon transportation, and implement phased carbon reduction actions to build a green logistics ecosystem.

Warehousing: In 2025, our warehouses in China achieved 100% deployment of electric forklifts, and overseas warehouses reached 72% electric forklift utilization. Meanwhile, the company realized the digitalization of all warehousing scenarios, eliminating paper documents. In addition, we expanded electronic proof of delivery, achieving full coverage of finished goods shipments in China, with an overall usage rate of about 51%.

Transportation: By continuously optimizing transportation modes and equipment, we reduced the proportion of international air freight to 2.25%, and raised the share of new energy vehicles in domestic last-mile delivery to 20%, effectively advancing carbon reduction in logistics.

Digital and intelligent system: In 2025, ZTE enhanced its global freight management system (iLMS), extending the functionality to domestic and international spare parts and return-or-repair scenarios, and enabling online expense reimbursement and business management. The proportion of automatically routed information continued to increase: end-to-end automation in international freight execution rose to 40%, improving work efficiency and saving labor. The company also enabled automatic generation, review, archiving, and flow of documents, with 84.2% of logistics documents flowing automatically.

Supply Chain Collaboration on Carbon Reduction

Carbon emissions throughout the supply chain are a significant part of the company's overall carbon footprint. In 2025, ZTE strengthened its supply chain emission reduction capabilities through training, calculation of GHG emissions, coaching, and disclosure.

- Applied the SMART model for dual-carbon governance, conducted dual-carbon training for 97 suppliers, and performed dual-carbon audits on 158 suppliers.
- Provided guidance for 152 key suppliers (covering 50.82% of procurement spend) on completing carbon accounting and coached 51 key suppliers (covering 18.50% of procurement spend) to set carbon reduction targets and action plans.
- Coached 31 metal manufacturers to calculate the implied carbon emissions of their CBAM-covered products, effectively supporting their carbon tariff data submissions to the EU.
- Encouraged 83 key suppliers to participate in CDP assessments and make public disclosures.

Case **Co-Innovation with Suppliers for Carbon Reduction**

ZTE supports and assists suppliers in developing green and low-carbon products and services. Through collaboration on multiple dimensions such as low-carbon material selection, low-power product design, low-carbon product design, use of recyclable materials, and reuse of recycled materials, we deeply explore opportunities for carbon reduction and lower carbon emissions in the supply chain.

During the year, working with a duplex filter manufacturer, we encouraged aluminum ingot suppliers to use primary aluminum produced with green energy and to increase the proportion of recycled aluminum. As a result, the product carbon footprint of duplex filters, from cradle to gate, was reduced by 30.46%.

In addition, partnering with an optical component manufacturer, we developed new L-band and C-band athermal Arrayed Waveguide Gratings (AWGs) to replace thermal AWGs. These new athermal AWGs maintain the working temperature without active heating and can compensate for ambient temperature variations on their own. Compared with the thermal AWGs that consume power for temperature control, the new athermal AWGs require no energy for this function, reducing carbon emissions during the use phase by 100% to zero.

Green Digital Infrastructure

ZTE adopts self-developed low-power chips, advanced cooling technologies such as liquid cooling, PV applications at sites, and full lifecycle carbon footprint management to provide green digital infrastructure for the industry.

The company uses Life Cycle Assessment (LCA) as a core tool to comprehensively quantify and manage the environmental impact of products across their entire lifecycle—from raw materials, production, transportation, and use to disposal. In 2025, the company completed internal assessments for 86 products and components, covering various core product categories such as telecom power products, data center modules, home gateways, mobile phones, and mobile Internet terminals. By the end of 2025, the company had completed carbon footprint assessments for 240 products, achieving full coverage of all product categories.

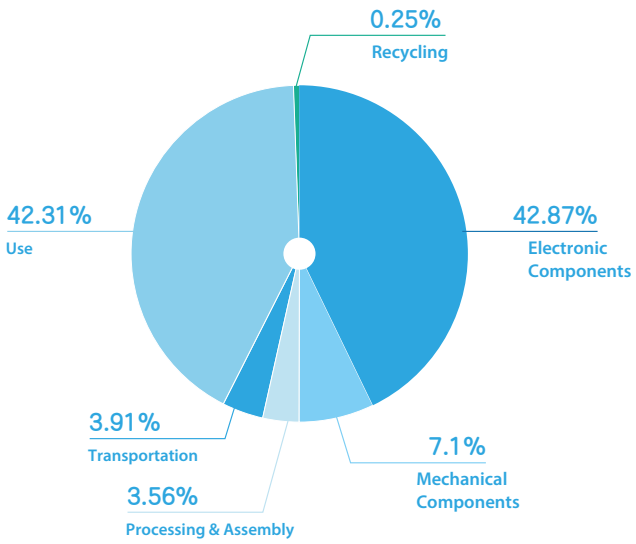
In the telecom product field, in 2025, through measures such as improving average compute capacity of intelligent computing products, increasing bandwidth for wired products, and enhancing the average efficiency of digital energy power products, ZTE achieved an 8.55% year-on-year reduction in emissions intensity during the use and O&M stages.

Case

First Batch of Immersion Liquid-Cooled Data Centers Put into Use, Promoting Green and Sustainable Industry Development

In 2025, installation of the first batch of immersion liquid-cooled data centers in China—delivered by ZTE for the China Telecom Intelligent Cloud Base Huailai Park—officially commenced. As one of the country's first "Green Data Center Demonstration Projects", the deployment included 24 high-power liquid-cooled racks, each with a power rating of up to 48kW. The project adopted single-phase immersion liquid cooling technology. After commissioning, the annual average Power Usage Effectiveness (PUE) of the data center is expected to fall below 1.15, significantly outperforming the average for air-cooled facilities. It is projected to save more than 1.1 million kWh of electricity per year and reduce CO_2 emissions by about 900 tCO_2e, achieving notable results in energy saving, efficiency improvement, and carbon reduction.

In the terminal field, ZTE conducted carbon footprint assessments for the top 10 terminal products by shipment volume in 2025 and implemented a number of targeted measures to reduce carbon emissions, such as adopting low-carbon materials, reducing the proportion of air freight, and improving energy efficiency, achieving a cumulative 3.05% reduction in emissions throughout the year.



Greenhouse Gas (GHG) Emissions Breakdown by Lifecycle Stage for ZTE's Terminal Products in 2025

Regarding energy consumption management during product design and use stages, ZTE introduced intelligent algorithms and refined management in 2025. Through measures such as improvement of battery energy density, dynamic energy-saving control for peripherals, energy efficiency enhancement of core components, and network search optimization for communication modules, the company reduced energy consumption throughout the product lifecycle while delivering excellent user experiences. Under the equivalent battery life test model, the company's flagship mobile products, such as Z80 Ultra and REDMAGIC 11, achieved approximately 30% improvement in overall battery life compared with the previous generation of flagships.

In addition, in 2025, the ZTE terminal product Z70 Ultra participated in the "Low-Carbon Path Pioneer" carbon footprint benchmarking organized by the China Academy of Information and Communications Technology (CAICT), earning the Low-Carbon Path Pioneer certificate and a third-party carbon footprint report. Meanwhile, we published Environmental Product Declarations (EPDs) for two wired home gateway products on the EPD China platform. These EPDs comply with the rules and requirements of ISO 14025 and have been verified by third-party audit institutions.

In 2025, ZTE secured the position of Associate Rapporteur for ITU-T SG5 Q12, focusing on ICT-enabled solutions for carbon emission reduction in vertical industries, actively contributing to the revision of relevant LCA documents within ITU-T SG5 and submitting recommendations. Moreover, the company hosted the 50th plenary session of CCSA ST2 and organized an industry dual-carbon seminar. ZTE also attended the 51st session of CCSA ST2, where its proposal for a standard on microwave product carbon footprints was approved and the project was successfully initiated.

Green Empowerment of Industries

ZTE leverages ICT technologies (such as 5G, cloud, AI, and the Digital Nebula platform) to provide digital transformation solutions for various industries, helping them achieve energy saving, carbon reduction, and quality and efficiency enhancement. In key sectors such as manufacturing, energy, and transportation, ZTE has deployed smart applications (including smart factory and green urban rail solutions), using digital means to enhance customers' operational efficiency and resource utilization.

Case **Digital Transformation of a Metal Tool Manufacturer Based on 5G-Enabled Industrial Internet**

In 2020, ZTE began collaborating with Benxi Tool Co., Ltd. to build a smart factory. Leveraging the 5G-enabled industrial Internet solution, ZTE set an overall digital transformation goal focused on "Quality Improvement, Efficiency Enhancement, Cost Reduction, Safety, and Green Development." This project targeted longstanding industry challenges such as low levels of informatization, low efficiency and high error rates caused by labor-intensive operations, and insufficient digital infrastructure.

After project implementation, the cumulative number of frontline operators across process steps was reduced by 20%, the annual output was increased by 1.5 times, the lead time for raw material procurement was shortened by 40%, the downtime due to material shortages was reduced by 50%, and the delivery time was shortened by 20%. These improvements significantly enhanced the overall competitiveness of this metal tool manufacturer and helped it become a "hidden champion" among enterprises using specialized and sophisticated technologies to produce novel and unique products.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Tackling Climate Change	**Emission Reduction by 2030:** • Scope 1 & 2 (Operational Emissions): Reduce operational emissions by 52% compared to the 2021 base year. • Scope 3 (Upstream and Downstream Emissions): Reduce carbon emissions per unit of product performance by 52% (measured by physical intensity) without increasing total emissions. **Net-Zero by 2050:** • Reduce total emissions, including those from operations and the value chain, by 90% from 2021 levels. Offset or remove any residual emissions that cannot be eliminated.	• Scope 1 & 2 emissions decrease by 30% compared with the base year. • Reduce power consumption per unit of product performance by 5%. • Engage 100 top suppliers in calculation of GHG emissions.	Targets achieved: • Scope 1 & 2 (Operational Emissions): A year-on-year reduction of 0.6% in carbon emissions in 2025, and a 46% reduction compared with the base year. • Scope 3 (Upstream and Downstream Emissions): An 8.55% reduction in physical emissions intensity during the use and maintenance phase of telecom products; a year-on-year reduction of 3.05% in absolute emissions across the full lifecycle of terminal products. • Promoted carbon accounting among 152 top-level suppliers (covering 50.82% of procurement spend).

Advancing the Circular Economy

Governance

The Environmental Work Team under ZTE's Sustainability Work Team is responsible for overseeing the company's circular economy initiatives.

- Led by the Quality Management Dept., a project team was established to research internal and external policies and regulations (e.g., the EU's *Ecodesign for Sustainable Products Regulation*), and systematically translate key indicators—such as eco-friendliness, energy conservation, carbon footprint (LCA), and recyclability—into internal design specifications and management requirements, while assisting with product energy efficiency and environmental certifications.

- Product R&D departments adopted recycled materials in compliance with regulations, meeting the requirements for recycled content percentage.

- The Reverse Logistics Dept. built a reverse logistics network and leveraged business innovation and digital and intelligent tools to achieve standardized, digital, and efficient circular operations. This drove higher recycling rates, ensuring full material utilization and value regeneration.

Strategy

ZTE complies with domestic and international regulations concerning the circular economy. By integrating the ISO 59004:2024, ISO 59010:2024, and ISO 59020:2024 standards, and aligning with the EU's *Ecodesign for Sustainable Products Regulation*, the EU's *Energy Labeling Directive*, and other key stakeholder requirements, ZTE has established a comprehensive technical framework that encompasses core philosophies, performance assessment, data specifications, and methodologies. The company has formulated and continuously updated the *Regulation on Management of Green Products*. While safeguarding technical performance, safety standards, functionality, and fulfillment of market demand, the company conducts design activities in accordance with six design-for-recovery principles—easy component disassembly, simplified component joining, practical product design, high-recyclability materials, component reuse, and extended product lifespan.

ZTE upholds a low-carbon and circular philosophy and has established a "dual-circulation" model, adhering to the principles of reduction, reuse, remanufacturing, and recycling. The company extends product lifecycles, reduces pollutant emissions, and lowers incineration and landfill rates, thereby supporting its low-carbon transition and achievement of sustainable development goals.

Furthermore, ZTE has joined recycling systems in multiple overseas countries to ensure electrical and electronic equipment meets the minimum recovery targets set by the *WEEE Directive*. At the same time, the company strictly follows the *Basel Convention* regarding controls over transboundary movements of hazardous waste and prioritizes the recycling and treatment of end-of-life products through local service providers.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

In accordance with global circular economy laws and regulations, stakeholder expectations, and the overall risk management framework, ZTE regularly identifies and manages risks and opportunities related to the circular economy.

Category	Description	Probability	Impact Level	Measure
Risk	If the recycling rate and reuse rate of sold products do not meet customer demands or local regulatory requirements, there is a risk of penalties or loss of orders.	Low	High	• Identify recycling regulatory requirements and customer demands in product sales regions; • Establish recycling and reuse mechanisms as required; • Publish product recycling manuals that meet the requirements.
	Failure to provide required recycling labels and manuals may lead to product replacement or fines.	Low	High	• Develop comprehensive standards for recycling labels and manuals; • Ensure document completeness through process control and inspection.
	During the product recycling process, insufficient recycler resources or failure to meet local laws and regulations (e.g., environmental protection, tax, import/export policies) may result in costs or fines.	Low	Medium	• Conduct a detailed analysis of recycling risks in various countries, including scrap volumes, local recycler resources, and laws and regulations, to form an *Overseas Scrap Risk Map*. Take corresponding measures based on the analysis results.
Opportunity	Through our technology and services, we can extend the product lifecycle, reduce resource consumption, continuously improve recycling and reuse rates, reduce pollutant emissions, save costs, and enhance our competitiveness.	High	Medium	• Enhance the company's internal and external circulation capabilities, and optimize resource utilization to reduce scrapping; • Conduct exploratory research on new recycling and regeneration technologies and introduce recycled and regenerated products that meet the requirements.

Annual Progress

Currently, the company has launched the ZTE Green Product Management System (hereinafter referred to as "GPM"). Based on declarations of full material composition (chemical constituents), environmental regulatory marking and labeling (as applicable under RoHS, and related compliance information under REACH, POPs, etc.), material test reports, carbon footprint data submissions, and conflict minerals questionnaires, and through relevant approval workflows, the system enables intelligent querying of materials' environmental status, environmental assessment of final product BOMs, analysis and evaluation of conflict minerals, preparation of SCIP (Substances of Concern In articles as such or in complex objects/ Products) dossiers, and the generation of product LCA reports, thereby delivering environmental assessments across the entire product lifecycle from design and production to recycling.

In advancing circular-economy practices, ZTE utilized GPM to apply product LCA results across all lifecycle stages—including product design, material selection, manufacturing, delivery, and recycling. This enabled cross-functional data sharing and linkage, providing guidance for green product design, substitution by green materials, and the development of recycling systems.

Resource Consumption Reduction

The company implemented a lightweight design for a product. By using lean design to optimize the architecture and eliminate unnecessary components, and applying refined engineering for weight reduction, it cut the overall product weight by approximately 10%, while maintaining high quality.

Plastic-Free, Plastic Reduction, and Alternatives for Plastic

ZTE continued to promote the use of Post-Consumer Recycled (PCR) materials in products, as well as plastic-free and plastic-reduced packaging solutions and alternative materials, to achieve resource recycling. The *General Quality Requirements for Plastic Components* strengthened incoming quality control for plastic parts to ensure product quality.

In 2025, the company completed a review of products requiring plastic-free packaging and established a plastic-free packaging solution library to guide the design of new products. Furthermore, two entirely new products adopted black PCR ABS materials (with a PCR content of 95%), and pilot deployments were carried out with telcos in Italy and Germany. To date, over 10 products using PCR materials have been deployed in the European market.

Packaging Reduction and Circular Utilization

In 2025, ZTE continued to advance packaging material reduction and circular utilization. Through lightweight packaging design and optimization of materials and methods, the company achieved annual savings of over CNY10 million in packaging costs.

Regarding material reduction, design optimizations for lithium battery and BMS packaging—such as thinner cushioning, reduced carton dimensions, and replacement of plastic cushioning with paper cushioning—saved 198.74 tons of packaging materials annually. For certain cabinet products, switching from horizontal to vertical packaging and using paper cushioning saved 418 tons of packaging materials annually. For home information terminals, optimization of packaging structures reduced paper-based packaging materials by 668 tons per year.

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For home information terminals, optimization of packaging structures reduced paper-based packaging materials by

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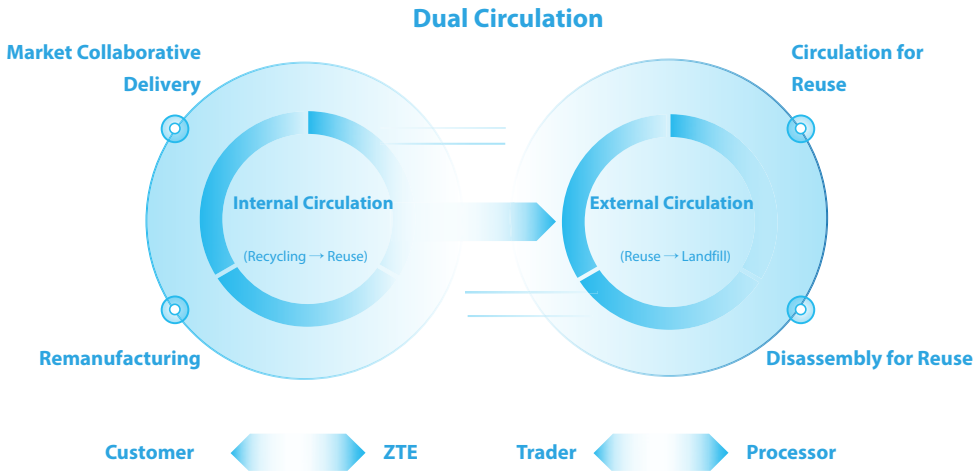
In terms of circular utilization, certain products achieved plastic-free inner cartons, enabling a packaging recycling rate of over 90% and saving 62 tons of plastic packaging. Furthermore, the company successfully piloted wooden pallet recycling with customers such as China Mobile Anhui, expanding the application scenarios for circular packaging. Collaborating with partners, ZTE also developed a circular packaging solution for automotive electronics, establishing regular operations for the reuse of returnable pallets for pilot products.

Internal and External Circulation

ZTE refined a comprehensive reverse logistics and resource recycling system. Through efficient recovery, remanufacturing, and reuse, the company maximized the lifecycle value of products and materials.

Regarding the reverse recovery system, the company has released a series of process documents, including the *Management Regulations on Reverse Handling of System Products*. These documents clearly defined the management requirements and operating standards for the entire process—from recovery initiation and review to processing and reuse.



ZTE's Dual-Circulation Model

In internal circulation, the company advanced high-efficiency returns by streamlining and digitalizing the reverse processes and using AI to match at-risk inventory with planned demands. This enabled the proactive recovery of high-value materials and triggered the return of at-risk inventory within the demand window of opportunity, achieving efficient returns of server products. In addition, to enhance utilization efficiency, the company built a management platform oriented toward "production first, full utilization," and reinforced "high-efficiency production driven by bottleneck resolution" to prioritize the internal reuse of reverse materials. As a result, the compliant reuse rate for returned telecom products reached 78.2%.

In external circulation, the company has strengthened partnerships with top-tier industry recyclers, enabling precise categorization of scrap materials to improve external circular utilization. In collaboration with domestic telcos, ZTE developed a circular retrofit program for RRU products. In 2025, this program entered routine operation across nine provinces and cities, with 48 batches (over 5,500 RRUs in total) retrofitted for circular utilization, extending product lifecycle by 5–10 years.

In 2025, the company partnered with 105 recycling organizations worldwide, recycling 1,866 tons of scrap metal and 95 tons of organic plastic over the year.

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Metric and Target

Topic	Target	Key Metric	Progress in 2025
Circular Economy	Gradually increase the rate of internal compliant recycling and reuse of returned telecom products.	Rate of compliant recycling and reuse of returned telecom products reaching 78%.	Achieved a rate of 78.2% for compliant recycling and reuse of returned telecom products.

Enhancing Environmental Impact Management

Governance

The Environmental Work Team under the Sustainability Work Team is fully responsible for all aspects of environmental management of the company, including environmental compliance management, water resource utilization, pollutant emissions, and waste disposal. ZTE's Environmental and Occupational Health and Safety Management Manual clearly defines the responsibilities at each level:

- The top management is responsible for providing resources and ensuring that the environmental management strategy is aligned with the overall corporate strategy.
- The Quality Management Dept. of Operations Management is responsible for organizing the establishment, advancement, maintenance, and improvement of the company's environmental management system.
- The Administration Dept. is responsible for the measurement and monitoring of various environmental indicators related to water resource utilization and management, energy utilization and management, and pollutant emissions. It also develops and implements waste disposal plans to ensure compliant waste handling, conducts regular environmental risk assessments, and formulates corresponding response measures.
- The R&D, production, and other business units are responsible for implementing eco-design, optimizing the lifecycle management of products and solutions to minimize environmental impact; controlling, evaluating, and continuously improving environmental management measures to enhance resource utilization; preventing pollution, reducing, recycling, and reusing waste, and reducing resource consumption. In this way, they ensure the specific implementation of various environmental compliance-related tasks.

Strategy

Strictly complying with environmental laws and regulations both domestically and internationally, ZTE has established, implemented, and maintained an environmental management system in accordance with the requirements of ISO 14001, and continuously improved the system to ensure its effectiveness.

Taking ISO 14001 certification as the core benchmark, we deeply integrate environmental requirements into the entire value chain, including product R&D, manufacturing, supply chain collaboration, and administrative operations. Through standardized documentation, online process approvals, and normalized supervision mechanisms, we ensure consistency and effectiveness of environmental management across all operational sites, supporting the maintenance of our corporate environmental qualifications.

Following the principles of "reduction, reuse, and recycling," we embed water-saving measures throughout product design, production and operations, and supply chain management. We systematically reduce water consumption through measures such as water balance testing, smart water metering for pipeline leak detection, and water-saving retrofits (e.g., energy-efficient pumps and motors, and widespread adoption of water-saving fixtures). In parallel, we implement segregated pretreatment of wastewater to ensure that domestic sewage is treated via septic tanks and canteen wastewater via grease traps before being discharged into the municipal sewage network, thereby controlling water pollution risks at the source.

In line with the policy of " compliant discharge and continuous monitoring," we implement an annual third-party testing mechanism for environmental factors such as wastewater, exhaust gas, and noise. Through technical means such as physical isolation and chemical pretreatment, we ensure all pollutant discharges meet national and local standards, effectively preventing environmental compliance risks.

Adhering to the principles of "reduction, resource recycling, and harmless disposal," we have established a refined, segregated management system. We prioritize process optimization to reduce waste generation and promote internal reuse of packaging materials and cartons. For waste that cannot be reused, we classify and handle them as general or hazardous waste in accordance with the National Catalogue of Hazardous Wastes, and entrust qualified third-party recyclers to conduct resource recovery or harmless treatment, strictly prohibiting illegal transfers and non-compliant dumping.

In 2025, ZTE's total investment in environmental governance and protection amounted to over CNY70 million. These funds were primarily allocated to retrofits of energy-saving equipment in R&D, production, and administrative management, greening and landscaping within campuses, treatment of exhaust gases, wastewater, hazardous waste, and general waste, building of the energy management center, development the GPM system, as well as green and low-carbon-related testing and certifications.

In 2025, ZTE incurred no administrative penalties arising from environmental issues.

Impact, Risk, and Opportunity Management

In accordance with the company's overall risk management framework and its *Management Regulations on Environmental Factor Identification and Evaluation*, we regularly identify and evaluate environmental factors that arise from our activities, products, and services. Based on the evaluation results, important environmental factors are determined and managed through the establishment of targets and indicators.

Risk and Opportunity List

Category	Description	Probability	Impact Level	Measure
Risk	• Failure to promptly re-conduct environmental analysis, monitoring, and review when internal and external context.	Low	High	Regularly update and review the *Form for Organizational Environment Identification and Risk and Opportunity Assessment*. Promptly conduct analysis, monitoring, and review of the company's internal and external context through operational mechanisms such as regular committee meetings and management reviews.
	• Failure to treat and regularly monitor pollutants in accordance with laws and regulations may lead to non-compliant emissions and environmental compliance risks.	Low	Low	Develop pollutant control standards in accordance with laws and regulations, install pollutant treatment facilities, regularly monitor emission concentrations, and ensure compliance with standards.
	• Failure to handle hazardous waste in accordance with laws and regulations by commissioning qualified suppliers may lead to environmental pollution and environmental compliance risks.	Low	Low	Develop waste management procedures in accordance with laws and regulations, sort and handle waste, and commission qualified suppliers to handle hazardous waste. Conduct regular inspections to ensure lawful and compliant handling.
Opportunity	• Through environmental compliance management, the company can reduce operating costs, enhance market competitiveness, and promote green development in the industry.	Medium	Medium	Implement various measures to reduce environmental impact, including enhancing employee environmental awareness and expanding the scope of environmental management system certification.

Annual Progress

Water Resource Management

The company conducted systematic water-saving diagnosis and retrofits. Through water balance testing, ZTE identified leakage in water supply networks and assessed water-use efficiency at major operational sites. Furthermore, an "issue register–based tracking and accountability" remediation mechanism was established to ensure 100% closed-loop management of identified issues.

Meanwhile, ZTE advanced technical water-saving measures. At key facilities such as the Heyuan manufacturing base, the company successfully executed several retrofit projects, including optimization of the chilled-water system in SMT workshops, recovery and reuse of process condensate water, and the construction and commissioning of rainwater harvesting systems, effectively reducing water consumption.

Additionally, the company actively promoted ongoing water conservation awareness. Through multiple channels, including internal emails, corporate website columns, and promotional posters, the company continued to deliver training to all employees to enhance their resource conservation awareness.

Pollutant Emissions

Wastewater Management

ZTE's primary wastewater sources are domestic sewage, including water discharge from canteens, dormitories, and offices. Domestic sewage and canteen wastewater are pretreated in septic tanks and grease traps, respectively, before being discharged into the municipal sewage network. The company conducts annual wastewater testing to ensure compliance with relevant standards such as the *Discharge Limits of Water Pollutants*.

Exhaust Gas Management

The primary sources of exhaust gas at ZTE come from daily operational activities, such as cooking fumes, exhaust from generator use, and emissions from shuttle buses, as well as certain production processes, including soldering stations, reflow and wave soldering machines, natural volatilization of chemicals during use, release of chemical substances from packaging materials, and vehicle exhaust emissions.

Process Exhaust

For operations and processes that may generate fumes or Volatile Organic Compounds (VOCs), such as welding, we have installed gas collection devices at emission sources. The collected gases are treated through dust removal equipment and activated carbon adsorption, then conveyed through ductwork to an exhaust gas treatment tower before discharge.

Fuel Exhaust

Company vehicles undergo annual inspections, with new-energy vehicles prioritized to reduce the formation of nitrogen oxides and sulfur dioxide.

Canteen Fumes

High-efficiency fume purifiers are installed, supported by a regular cleaning and maintenance procedure.

ZTE requires third-party monitoring of major exhaust outlets at least once a year to ensure that the concentrations of characteristic pollutants—such as particulate matter and non-methane hydrocarbons—meet regulatory standards. Based on the 2025 test report, all measured parameters complied with the emission standards.

Noise Management

ZTE's noise primarily originates from equipment and facilities within its campuses. Management focused on three main aspects: source noise reduction, propagation control, and time-based scheduling.

Source Reduction

In new equipment procurement and process design, low-noise options were prioritized. For existing high-noise equipment, engineering measures such as vibration-isolation bases, acoustic enclosures, and silencers were implemented.

Propagation Control

Noise propagation was blocked through rational plant layout, building sound insulation, and establishment of greenbelts.

Time-Based Scheduling

Production schedules were arranged rationally to avoid high-noise operations during sensitive periods, such as nighttime.

The company commissioned third-party monitoring at least once a year around the perimeter of each campus to ensure that both daytime and nighttime boundary noise levels comply with the *Emission Standard for Industrial Enterprises Noise at Boundary*. In 2025, the company's noise monitoring results complied with applicable national laws and regulations.

Waste Management

In strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes,* and the *National Catalogue of Hazardous Wastes*, and other laws and regulations, the company has formulated the *ZTE Waste Sorting and Disposal Criteria*, *Waste Management Process*, and other regulations to standardize the categorization, collection, storage, and disposal of waste, and set up ledgers for waste control.

In 2025, the company revised the *Waste Management Process* and digitized the end-to-end waste management process, enabling digital control from waste generation identification, classification determination, approval workflows, and final disposal. This enhances management transparency and traceability. For core roles such as waste administrators and waste requestors, we have established a mechanism of "enablement training — competency verification — formal assignment." All newly appointed waste administrators must complete training and pass assessments before being authorized system operation privileges, ensuring competency for critical positions.

For general waste, the company prioritizes reducing waste generation in its operations and production processes. General waste categories, including foam, plastic, cardboard, scrap metal, and wood, are sorted and collected. Nationally standardized waste labels are used for proper identification, and waste is recycled or reused accordingly.

For hazardous waste, which primarily includes solvent-containing solutions, batteries, and circuit boards generated during production, as well as office consumables such as ink cartridges and toner cartridges from daily operations, the company has launched an online knowledge base for domestic waste classification and identification, allowing employees to query and verify waste classification.

Accurate Classification and Compliant Packaging

Identification was conducted strictly in accordance with regulations. Hazardous waste must bear labels with complete information (name, composition, hazardous characteristics, generating department, etc.). Mixing hazardous waste of different properties was strictly prohibited.

Online Approval and Safe Storage

All hazardous waste disposal must be initiated via the online system with a detailed approval that clearly specifies critical information such as waste characteristics and whether the waste is subject to the U.S. *Export Administration Regulations*. The company established dedicated, centralized storage facilities for hazardous waste, with strict inbound and outbound controls.

Compliant Transfer and Destruction Traceability

Disposal was entrusted solely to qualified, compliant vendors holding professional recycling licenses. The company strictly enforced the hazardous waste transfer manifest system, used the government solid waste platform to monitor waste logistics throughout the entire process, and retained all required documentation.

In addition, ZTE conducts unscheduled onsite audits on the waste disposal sites of its suppliers, including verifying their relevant qualifications and disposal methods, to ensure that waste is properly managed.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Environmental Compliance	Ensure environmental compliance and avoid administrative penalties due to environmental issues	Compliance with emission standards for exhaust gases, wastewater, and noise Zero major environmental pollution incidents.	Compliance with emission standards for exhaust gases, wastewater, and noise No major environmental pollution incidents occurred.
System Certification	ISO 14001 Management System Certification	The ISO 14001 certification remains valid across the five major manufacturing bases (Shenzhen, Xi'an, Heyuan, Nanjing Binjiang, and Changsha).	The certification for all the five bases remains valid.

Social

In its global operations, ZTE has deeply integrated innovation, customers, employees, supply chains, and social responsibility to establish a new paradigm of globalization centered on value co-creation and ecosystem resilience. Grounded in cutting-edge technology innovation and in-depth local insights, we turn technology into solutions that precisely meet regional market demands.

- Empowering Industries Through Innovation and Building the Foundation of Digital Economy
- Staying Open and Transparent to Win Customer Trust
- Remaining Human-Centric and Supporting Employee Development
- Upholding Win-Win Collaboration to Grow with Partners
- Shouldering CSR to Contribute to the Global Community

04

Empowering Industries Through Innovation and Building the Foundation of Digital Economy

Driving Technology Innovation for Development

Governance

ZTE is committed to seeking steady growth while driving innovation, and has established a technology innovation system that is coordinated by the Technical Expert Committee and implemented by the Technology Planning Dept.

The Technical Expert Committee is responsible for formulating technology plans and supervising their execution, ensuring that innovation efforts advance effectively and remain aligned with market demands and technological trends. This committee consists of the Standing Committee, General Expert Team, Technical Expert Committee Office, and various technology committees. Members of the Standing Committee include the company's Chief Technology Officer, Chief Scientist, heads of the R&D institutes, and heads/experts of relevant fields. Each technology committee is composed of experts from the Technology Foresight Group, Planning Group, and Execution Group. In 2025, the Technology Foresight Group was added to each technology committee, primarily tasked with identifying, tracking, and evaluating future-facing and disruptive technologies, and promoting decision-making and research of these technologies.

At the operational level, the Technology Planning Dept. is responsible for executing various tasks related to technology innovation, and facilitating technology planning, R&D, collaboration, and the application of technological achievements, so as to ensure that innovative initiatives are successfully implemented and continuously advanced.

Strategy

To enhance the capability of identifying, tracking, and analyzing future-facing and disruptive technologies, and to advance decision-making and research of these technologies, the company released the *Technology Foresight Work Operational Mechanism of the Technical Expert Committee* for the first time in 2025, alongside an update to the *Operational Mechanism of the Technical Expert Committee*. The updated *Operation Mechanism of the Technical Expert Committee* introduces new requirements regarding the identification, tracking, analysis, and research of disruptive and future-facing technologies, and clarifies the work responsibilities of the Technology Foresight Groups. Meanwhile, the newly released *Technology Foresight Work Operational Mechanism of the Technical Expert Committee* specifically outlines the composition, competency requirements, and responsibilities of technology foresight experts, and provides detailed specifications for the operational mechanisms of technology foresight.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

During technology innovation, based on the company's risk management framework and requirements, as well as the pain points, bottlenecks, and challenges in the cutting-edge technologies, ZTE identifies, assesses, monitors, and addresses the potential uncertainties in key processes and control points, and incorporates risk management measures into the key steps of technology innovation and advancement.

Category	Description	Probability	Impact Level	Measure
Risk	During the implementation of technology innovations, compatibility issues with existing systems may occur, potentially increasing the difficulty of applying new technologies and affecting the smooth progress of projects.	Medium	Medium	Strengthen internal collaboration, and conduct technical feasibility analysis and system compatibility testing in advance, to ensure that new technologies can be seamlessly integrated into existing systems.
Opportunity	Through technology innovation and forward-looking planning, we can take the lead in the industry development trends, drive social progress, and inject new momentum into economic growth.	High	Medium	Continuously enhance R&D innovation capabilities.

Annual Progress

Deepening Technology Innovation

In 2025, the company continued to increase investment in R&D, focusing on key areas such as connectivity (6G, optical communications, and IP networks), computing power, energy technology, smart terminals (such as AI-powered devices), operating systems, databases, and chips, with a core focus on frontier technology exploration and collaborative innovation. Throughout the year, the company declared and secured over 100 technology projects.

Deepening AI Empowerment in R&D, Office, and Business Operations

R&D: AI tools have been widely applied, with a usage penetration rate of 79.78% among developers. The AI code generation rate reached 31.45%, and the improvement in R&D efficiency has begun to manifest.

Office: "ZSpark" has been fully integrated into iCenter, driving a new office experience powered by AI.

Business Operations: A new paradigm for marketing operations on the iCRM system has been established. Through a collaborative solution involving Agents for customer expansion, opportunity exploration, bidding, pricing, contract signing, and contract fulfillment, and leveraging the "Human + Agent + Data" model, the company is advancing assistive AI toward a new paradigm of autonomous AI.

Infrastructure: Continuous efforts to improve the utilization rate of intelligent computing power, which has increased by over 50%.

Steadily Advancing Industry-University-Institute Collaboration

ZTE places great importance on collaborative innovation with industries, universities, and institutes. In 2025, the company conducted over 100 cooperative projects with more than 40 universities and research institutions, covering 10 key technological areas, including intelligent computing technology and wireless communications technology. Among these, projects in intelligent computing technology, wireless communication technology, and robotics ranked top three in terms of number. Through industry-university-institute collaboration, the company continues to drive the efficient transformation of cutting-edge scientific research achievements into practical industry applications.

The ZTE Technology Journal and *ZTE Communications* are academic exchange platforms established by ZTE to explore industry trends and showcase frontier research outcomes. In 2025, the journals planned and published the latest theories and papers on the ICT and AI fields, covering 6G integrated 3D coverage technology, intelligent computing networks, 6G network security, timely robotic communications in the 6G era, network AI technology, and next-generation optical transmission technology. These publications have received extensive attention from various sectors, with over 100,000 views per issue. They serve as a non-profit technology platform of the company dedicated to advancing industry technology development and progress.

2025 marks the 30th anniversary of the establishment of the company's academic journals. From August 16 to 17, the Magazine House of ZTE Communications held the "30th Editorial Board Meeting of Magazine House of ZTE Communications & 2025 Symposium on Hot Topics on Communications Technology" in Shenzhen. The event brought together over 100 experts and scholars from the ICT field, including representatives from universities, operators, research institutions, and enterprises. They gathered to discuss the development direction of the academic journals and engage in in-depth exchanges on frontier information and communications technologies.

Case

Research on Integrated Sensing and Communication Waveform Design and Sensing Data Compression Technology

In 2025, ZTE collaborated with the Southern University of Science and Technology on a project titled "Research on Integrated Sensing and Communication (ISAC) Waveform Design and Sensing Data Compression Technology." This project investigated technical challenges restricting the development of cellular ISAC. Through close cooperation between the university and corporate researchers, the collaboration yielded seven technical reports, four high-quality academic papers, and two invention patents, providing a theoretical foundation and algorithmic support for the evolution of cellular networks toward intrinsic sensing capabilities.

Intellectual Property Protection and Management

ZTE has established a comprehensive intellectual property (IP) compliance management system and has obtained the certification of the GB/T 29490-2023 Enterprise Intellectual Property Compliance Management System. The company manages its patent assets through a full-lifecycle model.

To better protect technology innovation, the company has established a "trilateral collaborative communication mechanism" involving examiners and agencies to discuss frontier technologies and optimize patent drafting and examination efficiency. Meanwhile, ZTE continuously upgrades and improves its IP digital tools, enhancing approval and business management efficiency while achieving patent data visualization, thereby comprehensively upgrading IP management effectiveness.

Regarding risk management, to strengthen the protection of core technology innovations and risk control, ZTE has advanced the development of the patent risk map. By focusing on high-risk technology fields and litigation-prone areas, the company rapidly identifies and analyzes risks and proactively defines corresponding control strategies. Centered on product competition and market breakthrough needs, ZTE quantifies objectives and scope of its patent portfolios, optimizing the patent portfolios from both innovation protection and continuous operations to comprehensively enhance patent value. Furthermore, the company continuously refines IP management systems across product operations, product development, and technology R&D, establishing a three-tier (high, medium, low) risk control mechanism. Through patent planning, portfolio planning, and verification, ZTE achieves closed-loop risk management.

In terms of risk response and rights protection, the company places IP risk prevention at the core of its globalization strategy. Having successfully defended against multiple litigations across over 10 major jurisdictions globally, ZTE has achieved a transition from responsive defense to active rule-setting. In 2025, we continued to advance the construction of the prevention and control system, ensuring the stable operation of core businesses. Furthermore, ZTE actively safeguards the rights and interests of innovation through patent operations, engaging in licensing negotiations and taking proactive litigation actions with the support of its professional teams. In 2025, the company established several landmark cases, fostering a judicial consensus on patent practices and providing solid protection for securing fair returns on its innovations.

On the occasion of the 25th World Intellectual Property Day, the company released the *ZTE Innovation and Intellectual Property White Paper* under the theme of "Safeguarding the Value of Innovation, Co-creating a Digital and Intelligent Future." The white paper systematically reviews ZTE's 40-year innovation journey and the practical achievements of its IP management system construction. It comprehensively demonstrates our profound accumulation in the integration of technology and IP practices, while clarifying its future IP strategic direction.

As of 2025, ZTE has filed over 95,000 global patent applications, with more than 50,000 patents granted cumulatively over the years. Among them, there are approximately 5,900 patent applications and over 3,700 patents granted in the field of chips. In the field of AI, the company has filed nearly 5,500 patent applications, approximately half of which have been granted.

ZTE has filed over
95,000 global patent applications

there are approximately
5,900 patent applications

over
3,700 patents granted in the field of chips

In the field of AI, the company has filed nearly
5,500 patent applications

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Technology Innovation for Development	R&D innovation	Continuously strengthen R&D innovation capabilities.	• The proportion of R&D investment to operating revenue reached 17%.
	Innovation protection	Increase the number of patent applications and granted patents to protect our core technologies.	• Over 2,000 patent applications were filed globally; • Over 5,000 patents were granted globally.

Upholding Technology Ethics

Governance

To prevent ethical risks related to technology, promote responsible innovation and technology for good, and advance the standardized management of technology ethics, ZTE has established a Science and Technology Ethics Committee. The Committee comprises a director, several deputy directors, and expert members (including a legal expert, an administrative expert, and peer experts from within and outside the company). The Director of the Committee is the company's Chief Technology Officer (CTO).

The Committee is responsible for formulating and improving the technology ethics management system, guiding and supervising the ethical review and assessment of technological activities, organizing training on technology ethics, handling ethical disputes, and tracking the entire process of technology project implementation. The Committee plans to convene two plenary meetings annually to resolve relevant matters, escalating significant issues to the company's Operations Committee for decision-making.

In its operations in 2025, recognizing the critical role of data in AI projects, the Committee added a Data Compliance Review Member as a specially invited member to participate in the ethical review of projects.

In addition to the Science and Technology Ethics Committee, the company's Cyber Security Committee has established an AI Management Working Group to enhance AI management responsibilities, ensuring the safe and responsible use of AI. For details, please refer to the section "Strong Cybersecurity Foundation."

Strategy

ZTE has launched an AI policy that is aimed at promoting the development and use of safe, transparent, responsible, and trustworthy AI systems. Adhering to the AI principles of "safety and security, transparency, fairness, accountability, resilience, privacy, accuracy, and compliance", we have built a sound governance mechanism for sci-tech ethics.

The company has formulated the *Artificial Intelligence Management Manual* to specify the overall requirements for the establishment and operation of the AI management system. This is supported by a series of mechanism documents, including the *Regulations on AI Compliance Management*, the *Regulations on Artificial Intelligence Governance Requirements*, and the *Regulations on Artificial Intelligence Security Assessment*. These documents standardize the implementation details for data compliance, intellectual property, cooperation with supervisory authorities, and other tasks, and standardize and regulate the governance and security of AI systems throughout their entire lifecycle.

In November 2025, the company updated the *Regulations on Artificial Intelligence Large Language Model Pre-Training and Fine-Tuning Data Security*, improving the security requirements for pre-training and fine-tuning data. It guides large AI model development projects and teams in conducting data processing activities, performing self-assessments of data security, and enhances the guidance for practical implementation.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

Amidst the intensifying industry competition and transformation driven by global breakthroughs in AI technology, ZTE, while embracing opportunities, recognizes the associated potential risks. In 2025, the company updated the *Regulations on Artificial Intelligence Risk Management* to standardize the risk management of AI businesses. This set of regulations specifies the responsibilities of AI risk management organizations at all levels, risk response strategies, and control statuses. It guides business units on managing AI-related risks throughout the development, production, deployment, utilization, and external service provision of AI systems. It also effectively integrates risk management into relevant activities and functions.

Category	Description	Probability	Impact Level	Measure
Risk	AI model performance may deviate from expectations, leading to uncertainties regarding practical effectiveness of AI technology applications. Issues concerning the authenticity and security of AI-generated content are becoming increasingly prominent, while relevant regulatory requirements continue to tighten globally.	High	High	Continuously improve the AI management system, adhere to the principles of responsible innovation and AI for good, prudently apply AI technology in technical research, intelligent development of products, operational efficiency enhancement, customer service interaction, and data-driven decision support, while strengthening technology integration and risk prevention through periodic ethical reviews to ensure regulatory compliance of AI applications.
Opportunity	AI can achieve substantive emission reductions, enhance operational efficiency, and create entirely new business models in areas such as energy efficiency improvement, production optimization, as well as product and service innovation, thereby unlocking second-curve growth.	High	High	Integrate AI into strategic planning and operations systems to systematically identify and transform core business processes, driving innovation in products and business models, and seizing development opportunities amidst transformation.

Annual Progress

In 2025, in accordance with the *Guideline on the Review of Science and Technology Ethics (Trial)* and the company's internal operating mechanisms, the Science and Technology Ethics Committee convened 18 meetings and completed the ethical review of dozens of AI-related projects.

Meanwhile, the company continuously strengthened its technology ethics training throughout the year. In February 2025, a specialized training session was organized for R&D personnel and AI experts. In December 2025, a rotational training program was further conducted for product and planning experts, covering content such as requirement analysis, typical cases, process mechanisms, and organizational responsibilities, gradually achieving comprehensive coverage of key personnel in technology ethics governance training.

The Science and Technology Ethics Committee convened

18 meetings

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Technology Ethics	Prevention and control of risks in sci-tech ethics, and promotion of responsible innovation and tech for good.	Inclusion of a new data compliance review member.	The data compliance review member has been added to the Committee.

Staying Open and Transparent to Win Customer Trust

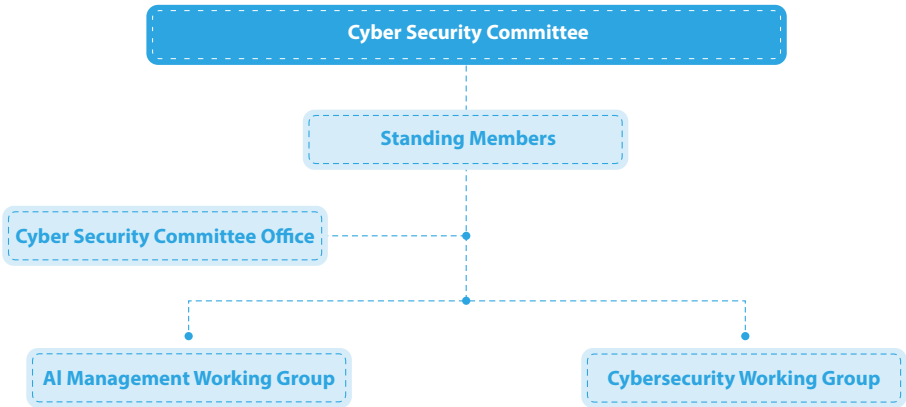
Strong Cybersecurity Foundation

Governance

ZTE always prioritizes security as its top priority in product R&D and delivery, and established a security governance system that covers the entire product lifecycle.

The company's Cyber Security Committee (CSC) is responsible for guiding the Cybersecurity Working Group and the AI Management Working Group. It has established an end-to-end management system that covers all business fields and processes, to enhance the security level of products and services, reduce security and compliance risks, and ensure coordinated development of technological development and management. The Standing Committee of the CSC is composed of the company's CEO, CTO, Chief Security Officer, and leaders in key fields such as telecom products, engineering services, supply chain, and terminals.

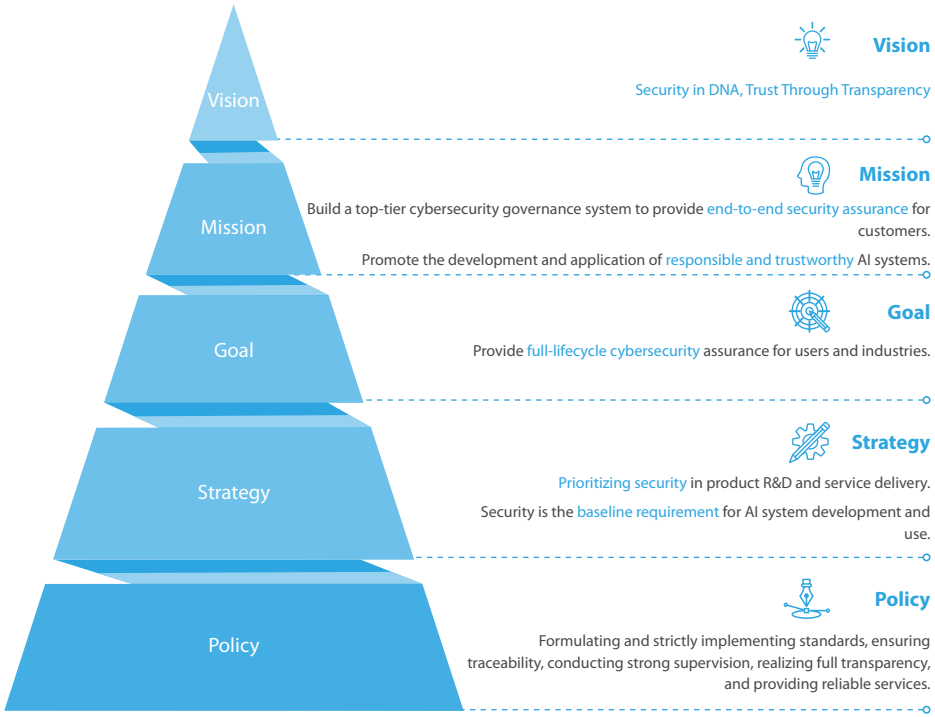
The CSC holds regular annual meetings to discuss and review the planning and progress of AI management and product security. For major issues or matters that are difficult to decide, they are submitted to the company's management committee for decision-making.



Organizational Structure of ZTE's Cyber Security Committee

Strategy

Taking "Security in DNA, Trust Through Transparency" as its vision for cybersecurity, ZTE focuses on customers' security value, abides by applicable laws and regulations, and complies with industry standards. We are committed to delivering secure and trustworthy products and services to customers, to ensure the highest level of network equipment security. Meanwhile, we actively advocate the concept of "AI for All," adheres to the principle of technology for good, striving to build responsible and reliable AI systems with security as the foundation.



Vision and Mission of ZTE Cybersecurity

To learn more about ZTE's cybersecurity and AI governance framework, you can visit the "Cybersecurity" and "AI Security" sections on the ZTE official website.

ZTE systematically constructs and continuously improves its cybersecurity assurance system from three dimensions: organization, process, and technology. In 2025, the company focused on comprehensively updating and strengthening relevant governance regulations and technical standards. Through multidimensional and systematic updates and construction, the company further consolidated the security foundation throughout the product lifecycle.

Organization: The company established a cybersecurity governance structure based on the "Three Lines Model." With the execution and inspection by business units as the first line, independent security assessments as the second line, and independent security audits as the third line, the security of ZTE's products and services is guaranteed from multiple aspects and levels. In 2025, the company added the *Cyber Security Risk Management Regulations* and revised the *Regulations on Artificial Intelligence Risk Management* to further improve management of corporate-level security organizations.

Process: The company has established a systematic security process management system that runs through the entire product lifecycle, covering all aspects including hardware, software, data, personnel, processes, facilities, and materials. Security requirements are embedded in all stages of the entire process, from supplier certification, introduction of new materials, manufacturing, to product requirements, design, development, testing, and delivery. At the same time, ZTE systematically revised a series of AI-related regulations, including the *Guide to Artificial Intelligence Governance Requirements*, *Regulations on Artificial Intelligence Security Assessment*, *Regulations on Artificial Intelligence Large Model Data Labelling Management*, *Regulations on Artificial Intelligence Large Language Model Pre-Training and Fine-Tuning Data Security*, and *Regulations on Artificial Intelligence Self-Evaluation for Mobile Devices*, focusing on enhancing the practicability of each regulation.

Technology: ZTE fully integrates the security concept into product and technology development, emphasizing security-by-design and security-by-default principles in the early stages of the product lifecycle. Threat analysis and risk assessment are conducted in the design phase, and corresponding security protection guidelines and baselines are developed for different products. In 2025, the company added mechanism documents such as the *Guide* to *Artificial Intelligence Security Technical Requirements* and the *Guide to Hardware Security Technical Requirements*, further perfecting the product security in-depth defense system.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

Taking into account the legal and regulatory requirements for cybersecurity and AI, the company's cybersecurity strategy, and the needs of stakeholders, ZTE regularly identifies and manages risks and opportunities related to cybersecurity in accordance with its internal control and risk management framework.

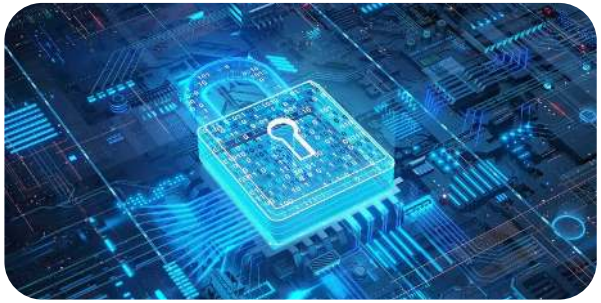
Category	Description	Probability	Impact Level	Measure
Risk	As global cybersecurity regulation continues to tighten, the EU has successively introduced strict regulations such as the Radio Equipment Directive (RED), Cyber Resilience Act, and NIS-2 Directive, and has also released the EUCC certification scheme, raising security expectations among global customers. If the company's cybersecurity practices fail to continuously meet the new regulations of various countries, it may face penalties, loss of trust, and reputational risks.	High	High	Actively comply with regulatory requirements, including comprehensive cybersecurity certification under the EU's RED for applicable product series. ZTE has implemented compliance requirements related to the EU Cyber Resilience Act and NIS-2 Directive. For its main products that have obtained Certified in Cybersecurity (CC) certification, the company has initiated or planned to advance the transition to EUCC certification.
Opportunity	Meeting the increasingly stringent global cybersecurity requirements is not only a reflection of the effectiveness of ZTE's cybersecurity governance, but also highlights the company's security advantages. Continuous external pressure drives the improvement of security capabilities, and high-standard practices further enhance the competitiveness of products. By transforming security advantages into trustworthy digital infrastructure capabilities, ZTE is expected to lead the development direction of next-generation communications security.	High	High	Closely track international security governance dynamics and the evolution of technical standards, and proactively participate in authoritative security certifications both domestically and internationally. Actively join standards organizations and industry alliances, leverage cybersecurity strengths, enhance communication of requirements and sharing of practices with all stakeholders, build trust through openness and transparency, and work with industry partners to continuously improve cybersecurity capabilities.

Annual Progress

Refine the Cybersecurity Management and Assessment System

ZTE continuously tracks the latest developments in key external laws and regulations, such as the EU Cyber Resilience Act and the NIS-2 Directive, and fully implements product security requirements. Meanwhile, the company continually incorporates international standards and regional regulatory requirements, such as the ISO 42001 Artificial Intelligence Management System, ISO 23894 Guidance on Risk Management, NIST AI Risk Management Framework, OECD AI Principles, and the EU AI Act. The company transforms these regulatory and standard requirements into security management regulations and evaluation systems, implementing risk-based security control.

In 2025, the company focused on "Risk-based AI Security Assessment" to enhance cybersecurity governance and established a comprehensive evaluation system for content security and cybersecurity that runs through the entire lifecycle of large AI models, from training, deployment/inference, to operation and maintenance. This system strictly follows domestic and international laws and industry standards, leveraging assessment methods such as automated risk scanning, dedicated red teaming, and security process assessments throughout the entire lifecycle of large AI models to ensure that the assessment is scientifically sound, effective, compliant, and reliable.



Enhancing Effective Implementation of Cybersecurity Assessment

ZTE continuously strengthens front-line security self-assessment, leveraging its High-Performance Product Development (HPPD) process to ensure that all released versions comply with internal security requirements.

In terms of independent security assessment—the second line of defense, ZTE has built an assessment network covering Europe and Asia through its three major security labs located in Nanjing of China, Rome of Italy, and Dusseldorf of Germany. In 2025, the lab in Nanjing completed 23 product security assessments, with sampling covering the supply chain, R&D, delivery, subsidiaries, and AI governance; the labs in Italy and Germany completed 13 independent assessments, providing objective and transparent security validation evidence for overseas customers through security assessment activities such as systematic vulnerability analysis and penetration testing.

Additionally, the company actively engages in product security certification and third-party security assessment. In 2025, all applicable product series have passed the EU RED cybersecurity certification; in September, ZTE successfully completed GSMA NESAS 3.0 process audits for LTE eNodeB, 5G gNodeB, and Unified Management Engine (UME). Moreover, these three wireless products and ten core network products such as ZXUN USPP passed the assessment under the 3GPP SCAS security assurance specification. The company also obtained the ePrivacyseal Global certification for products including the OLT equipment, access network management system, cloud-based smart management platform for FN terminals, set-top box management platform, and the ZLife smart home app). The three product series already certified under the CC scheme, namely 5G gNodeB, OTN, and IPN, have now initiated the transition to obtain the EU Cybersecurity Certification (EUCC).

Improving Personnel Security Capabilities and Empowering the Industry

In 2025, the number of security certificates held by employees increased significantly to 396, covering multiple areas such as information security, Web security, security auditing, and ethical hacking. Compared with 2024, the number increased by 72%. This growth reflects the substantial enhancement in the company's overall security capabilities.

ZTE has built a comprehensive security empowerment system, with security training covering 12 capability centers and 15 categories of security-related positions. The total number of trainees throughout the year reached more than 300,000. Meanwhile, the company continues to accumulate knowledge assets, having sorted out more than 2,000 course knowledge points. In addition, the company encouraged senior-level cybersecurity experts to participate in teaching and experience sharing. Currently, more than 80% of these experts have taken on teaching tasks, further consolidating the foundation of product security capabilities.

The company also actively participates in industry empowerment and exchanges. In April 2025, the Chief Security Officer of the company delivered a keynote speech titled "Securing AI and Intelligent Computing" at the China Mobile Cloud Intelligent Computing Conference, emphasizing that AI security relies on the dual driving forces of governance and technology. This demonstrated the company's core propositions and professional influence in the field of AI security.

Boosting Customer Satisfaction through Openness and Transparency

Regarding the customer Communication, in 2025, the overseas security labs received over 23 customer visits, sharing experiences in product security and AI governance.

In the field of assessment support, the Italian Security Laboratory continuously provides customers with trustworthy security validation services. The German Security Laboratory focuses on security certification requirements, strictly aligning with industry standards to assist customers in conducting third-party product security assessments.

ZTE's Product Security Incident Response Team (PSIRT) is responsible for receiving, processing, and disclosing security vulnerabilities related to ZTE products and solutions, serving as a channel for ZTE's vulnerability disclosures. As a CVE Numbering Authority (CNA), ZTE disclosed 21 CVE vulnerabilities in 2025. Relevant stakeholders are encouraged to monitor the vulnerability announcements and promptly obtain remediation plans.

Metric and Target

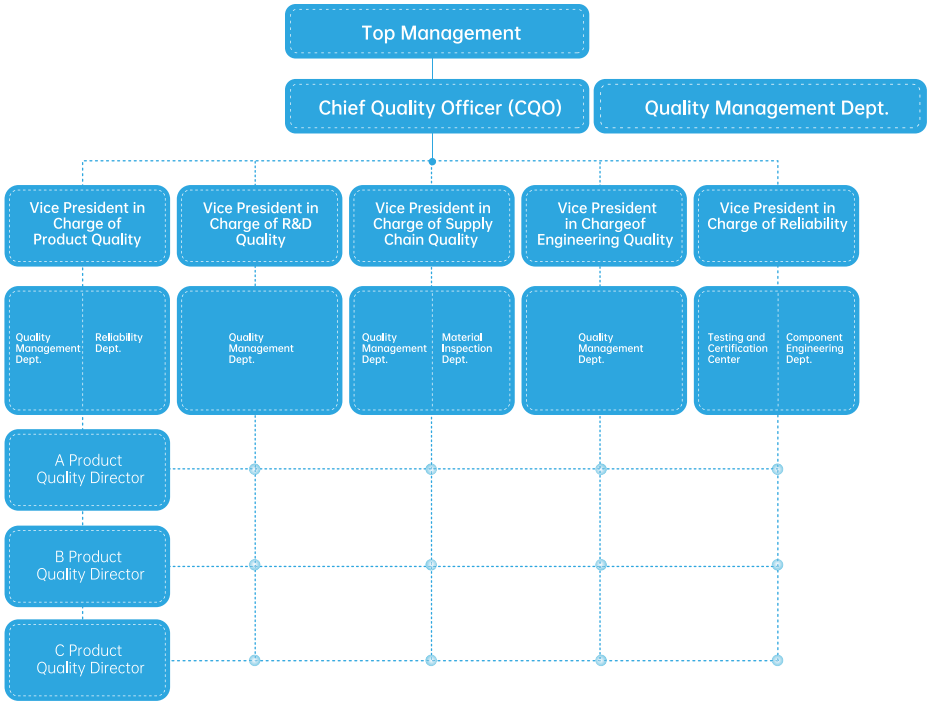
Topic	Target	Key Metric	Progress in 2025
Cybersecurity	Provide services that safeguard the customer cybersecurity.	No major security incident caused by human errors in customer networks. No major customer complaint regarding security incidents and vulnerabilities.	Zero major security incident caused by human errors in customer networks throughout the year. Zero major customer complaint regarding security incidents and vulnerabilities.

Efficient Quality Management

Governance

In 2013, ZTE was the first in Shenzhen to implement the corporate Chief Quality Officer (CQO) system, with a Vice President serving as the CQO to take charge of quality management.

The CQO fulfills quality management duties with the authority to suggest, oversee, and veto. The CQO also takes the lead in establishing a comprehensive quality management team, promoting a matrix-based quality management mechanism, and organizing the establishment, implementation, and maintenance of an integrated management system that combines multiple fields. Additionally, the CQO takes charge of the quality strategy formulation and medium- and long-term quality planning, carries out end-to-end quality management of the company's main business, establishes and improves the mechanisms for quality performance appraisal, reward, and punishment, and continuously enhances the quality awareness of all employees by fostering a strong quality culture, so as to strengthen ZTE's overall quality management capabilities.



ZTE Quality Management Organizational Structure

Strategy

Adhering to the four major management principles of "Customer Focus, Prevention First, Continuous Improvement, Collaborative Development," the company is committed to the quality strategy of "Focus on customers, and create value for customers." Based on the ISO/TL 9000 standard framework and requirements, ZTE has established a systematic, documented, and digitalized quality management system. Following the "seven principles of quality management," the company defines the organizational structure, management responsibilities, and process control requirements of the quality management system across all its business processes. This approach makes quality a fundamental attribute and strong support for ZTE's business operations, ensuring that it provides customers with satisfactory products and services while continuously enhancing the company's brand value and product competitiveness.

ZTE Quality Management Policy

Impact, Risk, and Opportunity Management

Risk and Opportunity List

ZTE continuously strengthens quality risk management, regularly identifying quality risks and opportunities. In 2025, the company further identified changes and the resulting quality challenges and opportunities from the perspectives of customers, products, business scenarios, and the external environment. With a solution-oriented approach, ZTE systematically identified weaknesses and filled gaps through initiatives such as innovations in the preventive quality management system, tailored quality planning for the high-end market, explicit and transparent control of quality risks, and quality assurance for key projects. By establishing forward-looking prevention and early warning mechanisms, we aim to comprehensively upgrade the preventive quality management system.

Category	Description	Probability	Impact Level	Measure
Risk	The changes in products, customers, and scenarios cause significant quality challenges.	High	High	Quickly adapt to structural changes, continuously focus on improving the satisfaction of internal and external customers, and develop quality management plans and risk control mechanisms for new products, new scenarios, and major weak points.
	Geopolitical factors increase the difficulty and risks related to network construction and O&M.	Medium	Medium	Enhance business resilience and compliance, prevent cybersecurity and critical security incidents, improve network quality, problem demarcation and localization capabilities, and component reliability.
	The shift in our focus from traditional CT products to intelligent computing, as well as the development of industry digitalization and low-altitude economy bring new quality requirements and changes.	High	Medium	Establish a rapid response mechanism for changes in customer demands, build a quality evaluation index system for intelligent computing, strengthen technical capabilities, and promote the digital and intelligent transformation.
Opportunity	The cost and efficiency of quality control throughout the entire product lifecycle are changed due to AI-driven quality paradigm revolution, and large AI model–powered defect prediction and design simulation.	Medium	Medium	Seize the new industry opportunities brought by technology revolution, build robust infrastructure and large model engineering capabilities, and accelerate the development and application of quality large AI models.

Annual Progress

Advancing Digitalization of Quality Management

ZTE drives the development of its quality system with a dual focus on process optimization and digital empowerment. Specifically, the company strengthens quality control throughout the entire process by formulating and implementing regulations for R&D hardware change management, R&D fault management, and server R&D and production replication processes, thereby preventing issues from occurring at the source. Meanwhile, it actively employs AI technologies to fully digitalize quality risk management and company-wide quality audits. With the help of AI tools such as the "#0 quality assurance AI agent", intelligent failure grading, and intelligent auditing, the company has increased the work efficiency by more than 15%.

Enhancing Preventive Quality Management Capabilities in Key Processes

In 2025, ZTE comprehensively upgraded its preventive quality management system, establishing the overall goal of "systematically enhancing the quality management maturity of units, product lines, and projects to achieve 'zero quality issues'."

ZTE adheres to the principle of "promoting the application of preventive quality management methods and tools, optimizing the process system, and strengthening the standardization and effectiveness of implementation across organizations, products, and processes." To that end, the company drives the prevention through a four-step closed-loop mechanism:

- Quality planning as the guide: identify key process risks and drive measures to meet standards, and leverage process audits and inspections to control and give early warning.
- Promoting weakness improvements through the cases of "dual closed-loop quality management." To ensure the effective operation of the system, the company has built six supporting elements and enhanced the professional capabilities of quality and business personnel; used tools, systems, and AI technologies to improve quality and efficiency, and conducted risk measurement and early warning for key processes and activities; and continuously optimized the top-level design and refining process standards.
- Deepening a quality culture that respects rules, and improving the application of reward and punishment mechanisms.
- Building a data-driven improvement mechanism based on online measurement rules.

Through these measures, ZTE has ultimately achieved systematic enhancement in quality maturity at the organizational, product, and project levels. It has effectively identified and intercepted process quality issues through early warnings, while strengthening the application of preventive quality management methods and tools, process optimization, and the standardization and effectiveness of implementation across organizations, products, and processes.

Continuous Cultivation of Quality Culture

ZTE continuously fosters the quality culture and strengthens quality capabilities. Under the theme of "Making Excellence a Habit," the company has carried out various activities to enhance the quality awareness of all employees and strengthen the quality culture of "stick to the bottom line, respect rules, strictly control risks, and enhance prevention." In this way, the responsibilities and pressures of quality management can be conveyed to the frontline units. Through quality improvement, we enhance our competitiveness and development.

Case **ZTE 4th Quality Summit Successfully Held**

The year 2025 marked the company's 40th anniversary. In this year, ZTE released its new vision and mission, firmly pursuing the strategic goal—"To lead in connectivity and intelligent computing, enabling communication and trust everywhere." With a strategic focus on "connectivity + computing power," the company steered toward the forefront of "intelligent computing." As digital and intelligent technologies rapidly converge and evolve, traditional mindsets and models of quality management are being fundamentally changed.

Against this backdrop, ZTE held the 4th Quality Summit, which was themed "Leading Digital Intelligence, Redefining Quality Excellence." Guests from relevant fields were invited to discuss the quality management transformation driven by digital intelligence and explore future-oriented quality competitiveness. In this way, ZTE drives quality transformation with AI, leads high-quality development through innovation, and collaborates with partners to build a trustworthy, collaborative, and sustainable quality ecosystem.

Continuous Optimization of Product Reliability

The company's Reliability Technology Committee coordinates the technical planning and research for 12 specialized fields, including reliability systems engineering, and is responsible for the construction of professional technical capabilities. These areas cover reliability systems engineering, reliability analysis, thermal design, electromagnetic compatibility, lightning protection design, corrosion resistance, safety, safety regulations, certification, mechanics, component reliability, and process reliability.

In 2025, the company updated the *Reliability Management Regulations* to further improve the organizational structure and core business operation processes for reliability. Based on new application scenarios (satellite, shipborne, and nuclear power industry) and new product forms (liquid cooling, commercial and industrial energy storage, air conditioning, drone systems, etc.), ZTE formulated and revised 14 enterprise reliability standards. These standards clarify the basic requirements for product reliability indicators, environmental adaptability, electromagnetic compatibility, safety, and lightning protection. Additionally, the company completed the enterprise standards for test methods regarding environmental adaptability, electromagnetic compatibility, and safety.

In 2025, ZTE achieved zero major safety accidents for its products in the field. The test center recorded a 100% pass rate for safety regulation tests throughout the year, with products conforming to the latest national safety standards such as GB 4943.1-2022 and international standards such as IEC/EN 62368-1. The company completed numerous product certification projects throughout the year, such as liquid cooling leak prevention certification for data centers, Golden Sun Certification and energy efficiency certifications for photovoltaic products, and TÜV Rheinland's Green Product Mark certifications for home terminal products, providing quality assurance for users.

Refining the Product Replacement Mechanism

Product replacement primarily deals with the replacement or rectification of products caused by quality issues. Trigger conditions include factors such as raw material quality problems, quality defects in the production process, operational errors, or design flaws, which may pose a threat to the safe use of the product by customers. Whenever the conditions for product replacement are triggered, the relevant departments must report it in accordance with the established early warning mechanism and take countermeasures based on the severity of the issue, ensuring that risks are eliminated at the source and customer safety is safeguarded.

In 2025, ZTE further standardized definitions of terms in the product replacement mechanism, optimized the description of responsibilities and implementation plans, and refined the classification of scenarios. These measures were taken to further standardize the business process, protect customer interests, and comply with relevant laws and regulations.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Quality Management	No major safety accident at customers' sites.	• No major safety accident at customers' sites.	• No major safety accident at customers' sites.
	Enhance customer satisfaction.	• Overall customer satisfaction score is above 90 points.	• Customer satisfaction score exceeded 90 points.
	Digital and intelligent transformation of quality management.	• The application capability of AI in quality management is enhanced, with AI capabilities integrated into quality activities, and achieve a minimum efficiency improvement of 10%.	• AI capabilities have been progressively integrated into various quality activities, resulting in a quality management efficiency improvement of over 15%. The front-line #0 Digital Auditor has been put into practical application.
	Improve quality personnel skills.	• Throughout the year, the skills assessments cover over 98% quality positions, and 97% of the capability enhancement plans are completed.	• The skills assessments throughout the year covered 99% quality positions. • The completion rate of capability enhancement plans was 100%.

Hazardous Substance Management

Governance

Hazardous substance management at ZTE is integrated into the quality management system for coordinated oversight, ensuring compliance with relevant laws, regulations, and stakeholder requirements.

Strategy

ZTE continuously scans, collects, and studies environmental requirements from international regulations, customer requirements, and industry organizations, and actively participates in the formulation of China's environmental regulations for electrical and electronic products. We consistently update our map of global environmental protection laws and regulations and publish it internally to ensure that R&D, certification, and delivery comply with environmental legal requirements.

Based on the requirements of QC 080000 certification, we have established a green product management system comprising 1 manual, 1 procedure, and 45 regulations. Through regular internal and external audits, we continuously optimize this system to drive the effective implementation of environmental requirements across end-to-end business processes—including marketing, R&D, production, and after-sales—ensuring we deliver environmentally friendly products.

In 2025, the company successfully completed the annual audits for the QC 080000 Hazardous Substance Process Management System for its terminal product at bases in Shenzhen, Xi'an, and Shanghai.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

Category	Description	Probability	Impact Level	Measure
Risk	There are continuous updates on global environmental protection laws and regulations, as well as customers' requirements for environmental protection. Also, there are differences in some of these requirements. Failure to take effective measures in a timely manner will lead to environmental compliance risks.	Low	High	Obtain and analyze the latest environmental protection requirements, update the map of global environmental protection laws and regulations, conduct technology pre-research, and develop and implement response measures to ensure compliance with related requirements.
Opportunity	We can make good use of the latest environmental protection laws and regulations to transform green compliance into market entry advantages, and make technology planning in advance to turn passive compliance costs into advantages in the market.	Medium	Medium	Establish technology pre-research projects to thoroughly interpret the latest regulatory requirements and develop product introduction plans that comply with relevant laws and regulations, thus ensuring that both compliance and market competitiveness are enhanced.

Annual Progress

Hazardous Substance Control System

ZTE scans international regulations monthly, continuously updates the map of global environmental protection laws and regulations. Through comprehensive scanning and interpretation of regulations, it organizes internal discussions to assess the impact of these regulations on its business operations and formulates corresponding strategies to ensure product compliance.

To ensure the effectiveness of the hazardous substance management system, in 2025, the company revised and released environmental standards such as *Environmental Attribute Definitions*, *Requirements for Banned and Restricted Hazardous Substances*, *Requirements for Eco-Labels*, and *Method for Measuring the Concentration of Harmful Substances Prohibited and Restricted to Use*. These measures further refine the list of environmental management substances prohibited or restricted in products, covering 33 primary environmental substances. They ensure compliance with global regulations such as the EU RoHS Directive and REACH. Additionally, in accordance with the requirements of the *Stockholm Convention* and *the EU Persistent Organic Pollutants Regulation*, product control is conducted to prohibit the presence of persistent organic pollutants (POPs) such as UV328 and/or hazardous substances in product materials, thereby ensuring that the relevant standards of the hazardous substance management system comply with regulatory requirements.

Based on the national standard *Requirements for Restricted Use of Hazardous Substances in Electrical and Electronic Products Amendment No. 1* and the *Labeling Requirements for Restricted Use of Hazardous Substances in Electrical and Electronic Products*, the company issued the *Notice Regarding Changes to China RoHS and Labeling Requirements*. This ensures that products manufactured and sold within China meet the new labeling requirements within the effective timeframe stipulated by the standards. Products included in the Standard Achieving Management Catalogue for the Restriction of Hazardous Substances in Electrical Appliances and Electronic Products must meet the limit requirements for the ten hazardous substances.

Green Product Management (GPM) System

In 2025, through the Green Product Management (GPM) system, the company successfully completed the collection of environmental information and environmental labeling approvals for over 300,000 material breakdowns at the code level, confirmed the environmental compliance of finalized product designs, and conducted environmental conformity assessments. The system has reviewed over 1,000 BOM lists and generated more than 100 Life Cycle Assessment (LCA) reports. Based on the environmental labeling of code-level materials, the system specifically identified and tracked lead and its compounds falling under RoHS exemption clauses, as well as Substances of Very High Concern (SVHC). Furthermore, through third-party agencies, the company conducted random and targeted testing for SVHCs prone to exceeding limits and their corresponding materials, ensuring the accurate transmission and disclosure of hazardous substance information.

PFAS Control

Since initially restricting Perfluorooctane Sulfonate (PFOS), its salts, and related substances in 2016, and Perfluorooctanoic Acid (PFOA), its salts, and related substances in 2018, the company has gradually included C9-C14 Perfluorocarboxylic Acids (PFCAs), their salts, and related substances, as well as Perfluorohexane Sulfonate (PFHxS), its salts, and related substances to its restricted substances list. In 2025, the company conducted identification of PFAS substances, compiling a database of 15,173 CAS numbers for PFAS within the GPM system. By analyzing documentation provided by suppliers—including Material Composition Declarations (FMD), Material Safety Data Sheets (MSDS), and test reports—the company identifies perfluoroalkyl and polyfluoroalkyl substances present in materials. For substances not restricted by international regulations and for which material and process alternatives are currently unavailable, the company registers them. The company also actively communicates with suppliers to research alternative solutions and are progressively restricting the use of perfluorinated compounds based on their specific applications.

VOC Control

ZTE adopts various measures to reduce or avoid the use of Volatile Organic Compounds (VOCs).

In 2025, the company further raised the VOC standards for cleaning agents used in production, setting limit values lower than those stipulated by national standards, thereby optimizing VOC emissions during the production process.

Meanwhile, for the manufacturing of structural components for certain terminal products, ZTE mandated suppliers to utilize a paint-free, metal-like plastic particle process instead of traditional metal paint spraying. This change avoids VOC emissions associated with conventional processes as well as the generation of solid/semi-solid hazardous waste caused by paint mist condensation, effectively eliminating pollution at the source.

Increasing Investment in Testing Resources

ZTE continues to strengthen localized incoming material inspections. In 2025, with the addition of RoHS testing capabilities at the Xi'an Base, the company has achieved full coverage across all its five manufacturing bases, and completed over 30,000 batches of incoming material inspections throughout the year.

Furthermore, the laboratories have intensified random inspections on finished products, collaborating with third-party testing organizations to comprehensively verify product compliance. For high-risk materials, the company has increased the frequency of spot checks and refined the environmental inspection processes.

Personnel Capability Enhancement

In 2025, the company continued to empower its internal staff by launching a series of online video courses, such as Overview of Environmental Trends and ZTE's Response, and Introduction to Material Environmental Risks and Testing, achieving full coverage of environmental training for all new employees.

Meanwhile, we invited external experts to conduct QC 080000 system internal auditor training. Over 190 employees passed the examination and obtained internal auditor certificates.

Additionally, the company organized activities such as the QC 080000 Environmental Knowledge Challenge and Sharing Day to raise awareness across the organization and foster a positive internal environment.

Supply Chain Audit and Training

ZTE has established a specialized environmental audit mechanism centered on the cycle of "risk identification > risk confirmation > risk mitigation > risk elimination." This system is used to comprehensively assess and control risks related to hazardous substance management of our suppliers. In 2025, the company completed hazardous substance system audits for 190 suppliers. These audits covered a wide range of areas, including system documentation, R&D processes, supplier management, production process control, incoming material inspection, and personnel capabilities.

To enhance supplier awareness and capabilities, ZTE conducted 9 training sessions on hazardous substance management in 2025. These training sessions included training programs for new suppliers, sharing sessions on environmental case studies, and training on the usage of the company's Green Product Management (GPM) system.

Contributing to Industry Progress

ZTE actively engages in the drafting and formulation of international, national, industry, and group standards for hazardous substances, and actively promotes the "joint construction of a green ecosystem and improvement of industry management." In 2025, ZTE officially joined the Materials and Analysis Professional Committee of the China Electronics Energy Saving Technology Association, participating in the revision of national or industry-related standards and actively addressing research, substitution, and testing in the field of hazardous substances.

ZTE proactively participates in hazardous substance management, detection research, and exchange activities conducted by international standardization organizations (such as ITU and IEC), Chinese standardization organizations, and industry associations, and actively promotes the ecological design of products for sustainable development. Through efforts within the TC297/SC3 working group, the company deeply participates in the formulation of international, national, industry, and group standards, contributing its expertise in environmental protection technology and management experience.

In 2025, ZTE participated in the drafting of the national mandatory standard *GB 26572-2025 Requirements for the Restricted Use of Hazardous Substances in Electrical and Electronic Products*, contributing to the first national environmental protection standard for electrical and electronic products.

To reduce the difficulty of testing for phthalates in the electronics industry, the company, as a main drafter, participated in the formulation of the electronics industry standard *SJ/T 12004-2025 Determination of Phthalates in Electronic and Electrical Products: Thermal Analysis-Gas Chromatography*, providing extensive testing experience and methods.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Control over Hazardous Substance	To ensure compliance with relevant laws, regulations, and stakeholder requirements regarding hazardous substances.	No external complaints related to hazardous substances.	No external complaints.
		Products produced and sold within China shall meet the national standard requirements for the restriction of ten hazardous substances in electrical and electronic products, as well as the upgraded labeling provisions.	All products involved have met the requirements for the limits of hazardous substances and the requirements for the latest labeling provisions.
		Continuously phase out the use of hazardous substances.	The company uses eco-friendly soy-based ink on all its packaging materials and prohibits the use of mineral oil–based ink.

Rapid Response to Customer Demands

ZTE has proposed the branding idea of "Ultimate Services." That means to go beyond industry standards and customer expectations, and ensure zero negative feedback on services, and zero complaint from customers. With the strategic goal of achieving win-win success, ZTE always puts customers first, and is committed to delivering high-quality projects, networks, and services, and providing ultimate network experiences for global operators and industry customers.

Strengthening the Global Service Network

To efficiently respond to customer needs, ZTE has established a global, three-tier customer support service cloud-based platform. This network comprises 1 Global Customer Support Center (GCSC) with 3 branch centers in Shanghai, Nanjing, and Xi'an, 5 Regional Customer Support Centers (RCSCs) in Indonesia, India, Pakistan, Italy, and Colombia, and 40 Local Customer Support Centers (LCSCs), providing 24/7 technical support in multiple languages.

Furthermore, the company has established a global repair network comprising 1 Global Repair Center (GRC) and 3 subordinate repair centers in Nanjing, Beijing, and Shenzhen, as well as 3 Regional Repair Centers in Hungary, Turkey, and Peru and over 14 local repair centers overseas. This network supports an annual repair capacity of more than 600,000 units.

Concurrently, a three-tier spare parts management system has been set up, featuring 2 central warehouses, 10 regional warehouses (3 overseas and 7 domestic), and over 400 local spare parts warehouses. With a global spare parts inventory exceeding 600,000 items, the company provides efficient and convenient hardware support services for customers worldwide.

Regarding delivery, ZTE has developed an end-to-end engineering service system based on its extensive project management practices. This system centered on the full lifecycle of communications networks: planning, construction, optimization, maintenance, and operation. The company partners with over 500 operators across more than 160 countries and regions, providing high-quality networks and efficient services to one-third of the global population. As of 2025, with a professional network services team of over 10,000 employees, ZTE has cumulatively delivered over 230,000 projects globally, deployed more than 6 million wireless sites, and provided fiber broadband coverage to over 30 million subscribers.

1 Global Customer Support Center (GCSC)

3 branch centers

5 Regional Customer Support Centers

40 Local Customer Support Centers

a professional network services team of over **10,000** employees

ZTE has cumulatively delivered over **230,000** projects globally

deployed more than **6** million wireless sites

provided fiber broadband coverage to over **30** million subscribers

Advancing Global Service Quality

In 2025, the company continued to advance the quality of its global services, ensuring that engineering delivery, technical support, and O&M services met customers' high standards. Additionally, ZTE established a Global Service Internal Control Risk Map to identify and manage various risks during project delivery, ensuring safe, compliant, and sustainable operations. Regarding customer service, the company launched a diverse range of services—including quality inspections, onsite technical training, and network optimization—to meet the diverse needs of global customers.

In terms of customer follow-up and complaint resolution, the company comprehensively optimized its handling mechanisms. In 2025, the company conducted follow-up surveys for domestic operators, government and enterprise customers, channel partners, and some overseas customers via AI voice calls, manual calls, and questionnaires.

In terms of service requirements, follow-up assignments were completed within 2 working days after customer requests were closed, with a 100% callback rate for critical-level issues and no less than 30% for other levels. All callbacks were required to be completed within 7 working days after case closure. Any customer opinions collected were reported in accordance with relevant procedures and followed up until customer confirmation.

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30% for other levels

All callbacks were required to be completed within

7 working days after case closure

Digitalization of Customer Services

To meet the demands for agile, efficient, low-cost, and high-quality delivery of communications network projects, the company has independently developed the iEPMS, a digital and intelligent delivery platform. This platform supports cross-domain data interconnection within the enterprise, empowers external partners to achieve ultimate operational efficiency, and delivers core value such as customer transactions. Additionally, the company has refined the "PEACM" digitalization methodology to steer the value assessment of digital planning and the development of delivery capabilities, jointly building a smart, collaborative, agile, and efficient industrial ecosystem.

ZTE's GCSC Intelligent Customer Service provides 24/7 knowledge Q&A, technical consultation, and rapid fault resolution services for global customers and internal employees. It is available across multiple channels, including the Support website, eSupport website, iSupport mobile app, the Customer Support WeChat official account, and iCenter. The system has been fully promoted both domestically and internationally, with over 8,000 internal users and more than 5,000 external users from operators and government/enterprise customers, covering all 107 sub-categories of the company's products. As of 2025, it has cumulatively served 164,570 users and processed 258,728 inquiries.

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Customer Capability Enhancement

In 2025, ZTE conducted over 500 training sessions for international operators and government/enterprise customers, covering more than 60 countries and regions and engaging over 7,500 participants. Among these, customized strategic training programs spanned over 120 days for customers from 6 countries, with course content covering cutting-edge technologies such as AI, 5G-Advanced and 6G, and IDC, as well as industry trends. Regarding overseas training centers, building on the existing seven centers, the company expanded the Malaysia Training Center and planned the construction of a new training center in Algeria, further promoting the development of the overseas cooperation ecosystem.

In 2025, the company carried out specialized empowerment programs for middle and senior managers of operators at both the group and provincial branch levels, covering over 1,000 individuals in 2025. Focusing on frontier trends such as "AI+" and the low-altitude economy, these programs systematically enhanced managers' strategic insight and business model construction capabilities. In addition, through group-level technical training and competitions centered on core technologies such as 5G-A/6G and computing-network convergence, the company cultivated over 2,000 technical experts and key professionals, effectively supporting the technical capability building and talent pipeline development of domestic operators.

For the domestic government/enterprise customers, as well as partners in new business sectors—including electric power, transportation, government affairs, and education—the company continued to delivered empowerment programs throughout 2025, training over 4,200 technical professionals. Additionally, the company organized over 100 high-quality events for the "Connecting with ZTE" program, attracting over 4,000 visits from government agencies, state-owned enterprises, and industry organizations. These activities significantly amplified the outreach of ZTE's soft power and enhanced its brand influence.

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Remaining Human-Centric and Supporting Employee Development

Talent is always the greatest asset for ZTE. We regard talent as one of our strategic cornerstones. We take comprehensive actions to enhance employees' sense of security, belonging, achievement, and honor.

Protecting Employees' Rights and Interests

Governance

The Human Resources Dept. is responsible for human resource planning, recruitment and staffing, appointment management, employee relations, compensation and benefits, performance management, cultural management, and digital transformation of human resources. The work related to employee health and safety is undertaken by the company's Health and Safety Committee, and the Health and Safety Office of Human Resources provides relevant support. ZTE Global Learning & Development Center is in charge of employee learning, development, and capability building. The positioning of Human Resources is to support and drive the fulfillment of corporate strategy, and contribute to and lead business growth.

Topics related to employee rights are integrated into the human resources work for overall management, including diversity and equal opportunity, anti-discrimination, prevention of child labor and forced labor, employee motivation, training and development, etc. The rights protection for employees in the supply chain is elaborated in the section "Upholding Win-Win Collaboration to Grow with Partners."

The human resources management team has over ten years of extensive managerial experience at home and abroad, especially in multiple fields such as R&D, engineering services, sales, and supply chain.

Strategy

ZTE respects all human rights specified in international instruments, such as the *Ten Principles of the UN Global Compact*, *Universal Declaration of Human Rights*, and *ILO Declaration on Fundamental Principles and Rights at Work*, and complies with the laws and regulations of the countries and regions where we operate.

Based on these principles, the company formulated the *ZTE Human Rights and Labor Rights Policy* to ensure equal opportunities in terms of employment and promotion, and to object discrimination based on age, gender, disability, sexual orientation, belief, etc. in recruitment, talent cultivation, performance appraisal, compensation management, career development, etc.

In overseas operations, the company also formulated corresponding policies based on local laws and regulations. For example, the *Equality Policy* in Spain commits to implementing the principle of gender equality in all company processes and has set specific goals and plans to ensure gender equality within the enterprise.

All ZTE employees are equal in terms of personality and dignity, regardless of their job division. Our core capability lies in the building of a harmonious and efficient team.

Human Resources supports the corporate strategy by optimizing talent deployment and fostering team cohesion to promote talent growth, with a focus on retaining key talent. We drive business performance through precise assessment and incentive mechanisms, ensuring that employee bonus distribution continues to reflect value contribution, thereby deepening differentiated evaluation and motivation. We are committed to continuously building a learning organization to support the company's ecosystem building for broader outreach of soft power. Upholding the spirit of hard work and innovation, we further stick to our behavior guidelines and carry forward the company's core values.

Impact, Risk, and Opportunity Management

In line with the legal requirements of our operating locations, human resources strategy, and business needs, and based on our internal control and risk management framework, we formulated the *ZTE Internal Control Manual – Manual for Human Resources*, which stipulates various internal control measures for human resources, including risk identification, assessment, response, and monitoring. The Human Resources Dept. organizes risk identification and assessment activities on a quarterly basis. Guided by the hierarchical risk control mechanism, the department tracks the progress monthly and reports to senior management when necessary.

Risk and Opportunity List

Category	Description	Probability	Impact Level	Measure
Risk	Non-compliant recruitment processes or hiring employees who do not meet legal requirements may impact our reputation and lead to labor and legal compliance risks.	Low	High	• Adopt a diversified and composite recruitment model, standardize recruitment processes, optimize digital platforms, and strengthen interviewer training to ensure transparency, openness, and fairness, and attract outstanding talent through multiple channels. • Establish red lines for employing production and manufacturing employees, conduct regular audits to ensure compliance with labor laws.
	Unreasonable implementation plans and non-compliant execution in the selection, cultivation, appointment, and retention of employees may lead to a lack of transparency and employees' inability to feel fairness, thus affecting their enthusiasm and leading to complaints and increased turnover.	Low	Medium	• Establish a clear, rational, and effective human resources management system to enhance employee vitality, promote continuous performance improvement, support career development, and thereby boost organizational performance and business capabilities.
	Ineffective communication channels may result in failure to respond to and handle employees' opinions and suggestions in a timely and effective manner.	Low	Medium	• Establish multi-level, diverse, and dimensional communication channels with comprehensive functions, such as zService, deep engagement of management at all levels with frontline employees, cultural representatives, and surveys. Collect and promptly respond to employee needs and suggestions, track the processing, and implement closed-loop management to ensure that employee concerns are properly addressed, and smoothness and high efficiency of communication channels.
Opportunity	We respect talent and provide employees with a good employment platform. We create an equal, inclusive, diverse, and healthy work environment, and offer comprehensive learning and growth opportunities for employees. This allows employees to realize their personal value, better adapt to, and prepare for the rapid development of the new era.	Medium	Medium	• Provide equal employment opportunities and take various measures to ensure employees' physical and mental health. • Create a simple, transparent, and candid communication environment. • Respect employees' diverse needs and foster an open, inclusive, and harmonious organizational atmosphere. • Continue to build a learning organization, strengthen talent development, and offer competitive growth opportunities.

Annual Progress

Promoting Diverse and Equal Recruitment

ZTE recruits top talent through various channels, including campus and social recruitment, and is committed to providing equal interview opportunities to all candidates regardless of race, age, gender, religion, disability, or sexual orientation. Job seekers can apply for positions in a standardized way through online public channels (such as ZTE's official recruitment website and official WeChat accounts) or by participating in in-person recruitment events.

Case

"ZTE Fantastic Challenge" Competition: Building a Global Platform for Youth Talent Development

The "ZTE Fantastic Challenge" competition is a global competitive event hosted by ZTE for university students. Since its inception in 2009, the competition has featured events in multiple fields, including programming, artificial intelligence, algorithms, marketing, finance, and thermal design. It has evolved into a well-known event brand, attracting tens of thousands of participants each year and earning wide recognition among university faculty and students.

In 2025, as the company accelerated its transformation into "connectivity + computing", the "ZTE Fantastic Challenge" competition has closely aligned with this strategic direction and industry trends. Focusing on cultivating AI talent and moving toward intelligence, the event serves as a platform to "promote learning through competition and hands-on practice." It helps university students keep pace with cutting-edge industry technologies, transforming theoretical knowledge into practical skills. At the same time, it provides an exchange platform for outstanding talents in the same field, enabling mutual learning, collaborative growth, and effectively empowering the young talents to unlock greater value.

In 2025, the company revised regulations such as the *Onboarding Management Process for Employees from Social Recruitment, Management Regulations for the Campus Recruitment*, and *Recruiter and Interview Management Process* with detailed compliance requirements as well as the certification and assignment criteria for recruiters. To ensure the professionalism, fairness, and standardization of interviews, a qualification certification exam for recruiters is organized quarterly.

Our one-stop, digital recruitment management platform is integrated with AI technology throughout the entire recruitment lifecycle. By leveraging natural language processing, big data, and deep learning algorithms, the platform enables intelligent, precise matching between candidates and positions. This significantly enhances talent acquisition efficiency while effectively reducing potential human bias during screening, ensuring the scientific rigor and impartiality of talent selection.

Case

ZSpark Program — Building a Fast Talent Development Track from Vietnamese Campus to the Company

The ZSpark program is an integrated initiative launched by ZTE in collaboration with local telecommunications universities in Vietnam. It focuses on the targeted development and employment integration of graduates. Centered on the core concept of "Industry-Education Integration, Targeted Talent Cultivation," this program establishes a "fast track" for Vietnamese graduates transitioning from campus to career. It achieves this through collaborative curriculum development, co-built practical training platforms, and direct talent pipelines. The project aims to reserve high-quality, localized talent for both ZTE Vietnam and the local telecommunications industry. We have designed a comprehensive five-stage development system encompassing campus outreach, talent selection, onboarding training, mentorship & project practice, and phased assessments. This system constructs a "professional + general + industry" competency matrix, facilitating the transformation of graduates from "campus students" to professional "workplace talents." Furthermore, the program offers diverse career pathways. Aligned with our "From Vietnam to Global" strategy, outstanding performers have the opportunity to apply for assignments in other countries, thereby expanding their international career horizons.

The company supports the employment of persons with disabilities by providing suitable jobs or providing various forms of support for them at locations such as our manufacturing base in Changsha, as well as overseas in countries including France and Italy.

Through comprehensive analysis from such aspects as selection, cultivation, appointment, and retention, we have taken various measures to protect the physical and mental health of employees with disabilities. Specifically, we provide interviewers with anti-discrimination training, which contains skills to avoid discrimination during interviews, organize multiple forms of training activities based on a thorough analysis of employees' needs, formulate special safety emergency response mechanisms for rapid problem-solving, and keep improving the company's facilities to make them more accessible.

In countries like France and Italy, we arrange more suitable offices and facilities for persons with disabilities based on their individual requirements to improve their working conditions.

ZTE takes a series of measures to prevent child labor, including identity verification and interception via the recruitment system and ID card reading during the pre-employment procedures, and regular reviews by employers. The company formulated the *Regulations for the Special Protection of Female and Juvenile Workers*, specifying the measures for minor protection such as periodic medical examinations and reasonable job arrangements. Remedial measures have also been put in place to provide maximum protection for children in case they are accidentally employed. In 2025, no incidents of child labor recruitment or usage were found in ZTE.

We always respect and endeavor to meet the needs of employees regardless of their countries and regions, religions and beliefs, cultures, and lifestyles. At ZTE, any kind of forced labor is forbidden, and every employee provides work of their own accord and has the legitimate right to terminate their employment relationships. In 2025, no instance of forced labor was found in ZTE.

Employee Performance Management

ZTE's *Employee Performance Management Process* clarifies the dimensions of employee performance appraisal, the formulation of performance plans, and the performance management process. In 2025, ZTE revised this process to further align individual work objectives with the organization's strategic goals, linking current performance with future development. The revision emphasizes timely and effective performance communication between managers and employees to drive the mutual growth of individuals and the company.

Employee performance management follows the principles of closed-loop management, objectivity, fairness, and transparency. Evaluations are primarily based on performance outcomes, while also comprehensively assessing compliance, work attitude, behavior, and capability levels. The company organizes the formulation of the employee performance plans every half year, requiring that management members and employees communicate mutually to complete the plans together, and that the finalized plans be publicized within the department.

Annual performance appraisal cycles vary by position type: annually for operational roles and semi-annually for all others. The evaluation covers 100% of employees who have been regularized for over one month. During the performance appraisal process, the head of each department shall have formal communication with employees about their performance. The Human Resources Dept. will conduct random checks on the communication status of departments. After the performance appraisal results are released and if employees do not agree with the results, or think that the appraisal was not carried out in a fair or compliant manner, they can file an appeal, which will be handled by the Human Resources Dept. The handling result will be provided in a timely manner. For employees who fail to get satisfactory results in appraisals, the management member of the department should provide guidance on fulfilling performance goals and on formulating clear performance improvement plans, and help employees improve their performance continuously. The results of employee performance appraisals will be applied in promotions, pay raise, bonus allocation, etc.

Compensation and Incentives

ZTE offers competitive compensation and benefits to employees. In addition to providing short, medium, and long-term material incentives for employees, we have established a comprehensive system for publicly and promptly honoring and recognizing employees who have made outstanding value contributions.

Sticking to the principle of "value contributor-oriented", the company has built an incentive mechanism that prioritizes personal performance and contributions. With talent review and performance appraisals, the top value contributors were identified for targeted incentive allocation. For different groups of employees, short and mid-term incentives such as precise pay raise, differential incentives, three-year incentive plan, and stock options are given in a targeted way; For young leading talent, in addition to short- and mid-term incentives, shares are granted to stimulate employees' enthusiasm, which in turn contribute to the company's business growth.

In 2025, the company launched the "Three-Year Incentive Plan 2025-2027" for core employees in key positions and high-potential employees. This plan embodies the principles of sharing future development gains with employees, and remaining value contributor–oriented. Payouts are directly tied to the performance of the company, the business unit, and the individual.

In addition to material incentives, the company has established a comprehensive honorary recognition and commendation system, and set up awards for individuals such as the Gold and Silver Awards, Hard-Working and Innovative Pioneers, Gold and Silver Mentors, and Outstanding Graduate, as well as awards for teams such as the President's Honor Award, ZTE Special Contribution Awards, ZTE Excellent Operation Awards, and Honorary Team Awards. These honors aim to motivate employees to stay cooperative, pragmatic, professional, and responsible, and strive to be value contributors. In addition, the company has set up professional awards such as the Excellent Quality Awards, Product Solution Innovation Awards, and Scientific and Technological Innovation Progress Awards to encourage frontline business personnel to make continuous breakthroughs and innovations, and therefore improve the competitiveness and influence of the company's core technologies and products.

Gold and Silver Awards, as the highest honor for role models, have a history of 17 years. By 2025, over 500 employees have received this honor (with 22% being female). These individuals have made outstanding contributions and created significant value in their respective positions, demonstrating strong performance in their subsequent career development.

Continuously Enhancing Employee Benefits

The company offers comprehensive benefits covering various aspects of employees' daily lives and is committed to continuously optimizing this welfare system. In addition to statutory holidays and benefits, ZTE provides a range of company-specific perks, including flexible working hours, prenatal leave, volunteer leave, and commercial insurance.

Case

Launching the "Venue Assistant" to Improve Convenience and Efficiency

The company actively promotes the construction of employee-friendly workplaces. By the end of 2025, it had established 20 basketball courts, 16 yoga and dance studios, 13 table tennis rooms, 7 gyms, 6 fitness corners, 6 football pitches, 5 billiard rooms, 3 badminton courts, and 3 comprehensive employee activity centers across various locations. Supporting facilities include 10 changing rooms with showers, 32 lactation rooms, and 220 pantries.

In December 2025, the "Venue Assistant" mini-program was officially launched on iCenter. Employees can use this app to view real-time information about the location, facilities, opening hours, and reservation methods of sports and supporting venues. This enables convenient and efficient venue booking and management, further improving resource utilization and meeting employees' increasingly diverse lifestyle and health needs.

To effectively address the childcare challenges faced by employees during holidays, the company has organized and supervised daycare classes in summer vacation for two consecutive years, always prioritizing service quality and children's safety to ensure employees can work with peace of mind. In addition to providing structured homework tutoring, the program incorporates diverse activities such as interest development, arts and sports, and educational field trips to create a rich growth experience. This truly achieves the convenient service of "dropping off in the morning and picking up in the evening."

Building a Diverse and Inclusive Workplace

An open and inclusive work environment empowers employees to maximize their potential and vitality. The company respects the cultural diversity and specific needs of individuals from different nations and religious backgrounds, respecting their personal lifestyles and providing convenience where possible. Representative offices worldwide organize a variety of cultural activities for occasions such as Christmas, Eid, Songkran, Halloween, Thanksgiving, and traditional Chinese festivals. These initiatives promote the exchange and integration of diverse cultures.

Case

"We Love ZTE" Summer Camp, Weaving a Symphony of Technology and Cultures

In August 2025, the company hosted the 6th "We Love ZTE" summer camp. This event was designed to thank our overseas employees for their dedication and to honor the understanding and support of their families. Over the course of 5 days, employees and their families experienced the charm of technology innovation and immersed themselves in the profound heritage of Chinese culture. This event served not only as a family reunion transcending borders but also as a journey of cultural integration.

ZTE cares about the personalized needs of our female employees, continuously optimizes their working environment, and encourages them to fully utilize their talents and pursue higher career development.

In 2025, the company launched a series of activities titled "Celebrating International Women's Day in Thirteen Cities and Paying Tribute to Forty Years of ZTE History." A total of 34 events were held for International Women's Day, ranging from intangible cultural heritage handicraft experiences—such as pearl oyster opening, miniature landscape creation, Diancui (kingfisher feather) art, and Cloisonné—to floral art salons and women-themed talk shows. These activities allowed female employees to release stress and refresh their minds and bodies through creation and laughter. In various overseas locations, the company also held a variety of wellness activities for women."

Case **The Power of Gentle Leadership**

Organized by NoiD Telecom and Women in Procurement®, and actively participated in and supported by ZTE Italy, the event "The Power of Gentle Leadership" served as a platform to share the values of this leadership style. This approach emphasizes empathy, respectful communication, and the well-being of people. Centered on leadership and women's career development, the event invited female managers from ZTE Italy to participate in a forum and share their insights.

Gentle leadership is a journey toward authenticity and humility. It represents a new way of leading and a genuine professional lifestyle. Gentle leaders practice active listening, communicate clearly and respectfully, and care about their team's well-being, guiding them to achieve business results and objectives. This methodology not only improves interpersonal relationships but also delivers tangible results in terms of motivation and productivity.

Employee Career Development

ZTE has established a comprehensive career development system, allowing employees to continuously deepen their expertise or switch tracks according to their own preferences across three development pathways: management, professional, and project tracks.

ZTE's *Selection and Appointment Management Process for Management Members* standardizes the qualifications, selection procedures, approval processes, and appointment norms for management positions in the managerial and project management paths. Meanwhile, the *Employee Position Appointment Management Process* defines clear career path. The company organizes annual position appointments, during which promotions are determined by comprehensively evaluating factors such as an employee's competency level and job performance.

Two of the company's wireless experts joined the company after obtaining their master's degrees in 2019 and were selected for the "World's Top 2% Scientists List" released jointly by Stanford University and Elsevier in 2025.

To adapt to the development trends of intelligent manufacturing, ZTE has established a refined and differentiated career development system for production line staff. This system subdivides the development pathways into four distinct tracks: management, business, technology, and operations, accompanied by detailed grade classifications. Since its pilot launch three years ago, this system has covered over 90% of production line employees, with more than 2,000 individuals receiving opportunities for additional promotion in 2025.

For employees seeking internal job transfers, ZTE has established an integrated information platform covering the entire process from "internal recruitment" to "internal transfer," enabling efficient talent mobility. In 2025, over a thousand employees successfully transferred to new positions through the internal platform.

Organizational Optimization of the Trade Union

ZTE's Trade Union is established and operates in strict compliance with national laws and regulations. The Trade Union has established a systematic organizational network led by the Trade Union Committee. Under this committee, branch unions are set up according to administrative levels, and these branch unions further establish union groups at the department level, thereby achieving full organizational coverage.

In 2025, the company's Trade Union Committee legally completed the supplementary election of an employee director and trade union committee members. The Trade Union strictly followed the Trade Union Law to formulate the election plan. An employee director was elected through a preferential voting system at the 6th Session of the 9th Employee Representative Congress. Additionally, 368 member representatives elected 4 trade union committee members via an online voting system. The Trade Union convened the Member Representative Congress twice and the Employee Representative Congress 11 times via online platforms. The Employee Representative Congress reviewed and ratified 30 regulations concerning employees' vital interests, including the *Accountability Management Regulations*.

Overseas, ZTE's subsidiaries in Spain, Germany, France, Vietnam, and other countries have established trade union organizations. Collective agreements have been signed in subsidiaries located in Southern Europe, covering content including but not limited to compensation and benefits (holiday pay, attendance, career development, training, etc.), employee health and safety, and working conditions.

Providing Smooth Communication Channels

ZTE always values the voice of frontline employees and is committed to creating a candid and open two-way communication environment, valuing and promptly responding to employees' concerns. A diverse range of communication channels has been established, encouraging employees to speak freely through online methods such as opinion surveys, email, and internal communication platforms, as well as face-to-face activities like employee forums, lunch meetings, and employee representative congresses. Management at all levels proactively engages with frontline employees to hear their feedback and prioritizes the improvement and implementation of solutions for frequently raised issues.

On zService, all suggestions, issues, and inquiries raised by employees (including those from subsidiaries and outsourced ones) can be conveniently submitted, tracked, and completed in a closed loop. In 2025, zService processed over 150,000 documents, with a satisfaction rate of 96.99%, marking improvements for 4 consecutive years.

In November 2025, the company engaged a third-party institution to independently conduct a company-wide employee engagement survey. This survey introduced new key topics, such as "cross-function collaboration," to systematically diagnose potential problems and risks in management factors affecting employee engagement. This enables management at all levels to formulate and optimize relevant policies with precision, thereby supporting the achievement of the company's strategic goals. The results are not used for the evaluation of any organization or individual.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Protecting Employees' Rights and Interests	Compliant employment with no incidents of employee rights violations	• Zero incidents of child labor and forced labor • Employee complaint and report resolution rate: 100%	• Incidents of child labor and forced labor: 0 • Employee complaint resolution rate: 100%
	Enhance employee protection	• 100% coverage of employee insurance	• Commercial insurance coverage for employees: 100% Social insurance coverage for employees: 100%
	Improve the efficiency of zService	• Handling of more than 95% of documents within 3 working days	• In 2025, over 99.34% of documents were handled within 3 working days.
	Increase employee well-being and satisfaction	• Employee service satisfaction score reaches 95 points	• Employee service satisfaction scores in the first and second halves of 2025 were 95.17 and 96.58 points respectively.

Employee Empowerment and Capability Enhancement

Governance

ZTE is committed to building a learning organization. The Global Learning & Development Center, in collaboration with capability centers in various fields, BUHRs, and business units of the company, constructs a new organizational learning paradigm driven by both positions and business needs, creating a self-motivated learning organization that is more resilient and self-iterative to rapidly adapt to external changes and challenges.

ZTE has established a "Core 3" operation model for employee empowerment, comprising the "Global Learning & Development Center (COE) — Capability Centers & BUHR (BP) — Learning Support Platform (SSC)." As the level-zero capability center, the Global Learning & Development Center is responsible for formulating the company's overall learning development framework and strategies, building learning platforms, sharing resources, and providing professional consultation and coaching to capability centers. The company has established 26 level-1 capability centers, each headed by a director. Guided by the company's Capability Center Maturity Assessment Model, these centers conduct learning and development activities in their respective professional fields across 6 aspects: capability enhancement planning, learning program operations, learning resources development, knowledge management and operations, capability assessment, and organizational management. The Global Learning & Development Center conducts annual maturity assessments of the capability centers, rating their maturity levels and providing work guidance and improvement recommendations.

Strategy

To comprehensively advance the building of the learning organization in ZTE, we have formulated regulations on various aspects, including organizational structure, trainer and curriculum development, skills assessment, and knowledge transfer. The *Management Regulations on Capability Center Building of ZTE Corporation* clarifies the positioning, responsibilities, and construction requirements for capability centers to promote their maturity. The *Part-Time Trainer Management Process* specifies standard management and certification procedures for part-time trainers with a focus on building a part-time trainer team aligned with business development to facilitate knowledge dissemination and sharing. The *Employee Skill Certification Management Process* refines job capability requirements and assessment methods to ensure job-skill alignment. The *Management Regulations on Employees' Knowledge Transfer Points and Result Application* specifies the requirements and rules for knowledge transfer to ensure knowledge sharing and accumulation. Furthermore, the *Management Process of Employee Training Fees* standardizes the budgeting, reimbursement, and disbursement management of training expenses to support the enhancement of employee professional capabilities. This series of regulations collectively ensures that the company's talent development initiatives are systematically and consistently driven forward.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

The risk assessment expert team of ZTE Global Learning & Development Center conducts risk identification, assessment, and monitoring annually in accordance with the overall human resources planning and requirements.

Category	Description	Probability	Impact Level	Measure
Risk	In the AI era, with the rapid pace of technological updates and organizational/talent structural changes driven by strategic upgrades, the failure to continuously build a learning organization will undermine the effectiveness of organizational empowerment and the development of talent pipelines.	Medium	High	• Organizational level: In alignment with the company's strategic upgrade, the learning departments evolve with the times, centering on business needs and implementing rapid adjustments. • Talent level: Focus on the transformation of knowledge reserves, strengthen organizational empowerment to adapt to the changing talent structure in the AI era.
	Lack of control over the capability centers may affect the effective implementation of their work, the building of a learning organization, and capability enhancement.	Low	Medium	• ZTE Global Learning & Development Center issues formal documents to standardize the construction of capability centers, establishes communication, reporting, and monitoring mechanisms, develops a capability center maturity model, and regularly assesses the heads of capability centers and their construction effectiveness.
Opportunity	The company's comprehensive employee learning and development as well as talent cultivation system can help accelerate employee development, enhance the company's brand and market competitiveness, and bring potential business opportunities to the company.	Medium	High	• Continuously build an agile learning organization and foster a proactive learning culture. Actively participate in exchanges with internationally renowned industry organizations (such as ISPI and ATD) to enhance our professional brand image and influence in learning and development.

Annual Progress

New Employee Development

ZTE has established a systematic and layered onboarding mechanism. In 2025, the company continued to optimize the three-phase progressive path "corporate-level cultural induction," "system-level professional development," and "department-level job practice," which is centered on the goals of "dedication, professionalism, and expertise."

Cultural induction

During this phase, courses on corporate culture, regulations, and product knowledge, combined with exchanges with role models and public welfare practices, help new employees build a sense of belonging and responsibility.

Professional development

In this phase, modular training and scenario-based practical sessions conducted by various business units strengthen job-specific professional capabilities.

Job practice

In this phase, each new employee is assigned a dedicated mentor who provides adaptation guidance and career development support, systematically accelerating their role integration and value contribution.

For high-potential fresh graduates, the company continues to implement the "Blue Sword" program, providing a dedicated development track featuring dual mentorship (professional and career), specialized training classes, and challenging assignments. Through exchange activities with company experts and industry leaders, executive forums, and team-building initiatives, the program accelerates the growth of Blue Sword talents. To date, dozens out of the program have grown into senior experts or management members, achieving outstanding results in technological innovation, patent output, and industry awards.

Building the Management Team

ZTE has established a comprehensive, multi-tiered leadership development system. This system systematically empowers both current managers and future leadership pipelines, supporting organizational strategy execution and talent pipeline development from consolidating frontline management capabilities to enhancing mid-to-senior level leadership.

For frontline managers, we have designed and implemented a specialized empowerment program to systematically enhance 7 key capabilities, including systems thinking, proactive change management, and synergistic effectiveness. In 2025, through centralized training and action learning initiatives across various business units, the program covered thousands of frontline managers, effectively promoting standardized and practical improvements in management proficiency.

For mid-to-senior level managers, ZTE has established the "Leadership Training Sessions" as the core platform for management development, providing differentiated training pathways for both new and incumbent management members. In 2025, themed "Forging Ahead with Entrepreneurial Spirit," the program focused on strategic alignment and innovative practices. It covered thousands of management members across all levels, continuously driving the refinement of their leadership qualities and management effectiveness.

Cultivation of R&D and Technical Talent

Focusing on fields of key technologies, the company set up the training program for "Young Leading Talent", to select young leading talent from outstanding young technical experts, and assigns a mentor for each of them to help them, through both training and practice, lead teams in tackling challenging problems.

In 2025, 9 Young Leading Talents and their mentors conducted frontier technology sharing sessions. Among them, 1 mentor and 2 trainees received the company's Gold and Silver Trainer awards. The program facilitated exchanges with external experts through training camps and forums. Several Young Leading Talents achieved technological breakthroughs in major projects and received domestic and international awards, gradually growing into level 6 experts or management backbones within the company.

Focusing on the capability advancement of R&D personnel and the construction of an organizational empowerment system in the AI era, ZTE continues to enhance R&D capabilities and build an employee empowerment ecosystem for the AI era.

Job innovation

We analyzed industry trends to explore AI transformation pathways for R&D personnel, and established new AI-specific positions while integrating AI application fundamentals into the competency requirements for all software roles;

Learning resource development

Focusing on architectural thinking and AI application, we developed dozens of high-quality "architectural thinking + AI" courses to solidify theoretical foundations, and tailored learning programs for 80% core personnel to enhance their architectural and AI thinking capabilities;

Competency evaluation

We comprehensively initiated assessments for architectural thinking, AI thinking, AI knowledge, and AI application skills, while conducting certifications for software engineering and architectural capabilities;

Cutting-edge tools

We actively explored AI-enabled product suites, leveraging AI agents to drive personalized learning, aiming to significantly improve learning and knowledge transfer efficiency while reducing the transaction costs of corporate knowledge assets.

Developing International Talent Teams

ZTE continues to advance its global talent strategy, placing high importance on the capability building of local teams overseas.

In the field of marketing, we empowered local employees in 2025 through various formats, including online and onsite blended training, specialized training camps, and practical salons. Notably, the practical online salons for expatriate employees saw increasing popularity, with a 32.4% rise in visits and a 14.2% increase in satisfaction compared to 2024. The model of "5A senior experts giving lectures + cross-business unit sharing of successful experiences" received consistent praise. The number of locally certified core project roles grew by 30% compared to 2024. The marketing-exclusive learning platform, Bee Global, released over 300 learning resources with a monthly active user rate exceeding 90%, providing convenient and efficient support for continuous learning.

Regarding local engineering service talent development, the company organizes programs, such as the overseas local employee training in China, national training camps, local expert training, backbone staff development for new businesses, and the Global Services Forum, to comprehensively cover key local employees in engineering, technology, and services. In 2025, local employees assumed over 80% of primary roles in international engineering service delivery projects, effectively promoting localized operations and efficient delivery.

Case

Connecting for an Intelligent Future—Training for Engineers in Nanjing

In September 2025, the company, in collaboration with the Chinese Society of Engineers (CSE), hosted the "Connecting for an Intelligent Future" training workshop in Nanjing. Over 80 Chinese and foreign engineers engaged in in-depth exchanges on topics such as artificial intelligence and digital-intelligent delivery. Through keynote reports, onsite visits to 5G smart factories, sand table simulations, and round-table dialogs, participants have collectively enhanced their engineering practical skills. This event established a solid bridge for mutual learning between Chinese and global telecommunications talents, fostering the growth of the global technical workforce.

ZTE also actively organizes high-level, cross-regional specialized empowerment and exchange initiatives. The overseas marketing departments conducted annual training, focusing on strategic operations and AI insights, for over 300 local backbone employees across 61 countries. In July 2025, sales and technical elites from 25 countries participated in the "Dual-Force Bootcamp" at the Shenzhen headquarters, engaging in in-depth studies centered on corporate strategy and cutting-edge technologies.

Developing Supply Chain Talent Teams

ZTE's supply chain continues to advance the systematic development of key personnel. By focusing on management teams, experts, digital & intelligent talents, core and backbone staff, and high-level technicians, we efficiently drive and manage these initiatives through project-based operations and closed-loop management.

In 2025, the supply chain actively explored structural talent reforms for the AI era, systematically advanced the construction of a digital and intelligent talent pool through four core measures—"analyzing structure, building systems, expanding talent, and increasing motivation". Additionally, we established skill models and a knowledge platform, organized over 40 training sessions and held 2 intelligent technology application competitions. This expanded our digital & intelligent talent pool to over 500 members, successfully driving the implementation of more than 100 intelligent technology business scenarios within the supply chain, supporting its intelligent transformation.

Established as an internal platform for manufacturing talent, ZTE Manufacturing Technology College has obtained the certification of the "Electronic Information Talent Capability Enhancement Project Training Base" from the Chinese Institute of Electronics. In 2025, beyond ensuring regular training programs, ZTE Manufacturing Technology College organized multiple specialized seminars focusing on advanced, green, and safe manufacturing to support the upgrading of the company's manufacturing capabilities. ZTE Manufacturing Technology College also engaged in cooperative education, cultivating over 70 intermediate-level manufacturing talents for society through more than 200 hours of lectures, delivering the dual value of internal empowerment and social contribution.

Employee Learning Support

ZTE is committed to building a comprehensive, multi-layered learning support system for its employees, continuously expanding pathways for career development and capability enhancement, and facilitating synergy between individual growth and organizational advancement.

Regarding academic advancement, the company actively promotes continuing education by collaborating with 15 educational institutions (including 7 offering diploma-to-degree programs and 8 offering associate-to-bachelor programs), providing employees with opportunities for on-the-job academic upgrading. By the end of 2025, a total of 1,200 employees had registered. In 2025, 114 employees participated (36 in diploma-to-degree programs and 78 in associate-to-bachelor programs), with 65 being female, accounting for 57%.

The company places high importance on the continuous certification and improvement of employees' professional capabilities and has established reimbursement channels for over 100 professional qualification certificates and skill certifications covering fields such as project management, cybersecurity, as well as health and safety, encouraging employees to obtain industry-recognized credentials. By the end of the reporting period, the company had cumulatively supported over 4,000 instances of employees obtaining various industry certifications, effectively enhancing the professional competence and compliance standards of the workforce.

To promote efficient synergy in global business, ZTE and its subsidiaries systematically conduct cross-cultural training for employees engaged in international business, aiming to strengthen multicultural awareness and team integration. Courses for Chinese employees focus on cross-cultural communication, international collaboration, and respect for diversity, while courses for foreign employees integrate cross-cultural knowledge with distinctive Chinese cultural elements to foster cultural resonance and a sense of belonging. By 2025, the program had cumulatively covered over 3,000 Chinese employees and over 2,000 local employees, laying a humanistic foundation for the collaboration of global teams.

Survey on Learning Perception

To continuously optimize the employee learning and development system, ZTE conducts an annual learning development perception survey. This initiative systematically evaluates employees' perceptions and feedback regarding learning resource accessibility, learning experience quality, learning resource development incentives, and the application of learning outcomes.

We review and summarize the implementation effectiveness of related improvement measures before the next year's survey and provide feedback to employees. This establishes a closed-loop management mechanism of "Survey—Analysis—Improvement—Feedback," continuously driving the joint enhancement of organizational learning effectiveness and employee development experience.

Metric and Target

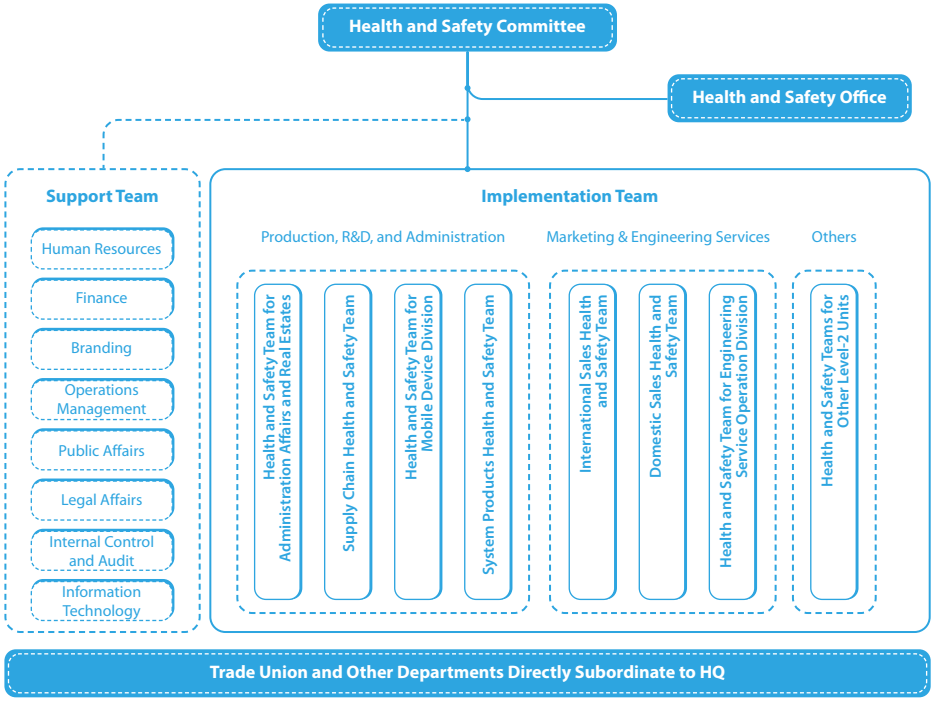
Topic	Target	Key Metric	Progress in 2025
Employee Empowerment and Capability Enhancement	Comprehensively improve employees' core capabilities and professional qualities, create value, ensure alignment between individual development and the company's strategy, and actively respond to external changes.	• Employee training coverage rate: 100% • Learning resource satisfaction: 86 points • Rate of senior experts giving lectures: 70%	• Employee participation in training reached 100%. • Learning resource satisfaction achieved 90.3 points. • Rate of senior experts giving lectures reached 73.5%.

Building a Healthy and Safe Workplace

Governance

ZTE has established the Health and Safety Committee to oversee the management of health and safety affairs. The committee consists of a director and members. The Director of the committee is served by the company's Senior Vice President in charge of Human Resources. Committee members include the Chair of the Trade Union, the General Manager of the Human Resources Dept., the Chief Health and Safety Officer (Safety Production Director), the Director of the Health and Safety Office, and the Health and Safety Directors of all level-2 business units.

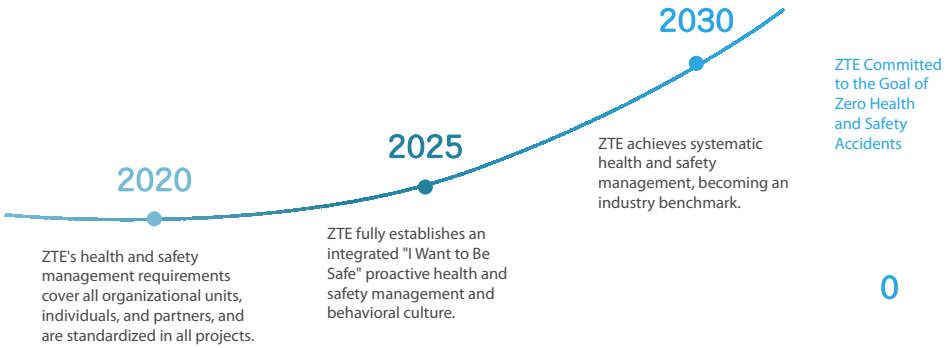
The committee operates under an integrated mechanism, covering all of ZTE's global operational sites. By clearly defining the "personnel-based + location-based" principle, the committee ensures the practical implementation of health and safety objectives at the frontline. Regular meetings are held to ensure effective two-way communication and the smooth flow of information.



ZTE Health and Safety Management Structure

Strategy

ZTE endeavors to create a sustainable, healthy, and safe environment with a health and safety culture incorporating "Love and Responsibility." With love as the bond and responsibility as the mission, we have been working with customers and partners to enhance health and safety awareness as well as our management level, set industry benchmarks, and create social value as well.



ZTE Health and Safety Roadmap

In accordance with the ISO 45001 standard, ZTE has established an Occupational Health and Safety Management System (OHSMS) that defines its health and safety policy and annual objectives. We conduct comprehensive risk assessments to identify potential safety hazards and health and safety risks.

For employee training, the focus is on enhancing safety awareness and emergency response capabilities, strengthening the construction of safety management systems, and standardizing employee operations and operational procedures. We invest in sufficient safety equipment and protective facilities to reduce the risk of accidents. To ensure the implementation of these measures, the Health and Safety Office, management members at all levels, and health and safety directors/managers conduct regular safety inspections and assessments. We encourage employees to actively participate in health and safety management and to propose improvement suggestions. During collaboration with external professional organizations, we receive specialized safety consulting and technical support. We are committed to creating a positive health and safety culture, ensuring the building of a proactive health and safety management and behavioral culture centered on "I want to be safe."

In 2025, the company completed the re-evaluation of its health and safety culture. Following data analysis and comprehensive assessment, it was confirmed that the organization has established an integrated, proactive health and safety management and behavioral culture driven by the principle of "I want to be safe." The phased milestone has been successfully achieved.

Impact, Risk, and Opportunity Management

In strict conformance with national requirements for dual prevention mechanisms in production safety and the ISO 45001, and based on our risk management framework, ZTE regularly conducts hazard identification and risk assessment. Through specialized meetings on legal and regulatory compliance and regular communication with customers, we effectively identify and address external risks. To address risks related to changes in laws and regulations, ZTE established a dedicated session at the quarterly Health and Safety Committee meetings to review compliance and corrective measures. This ensured compliant and targeted management practices and effective responses to changes in external regulations.

Risk and Opportunity List

Category	Description	Probability	Impact Level	Measure
Risk	Failure to promptly identify production safety hazards or effectively manage the production safety of partners may lead to corresponding accidents, occupational health injuries, and property damage.	Low	High	• Continuously enhance awareness of health and safety among employees and encourage everyone to report concerns about hazards • Conduct regular training • Regularly identify hazards • Regularly inspect and address hidden dangers • Improve emergency response plans and conduct regular drills
	Failure to promptly identify changes in laws and regulations and implement them as required may result in government fines or suspension for rectification.	Low	Medium	• Collaborate with external professional legal consulting firms to obtain updates on regulatory changes • Conduct specialized reviews of legal compliance at quarterly health and safety committee meetings • Regularly evaluate compliance with laws and regulations at major bases
Opportunity	Ensuring the safety and health of employees helps protect their rights, increase job satisfaction, improve production efficiency and economic benefits, maintain a positive corporate image and reputation, and enhance market competitiveness.	Medium	High	• Maintain an effective health and safety management system • Conduct health and safety publicity and training for all employees • Establish a health and safety culture centered on "I want to be safe" • Organize health and safety forums and build a coordinated health and safety management system with partners

Annual Progress

Health and Safety Management in Corporate Operations

- System construction and certification: ZTE continued to pursue third-party certification for its health and safety management system. In 2025, we successfully passed the re-assessment for the ISO 45001 system for all domestic operations and production sites, as well as for operations in 30 overseas countries. This ensured that ZTE's operations and management were more systematic, standardized, and internationalized. Additionally, the Changsha and Xi'an bases have obtained level-2 certification for national work safety standardization.

- Release and continuous updating of the health and safety risk map: Based on hazard identification results, the company has identified key high-risk scenarios and produced the *ZTE Health and Safety Risk Map*. This map covers 9 major categories of content and their distribution locations: hazardous chemicals, special equipment, high-temperature aging test chambers, confined spaces, high voltage power distribution rooms, lithium battery storage, radiation producing devices, equipment battery charging areas, and equipment with batteries. The map allows for a quick understanding of key information such as the company's primary risk points, their locations, responsible units, brief descriptions, and specific persons-in-charge. This facilitates the identification of key areas for health and safety inspections, ensuring that high-risk scenarios receive focused attention.

- Legal and regulatory changes and compliance management: To address risks related to changes in laws and regulations, ZTE established a dedicated session at the quarterly Health and Safety Committee meetings to review compliance and corrective measures. This ensured compliant and targeted management requirements and practices and effective responses to changes in external regulations. In 2025, in collaboration with an external professional institution, ZTE conducted a legal and regulatory compliance evaluation for Heyuan Base and released regular progress reports to ensure the implementation of corrective actions. By the end of 2025, compliance evaluations had been completed across the company's 5 major manufacturing bases and primary research institutes.

- Culture building: The company employs a multi-dimensional approach—utilizing visual promotion materials and a variety of online and onsite activities—to comprehensively enhance the health and safety culture awareness of all employees. Initiatives included: Visual promotion: development of desktop screen savers and iCenter chat emoticon packs. Company-wide health and safety video competition: engaged 63 participants. Online health and safety knowledge challenge (3 sessions): engaged 4,993 participants. Annual "Ankang Cup" campaign: recorded 111,800 participant instances (a 251% year-on-year increase) across 88 activities (a 29% year-on-year increase). Fire safety knowledge challenge: engaged 1,338 participant instances. Online activity "Identify Fire Hazards from Images": engaged 949 participant instances.

- Health and safety forum: In August 2025, ZTE successfully hosted the 8th Health and Safety Forum in Shenzhen, focusing on the core theme of "Safety Culture Building." The forum brought together over 140 experts and representatives from government emergency management departments, domestic and international certification bodies, industry-leading enterprises, and partners. They engaged in in-depth exchanges on sharing best practices and advancing innovative safety management, establishing an efficient and open platform for dialog to elevate safety governance standards.

- Capability enhancement: In 2025, relying on historical accident data analysis and in line with the company's business development, the company organized various targeted training sessions to effectively enhance risk response and accident prevention capabilities. These included: Company-wide health and safety training and exams: 100% participation rate. Employee psychological risk identification and response training: over 730 participants across 2 sessions. Two-wheeler defensive driving special training (traffic safety): 319 participants. Overseas personal safety management training: 177 participants. Certified safety engineer exam preparation training: 91 participants. First aid training: 478 personnel passed the first aid retraining. Additionally, 8 obtained the American Heart Association (AHA) certification, and 122 passed the AHA retraining.

Case

Multiple Initiatives to Inspire Employees' "I Want to Be Safe" Awareness

In 2025, ZTE launched the "health and safety knowledge fun challenge" series competition. Comprising three monthly sessions themed around "enhancing safety awareness," "remembering safety regulations," and "daily safety precautions," this initiative guided employees to utilize fragmented time for learning through interactive online quizzes.

The company also initiated the "I want to be safe" themed video contest for all employees. This event encouraged staff to utilize AI tools to independently create content on themes such as fire safety, traffic safety, and production safety. By transforming safety knowledge into creative, easily understandable, and engaging content, and supporting it with attractive certificates of honor and cash incentives, the campaign significantly enhanced safety awareness among employees.

Furthermore, focusing on the two key themes of "annual physical examinations" and "commuting safety," the company designed a series of custom computer screen savers. These integrated key health reminders and safety guidelines into employees' daily work environments, enabling a routine and precise promotion. Additionally, 25 sets of health and safety-themed emoticons were created and released on the iCenter platform, incorporating safety norms and reminders into employees' daily online communications through vivid and approachable visual language.

Employee health prevention: The company arranges a free annual physical examination for all employees. For staff exposed to occupational hazard factors, we strictly implement occupational health examinations before, during, and after their employment. Furthermore, we proactively plan and implement measures to effectively reduce exposure to occupational hazard positions.

Case

Technological Upgrades Reduce Occupational Exposure and Mitigate Risks at the Source

In 2025, the company implemented a dual-pronged strategy of "technological innovation + management enhancement" to comprehensively reduce occupational risks based on a 4-dimensional control system, covering personnel, equipment, environment, and management.

P Personnel (exposure control)

We implemented a man-machine separation model, clearly delineating hazardous and non-hazardous work zones (e.g., for noise, high temperatures, dust, and chemical hazards) to strictly control the number of employees exposed to occupational risks. Additionally, the duration of employee exposure to hazardous factors was shortened.

E Equipment (material & machinery control)

We advanced production automation to replace manual operations with machinery. We implemented source control of raw and auxiliary materials by substituting hazardous components with non-hazardous formulations. For example, the stencil cleaning agent in workshops was changed from alcohol-based to water-based, achieving a fundamental shift from containing methanol to being methanol-free.

E Environment (workplace environment control)

We upgraded dust removal equipment and ventilation systems to optimize the quality of the working environment.

M Management (management model upgrade)

We installed digital visual dashboards to enable remote monitoring and management of work processes.

Through the implementation of these measures, the number of positions exposed to occupational hazards across the company decreased by 27% year-on-year in 2025, effectively mitigating the risk of occupational diseases at the source.

- Health and safety inspections and hazard rectification: In 2025, the company completed 28 corporate-level regular inspections, assessed and graded the identified hazards, and established clear rectification plans and targets. ZTE has been implementing these plans and evaluating their effectiveness to ensure the continuity and effectiveness of hazard management. A total of 646 varied hazards were identified. The company encourages employees to report health and safety hazards promptly and has established the *Incentive Program for Prompt Hazard Reporting* to specify the reward mechanism. In 2025, 15 employees were recognized and rewarded.

- AI applications in safety management: In 2025, the company successfully completed 18 AI and digital-intelligent application projects. They provide comprehensive protection across hazard monitoring, prevention, and emergency response, reducing safety risks by leveraging technology to empower management.

Case **AI Application at the Nanjing Machining Center**

At the Nanjing Machining Center, the company has deployed an intelligent safety management system powered by audio-visual multimodal AI technology. By fusing visual and audio features through deep neural networks, the system enables real-time, precise identification of safety gear compliance, standardized hand movements, and abnormal noises, effectively preventing potential risks. Specifically, the visual module utilizes Vision Transformers (ViT) to process long-sequence images, while the audio module employs Convolutional Neural Networks (CNN) to detect anomalous sounds. The integration of transfer learning further enhances the model's adaptation efficiency. With millisecond-level response capability, the system immediately triggers audible and visual alarms and retains evidence upon detecting anomalies, thereby robustly ensuring operational safety.

- Emergency management: In 2025, the company developed and released onsite response plans for common and frequent hazardous diseases overseas, such as dengue fever. These plans cover key aspects including reporting procedures, medical support and follow-up, environmental prevention and control, monitoring and treatment, and expense reimbursement, effectively promoting standardized and systematic emergency response while enhancing both response efficiency and effectiveness. The company launched the "Emergency Assistance Program," establishing a 24/7 emergency assistance system covering 22 industrial parks through the dual-core drive of a "professional team + digital-intelligent tools." All team members are certified and possess professional first-aid capabilities. Technologically, the system has deployed over 2,500 emergency assistance QR codes and smart hotlines, enabling "location via scanning/dialing" and precise transfer to emergency specialists within 5 seconds. The backend system is deeply integrated with the iCenter platform and AI intelligent monitoring, forming a closed-loop emergency response mechanism characterized by "human-machine collaboration and dual safeguards."

- Health and safety maturity assessment: Since 2022, the Health and Safety Office has conducted annual comprehensive health and safety management maturity assessments for the company's 5 major domestic manufacturing bases and 10 research institutes. The assessment covers 12 dimensions: safety production responsibility system, "Three Simultaneities" management, education and training, chemical management, special equipment safety management, equipment safety management, electrical safety, interested party management, emergency management, risk grading and control & hazard investigation and governance, occupational hygiene management, and other comprehensive elements (food hygiene, site environment, 7S, etc.). Upon completion of the assessment, our industrial parks are graded, and responsible units are tracked to implement closed-loop hazard management within the rectification period. In 2025, 5 parks were rated as "excellent" and 10 parks as "good." The assessment results show a year-on-year improvement in scores, marking a steady advancement in the company's health and safety management level. This evaluation aims to verify the suitability, adequacy, and effectiveness of occupational health and safety laws, regulations, and management systems; scientifically measure the current health and safety status of each park; and precisely identify management shortfalls, thereby systematically enhancing corporate health and safety management efficiency.

Mental Health Services for Employees

The company places great emphasis on employee mental health and has consistently implemented the EAP since 2008. The EAP operates on three levels:

- By establishing EAP lecture groups, parent growth groups, and promoting the EAP app and internal spatial resources, the company popularizes mental health knowledge and shares EAP benefits to enhance the "psychological immunity" of all employees and prevent potential issues. It assists employees in resolving personal issues (such as emotions, stress, and family relationships) that affect their work status, thereby unlocking their potential and improving work efficiency and engagement.

- Managers are guided to anticipate risks and, upon detecting abnormal conditions in team members, are instructed to direct employees to seek professional support through EAP services to resolve crises. The program provides psychological support and an energy "refueling station" for management teams to alleviate stress and offer support and assistance.

- The company conducts group stress-relief and emotional empowerment sessions for high-pressure groups to create a trustworthy, open, inclusive, and supportive work environment. This promotes employee mental health, enhances stress resistance, and strengthens organizational resilience.

The company has established 14 consultation rooms and 42 reading corners across major research institutes and organizes employees to participate in face-to-face reading clubs. By 2025, the total number of visitors to the company's EAP app exceeded 32,000, with a total of over 350,000 visits. The satisfaction rate for psychological counseling services reached 4.85 out of a maximum 5 points. The company has established the "Light Up Action" popularization group with over 5,000 members, 17 face-to-face reading clubs under the "Sunshine Action" with over 800 members, 2 "Open Mic" speech groups with 150 members, and groups for the "Passing the Torch Action" lecturers and EAP ambassadors totaling over 100 people. These groups systematically disseminate psychological knowledge, answer questions, organize activities, and arrange training at different levels. Overall, the company has conducted over 900 reading club sessions, 28 internal training sessions (including courses such as "Cognitive Awakening," "Systems Thinking," "Confidence and Public Speaking," "Educating Others and Oneself," and "TCM Health Preservation"), and 8 external lecturer training and group counseling sessions.

Health and Safety Management of Subcontractors

ZTE's health and safety policy covers all activities of subcontractors within the company. The *Regulations on Health and Safety Management* clearly requires that training cover subcontractor personnel. The *Guide to Incorporation of Health and Safety Clauses into Operation Support Purchase Contracts* specifies safety management requirements for partners from the procurement stage. The *Construction Safety Management Regulations* details the specific safety management requirements for subcontractor personnel during onsite construction.

ZTE has established a mature and comprehensive health and safety management system for subcontractors, covering the entire process from introducing subcontractor, onsite cooperation, to continuous improvement. Introduction phase. During this phase, the company conducts onsite field visits and CSR documentation assessments. By setting redlines and raising the entry threshold, we ensure that partners are highly aligned with ZTE's health and safety standards right from the start. Cooperation phase. Once a subcontractor is onboarded, we select the appropriate partner based on project delivery characteristics and the subcontractor's specific capabilities. A series of contractual agreements—including the "Health and Safety Commitment Letter," "Code of Conduct," and "Health and Safety Penalties"—are put in place to provide security and regulate safe construction practices. To ensure subcontractors meet our compliance standards before entry, they must pass health and safety-specific training assessments, verification of special operations certificates, and insurance reviews. Execution phase. During project execution, access is granted only after the subcontractor completes site check-ins, health and safety self-inspections, and back-end work order approvals. Onsite supervision is provided by supervisors and site engineers during high-risk operations. The project team conducts random spot checks on approximately 10% of sites, supplemented by remote spot checks from headquarters and third-party audits, creating a multi-layered defense for onsite safety. Improvement phase. Upon project completion or at phased intervals, ZTE collaborates with partners to drive mutual improvement and achieve a win-win partnership through monthly subcontractor evaluations, project reviews, and the annual Partners Day events.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Building a Healthy and Safe Workplace	Achieve systematic safety management and become an industry benchmark.	• Completion rate of special equipment registration certificates: 100% • Certification rate of special operation personnel: 100%	Both completion rate of special equipment registration certificates and certification rate of special operation personnel: 100%
		• Fire incidents with direct economic losses exceeding CNY50,000: 0	Fire incidents: 0
		• No government penalties or shutdown notices due to occupational health and safety issues	Government penalties: 0 Shutdown notices: 0

Upholding Win-Win Collaboration to Grow with Partners

The global supply chain is undergoing systemic evolution, bringing both challenges and opportunities. ZTE consistently upholds the values that guide our business ecosystem—"long-term orientation, open collaboration, and shared success"—and advances alongside our partners. By focusing on long-term planning to gather momentum, we continuously cultivate a symbiotic, mutually beneficial ecosystem; by driving breakthroughs through self-renewal, we build organizational structures and capabilities tailored to the industry's short cycles and fast pace; by strengthening our ESG management system and steadfastly adhering to "compliant operations" and quality standards, we safeguard strategic momentum and execution breakthroughs and foster sustainable development.

Supply Chain Security

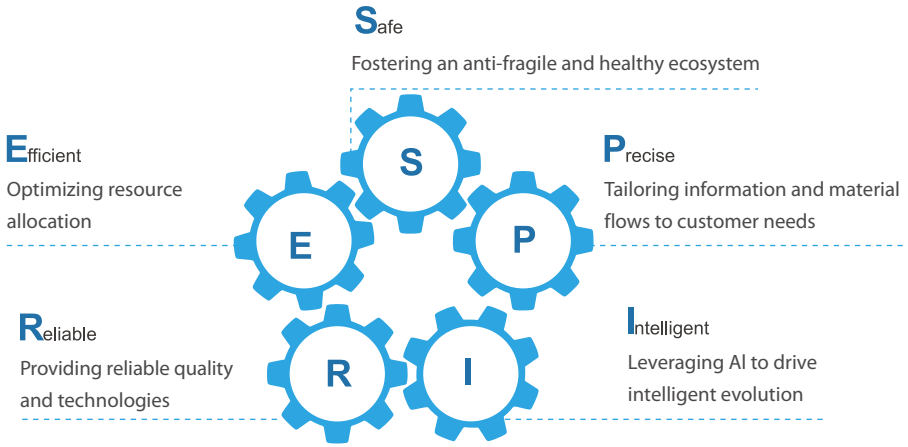
Governance

ZTE strengthens the predictability, resilience, and adaptability of its supply chain to ensure business continuity and long-term sustainability. Building on its certified ISO 9001/TL9000 quality management system, ISO 14001 environmental management system, ISO 45001 occupational health and safety management system, and ISO 27000 information security management system, ZTE has established and refined a comprehensive supply chain security management system in accordance with the ISO 28000:2022 standard.

The company has set up the Supply Chain Security Committee, with sub-teams for procurement, manufacturing, delivery, and quality, working closely with the physical security, information security, and environment, health, and safety teams. The committee has overall responsibility for the company's supply chain security management system and safeguards the security and stability of the supply chain through cross-functional collaboration. The committee is chaired by a company SVP and President of Supply Chain.

Strategy

The company's "SPIRE 2.0" strategy for the supply chain focuses on customer value and actively adapts changes. ZTE is committed to building a Safe, Precise, Intelligent, Reliable, and Efficient (SPIRE) supply chain and fostering a win-win ecosystem. Our supply chain security management policy is "one step forward, swift response, proactive prevention, and effective mitigation."



ZTE Supply Chain "SPIRE 2.0" Strategy

In 2025, the company continued to advance the implementation of its "SPIRE 2.0" strategy for the supply chain. By integrating digital transformation experience with the advantages of industrial chain collaboration, the company carried out a series of in-depth and extensive explorations and practices. To address challenges brought by uncertainties, the company focused on three key capabilities of its supply chain:

Core Competitiveness	Evolution	Synergy
Strengthen an anti-fragility supply chain with emphasis on both security and efficiency, continuously pursue superior quality, and strive for technological and cost leadership through collaborative innovation, thereby forming the definitive core of the supply chain.	Reshape the supply chain with AI and create supply chain AI agents capable of autonomous sensing, analysis, decision-making, execution, and optimization.	Build a "reliable" ecosystem alliance that is closer, more united, and stronger, enabling a win-win industry ecosystem.

Impact, Risk, and Opportunity Management

Risk and Opportunity List

The company's *Regulations on Supply Chain Security Threat Identification and Risk Assessment Management* covers end-to-end management, including preparation, scope determination, and implementation of threat identification and risk assessment, implement risk treatment base on risk classification and response strategies, and verify the effectiveness of risk reduction measures.

Each year, ZTE regularly reviews and updates the *Summary of Supply Chain Security Threat Identification and Risk Assessment*. The scope of risk identification includes threats and risks arise from physical damage, operations, natural disasters (such as earthquakes, typhoons, and floods), stakeholders, information and data, as well as AI management. Identified threats and risks are assessed and ranked high, medium, or low according to the risk assessment model. For high and medium-level threats and risks, corresponding risk control measures are developed to mitigate their impact.

Category	Description	Probability	Impact Level	Measure
Risk	Insufficient anti-fragility hinders effective response to supply chain security incidents.	Low	Medium	• Continuously reinforce the SPIRE strategy and drive its implementation: enhance anti-fragility and security, and optimize supplier management, inventory control, production planning, and other aspects to improve supply chain stability and resilience under emergencies.
	Over-reliance on a single supplier leads to supply disruptions.	Medium	High	• Strengthen diversity in procurement, build a robust network of resources and channels, empower suppliers, enhance anti-fragility, and continuously improve both supply and industry chain resilience for reliable material supply.
	Manufacturing base capacity issues lead to failure in meeting delivery requirements.	Medium	Medium	• Leverage the company's five major manufacturing bases in Shenzhen, Heyuan, Nanjing, Changsha, and Xi'an to enable coordinated production and mutual backup.
	Emergencies such as natural disasters, political unrest, or market fluctuations lead to supply disruptions and logistics issues.	Low	High	• Develop detailed emergency response plans and conduct drills; in the event of an emergency, quickly activate the emergency response plan to minimize losses and restore operations as soon as possible.
	Failure to detect supply chain security risks in a timely manner leads to failure in responding to supply chain security incidents.	Low	Medium	• Utilize advanced technologies such as AI, big data, and IoT to achieve digital and intelligent management of the supply chain, enhance information transparency, monitor supply chain status in real time, predict potential risks, and take timely preventive measures.
Opportunity	A robust supply chain security management system ensures the company's smooth operations during crises and boosts customer confidence, driving business growth.	Medium	Medium	• Take a proactive stance, respond swiftly, engage deeply in business, make innovative breakthroughs; adhering to the company's principle of "stabilizing, strengthening, and upgrading the supply chain," build anti-fragility and continuously enhance supply chain security and resilience, ensuring uninterrupted supply chain operations and business sustainability, while safeguarding and creating value.

Annual Progress

Continuous Improvement of Supply Chain Security System

- The company has obtained ISO 28000 certification for its supply chain security management system, with the certification scope covering major bases in Shenzhen, Heyuan, Xi'an, Changsha, and Nanjing.
- Over 90 documents on supply chain security and business continuity management have been continuously updated and improved, including Business Impact Analysis (BIA), Risk Analysis (RA), business continuity strategies, and Business Continuity Plans (BCPs), making the supply chain security mechanism more comprehensive.

Anti-Fragility Enhancement

ZTE has established a supply chain anti-fragility team to refine operating mechanisms and strengthen overall solution reviews. It has built comprehensive capabilities in risk identification, simulation, decision support, risk response, and opportunity exploration. While addressing risks, the company also seeks value-creation opportunities.

- Build a Diverse and Stable Supply Network: The company has established a tiered risk management and review mechanism, focusing on refining risk operating mechanisms, enhancing risk identification for materials and pre-sales supply, strengthening supply risk management, and sharpening product opportunity identification.
- Ensure Diversified Resource Supply: To address raw material supply risks, the company has built a multi-layered defense system spanning from product design to order fulfillment. Controls are embedded upstream from the outset: Risk identification and management start at the product design stage, where downstream material sourcing flexibility is incorporated, and unjustified single sourcing is strictly limited.
- Build a Global Freight Network Tailored to Regional Needs: Through innovative logistics solutions, the company has enhanced the resilience of its logistics network, enabled intelligent control of freight risks, and ensured safe, efficient, and reliable deliveries. To this end, ZTE has strengthened direct cooperation with ocean and air carriers to secure stable freight capacity. In addition, it has proactively planned alternative freight routes, with multimodal alternatives (rail, sea, and air), multiple places of dispatch, and multiple routes within the same transport modes being each other's backups.
- Create an Efficient and Flexible Manufacturing Network: ZTE mitigates manufacturing risks by deploying multiple bases. Sharing warehouses, raw materials, equipment, facilities, and technologies, the bases offer mutual product capacity backup.

Digital and Intelligent Innovation

ZTE has developed an external supply-chain risk sensing system based on the 5A (Aware, Analyze, Alarm, Assign, and Adapt) risk management model. This system delivers end-to-end risk management capabilities covering sensing, analysis, early warning, and task execution. With AI tools, the company has already realized automatic detection and notification of external risks, including PEST (political, economic, social, and technological) risks, industry dynamics, and major natural disasters.

Additionally, for risk events that may impact business operations, the company has established a closed-loop risk task management system, moving offline management online. Throughout the year, numerous risk events were processed and closed.

Case

Release of *ZTE White Paper on the Application of Intelligent Technologies in Supply Chain*

On November 21, 2025, the 5th ZTE Supply Chain Strategic Development Forum kicked off in Shenzhen under the theme "Expanding Boundaries, Integrating Intelligence, Connecting the Future." Hosted by ZTE, the forum brought together top scholars from think tanks and experts from top research institutions. It aimed to provide a high-level platform for dialog and exchange across industry, academia, research, and application, to jointly explore pathways to breakthroughs for supply chains in the intelligent era and to envision the digital and intelligent future of supply chains.

The *ZTE White Paper on the Application of Intelligent Technologies in Supply Chain*, co-authored by ZTE, Tsinghua University, and Deloitte, was officially released at the forum. Drawing on ZTE's digital and intelligent transformation practices and combining Tsinghua University's academic research and Deloitte's industry insights, the White Paper systematically reviews the current landscape and future trends of AI as well as digital and intelligent technologies in supply chains. It serves as a benchmark reference for the digital and intelligent transformation of manufacturing with both theoretical depth and practical significance.

Multi-Scenario Drills and Capability Building

Aligned with business scenarios, the company organized eight Business Continuity Management (BCM) drills over the year. The drills covered multiple incident types such as earthquakes and power outages, and included end-to-end validation of business continuity strategies for product delivery.

Concurrently, ZTE continued to strengthen its business continuity capabilities. Regarding professional talent development, the company organized in-depth training focusing on cybersecurity and BCM through the "Kunpeng Program". Over the year, total training enrolments exceeded 1,100 person-times across eight courses. Furthermore, the company regularly pushed security knowledge, case studies, and policy interpretations through internal platforms to reinforce a company-wide culture of preventive security and sustain ongoing awareness.

Ecosystem Collaboration and Empowerment

The company actively collaborates with suppliers to enhance their BCM capabilities, incorporating this work into its annual plan and providing training for key suppliers as well as tier-2 and tier-3 material suppliers.

In 2025, the company developed 59 differentiated training plans for 22 suppliers to strengthen end-to-end collaboration for emergency response. At the same time, the company worked with property management subcontractors to develop BCM plans and conduct joint drills.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Manufacturing Security	No disruptions in manufacturing	• Manufacturing disruptions caused by anomalies: 0	There were no manufacturing disruptions caused by anomalies.
Business Assurance in High-Risk Scenarios	Continuous enhancement of business assurance levels in high-risk scenarios	• Improve power supply and capacity guarantee strategies for high-risk scenarios such as power outages	Comprehensive measures were implemented to ensure uninterrupted power supply to key locations and optimize mechanisms for resource sharing regions, sites, and personnel for high-risk scenarios such as power outages.

Supplier ESG Management

ZTE has incorporated ESG requirements into its end-to-end supplier lifecycle management. Through clear standards, systematic assessments, and ongoing empowerment, ZTE selects and cultivates high-quality partners to jointly facilitate collaborative evolution and high-quality development across the industry chain.

Governance

ZTE's Procurement Board (PB) serves as the decision-making body for procurement operations. It provides guidance and makes decisions on procurement strategies and policies, supplier onboarding and selection, and handling of supplier violations. Additionally, the PB decides on the development of professional procurement capabilities and exercises strategic management and oversight over supplier ESG performance.

The PB is chaired by the COO, and its executive directors include the heads of relevant units including Supply Chain. A special team is established under the committee to handle supplier violations, while the secretariat facilitates collaboration between the PB with other committees, including the Strategy and Sustainability Committee and the Business Continuity Management Committee.

The PB operates through a combination of regular meetings (at least four meetings annually) and real-time decision-making.

Strategy

As a core component of the supply chain SPIRE strategy, supplier ESG management (including CSR and cybersecurity) is pivotal to the company's efforts to build a green and sustainable value chain ecosystem. It mandates that the company extend its management oversight across tier-1, tier-2, and tier-3 suppliers.

Clarifying ESG Management Requirements Across the Value Chain

ZTE integrates sustainability requirements into its supply chain management and requires suppliers, including subsuppliers, to follow the same requirements, including:

Legal Compliance

Comply with all applicable laws, regulations, and standards in the countries or regions where they operate, including applicable laws and regulations on anti-corruption, anti-bribery, anti-fraud, anti-money laundering, and unfair competition. Suppliers are strictly prohibited from engaging in bribery, corruption, fraud, money laundering, unfair competition, or supporting illegal armed force.

Environmental Protection

Minimize environmental impact and actively pursue green and low-carbon transition. ZTE continues to increase the scope and proportion of green procurement, avoiding the use of hazardous substances and promoting the use of low-carbon, recyclable materials and packaging. Meanwhile, we provide suppliers with the dual-carbon governance methodology (SMART Model for Dual-Carbon Governance), require them to set emission reduction targets, take relevant measures, and disclose them to the public, so as to reduce GHG emissions along the supply chain together.

Human Rights and Labor

Respect all internationally recognized human rights. Any forms of child labor and forced labor are prohibited. Suppliers must maintain an open and inclusive working environment free from discrimination, harassment, and abuse, so as to safeguard employees' physical and mental health.

Diversity and Inclusion

Respect and promote diversity, provide more opportunities for women, ethnic minorities, persons with disabilities, as well as businesses owned by these groups, support their capability building, and share benefits together.

Security and Trustworthiness

Ensure the security and controllability of products and services across all stages—R&D, procurement, manufacturing, delivery, and O&M. ZTE guards against risks such as tampering, backdoor implantation, vulnerability exploitation, viruses, and data leaks of software and hardware. By providing end-to-end, verifiable, and trustworthy security assurances, the company delivers safe and reliable products and services to customers.

ESG-related requirements for suppliers have been publicly released documents such as the *Supplier CSR Code of Conduct*, *ZTE Partner Transparent Procurement Requirements*, and *Supplier Cybersecurity Code of Conduct*, with zero-tolerance bottom lines established. These three codes of conduct serve as integral annexes to commercial contracts and must be formally executed by suppliers in the supplier onboarding phase. Suppliers who refuse to sign these documents without justified reasons will be disqualified and ineligible for onboarding. If a supplier commits a severe violation of ESG requirements and refuses to rectify, the company will take actions commensurate with violation severity, including ordering rectification within a prescribed time period, suspending or canceling POs, or restricting or terminating the supplier's qualification.

Zero-Tolerance Prohibitions for Supplier ESG

- The use of child labor is strictly prohibited. Suppliers shall not employ or use children for work, nor employ any persons below the minimum legal age of employment.
- Forced labor is strictly prohibited. Suppliers shall not use forced labor, compulsory labor, prison labor, bonded labor, bondage or human trafficking, physical or verbal abuse, or sexual violence.
- Exposure of employees, contractors, partners, or other persons who may be affected by the activities of the employees, contractors, and partners to an environment that may cause immediate death, serious personal injuries, or serious health damage is strictly prohibited.
- The discharge of environmental pollutants that may cause or have caused serious impacts to is strictly prohibited to avoid major negative impacts on communities, for example, the discharge of toxic or harmful air and water, the discharge of exhaust gas and waste water without the required treatment, chemical leakage, and the discharge of toxic or hazardous substances out of factories.
- Bribery, corruption, fraud, money laundering, unfair competition, and support of illegal armed forces are strictly prohibited.
- Major cybersecurity risks are strictly prohibited. Suppliers are strictly prohibited from leaving any backdoor in products, delivering products with medium- or high-risk vulnerabilities, processing personal data in violation of applicable laws and regulations, concealing, delaying, or ignoring cybersecurity incidents, and accessing customers' networks or data without authorization.
- Other negative events that may cause or have caused serious domestic and international impacts are strictly prohibited.

Building an End-to-End Supplier ESG Management System

ZTE's supplier ESG management comprehensively covers ten key modules, including labor rights, health and safety, environmental protection, business ethics, hazardous substance management, "dual carbon" requirements, conflict minerals, information security, cybersecurity, and business continuity.

Based on digital platforms, the company embeds ESG management requirements and mandated actions into key stages across suppliers' lifecycle, including onboarding, certification, in-process management, and cooperation restriction. Dedicated supplier management personnel are assigned to follow up suppliers' specific business activities. Failure to effectively fulfill those requirements will impact suppliers' work quality score, which in turn affects its performance appraisal results. This ensures that ESG requirements are effectively implemented in daily operations, drive suppliers to make continuous improvements, and enhances the overall sustainability of the supply chain.

Onboarding and Certification

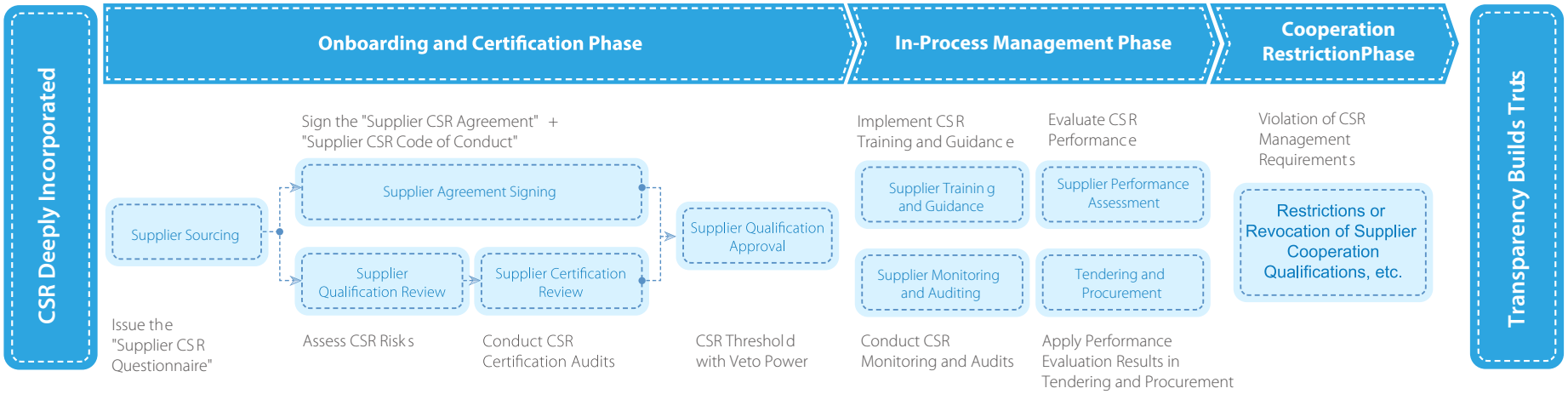
During the certification process, all new suppliers are required to sign the *Supplier CSR Agreement, Supplier Commitment Letter of Transparent Cooperation and Anti-Bribery Compliance*, and *Supplier Cybersecurity Agreement*. They must also undergo CSR and cybersecurity risk assessments. Risk assessments are triggered immediately and applied universally. CSR compliance is a critical entry requirement and has veto power over supply onboarding. For suppliers identified as medium to high-risk, the company will implement enhanced controls, including but not limited to onsite CSR or cybersecurity audits. Such control measures are intended to ensure that risks are effectively managed and supervised and the onboarding of new suppliers meets the company's onboarding threshold requirements for building a responsible supply chain.

In-Process Management

ZTE provides annual CSR training and guidance for suppliers, performs CSR supervision and audits on key suppliers with medium and high risks, evaluates CSR performance, and applies results in tendering and procurement processes.

Cooperation Restriction

When suppliers violate ESG management requirements, ZTE will impose corresponding penalties based on the severity of the impact, such as restricting cooperation or suspending or revoking qualifications.



Supplier ESG Management System

Impact, Risk, and Opportunity Management

Risk and Opportunity List

ZTE has fully integrated ESG risk assessment into its supplier management system across the end-to-end supplier lifecycle, from new suppliers onboarding to ongoing management of existing ones—supported by continuous, dynamic risk assessments. For suppliers identified at different risk levels, ZTE implements differentiated controls, including specialized CSR audits or dedicated cybersecurity audits, to systematically strengthen supply chain risk management and drive improvements in sustainability performance.

Category	Description	Probability	Impact Level	Measure
Risk	Severe CSR incidents (such as child labor, forced labor, and severe safety or environmental incidents) or cybersecurity incidents (e.g., backdoors in products and vulnerabilities of medium level or above) may lead to supply chain disruptions and damage to the company's brand reputation.	Low	High	• Establish six CSR redlines and five cybersecurity redlines, all of which are zero-tolerance requirements. • Manage suppliers in strict accordance with the ESG management system, including the signing of the *Supplier CSR Agreement* and *Supplier Cybersecurity Agreement,* as well as the implementation of onsite ESG audits.
Opportunity	Communicating ZTE's ESG requirements (including CSR and cybersecurity requirements) through the supplier tiers can help improve their ESG performance, including enhancing working conditions and labor rights, mitigating environmental impact, and improving the security and reliability of products, and ultimately boosting the supply chain's sustainability and competitiveness.	Medium	Medium	• Continuously empower and manage suppliers to improve the overall ESG management across the supply chain.

Annual Progress

Supplier ESG Agreements

During the supplier onboarding process, ZTE requires all suppliers to sign the *Supplier CSR Agreement* (with *Supplier CSR Code of Conduct* as its annex), *Supplier Commitment Letter of Transparent Cooperation and Anti-Bribery Compliance* (including the *Supplier Transparent Cooperation Code of Conduct*), and the *Supplier Security Agreement* (including the *Supplier Cybersecurity Code of Conduct*). Suppliers refusing to sign without justified reasons will be subject to a veto and ineligible for onboarding.

In 2025, ZTE newly signed or renewed 363 supplier CSR agreements, 352 supplier commitment letters of transparent cooperation and anti-bribery compliance, and 363 supplier security agreements with production suppliers.

Supplier ESG Audits

ZTE conducts risk-differentiated supplier assessments across business tiers through a combination of integrated, specialized, and external audits. In 2025, ZTE conducted onsite ESG audits on a total of 270 production suppliers (including 68 new suppliers and 202 existing suppliers, covering 87.14% (by count) of suppliers that, when ranked by procurement spending in descending order, cumulatively account for 90% of our total procurement spending. Among them, 178 were auxiliary product suppliers, and 92 were PCB component suppliers.

Integrated Audits

Based on the *Structured On-Site Audit Evaluation Form_SDA*, ESG audits were conducted alongside other audits (such as qualification and quality audits). In 2025, 68 new suppliers and 182 existing suppliers underwent integrated audits.

Specialized Audits

The *JAC CSR_Parameters* and *Supplier Security Evaluation Form* were used to conduct specialized CSR audits and cybersecurity audits respectively. In 2025, five existing suppliers underwent specialize CSR audits, and six existing suppliers underwent cybersecurity audits.

External Audits

Third-party professional agencies conducted specialized CSR audits against customer-recognized CSR standards, providing an overall assessment of suppliers' CSR performance. In 2025, nine existing suppliers underwent external CSR audits.

All audit findings are subject to closed-loop management on ZTE's Supply Chain Collaboration website, and are incorporated into the supplier performance evaluation system, to continuously improve supply chain ESG performance and sustainability. For corrective actions overdue by over three months, points will be deducted in the supplier's monthly TQDCE performance score until the corrective actions are completed.

In 2025, non-conformities identified in supplier ESG audits were primarily in working hours, fire safety, machinery safety, hazardous chemicals management, GHG emission reductions, and cybersecurity. In 2025, 100% of the non-conformities were tracked, and all of them were closed within three months.

	Labor Right	Health and Safety	Environment Protection	Business Ethics	Cybersecurity
Percentage of Non-Conformities Identified	21.49%	53.83%	10.92%	7.12%	6.64%

In 2025, ZTE identified 20 suppliers violating the *Transparent Cooperation Code of Conduct*. Among them, 12 suppliers with severe violations were disqualified and placed on the rejected supplier list; and the remaining 8 suppliers with minor violations were required to immediately implement corrective and preventive actions and provide evidence for closed-loop verification.

Procurement Personnel Empowerment

To continuously enhance the professional competence of procurement personnel, in March 2025, ZTE invited external experts to conduct a two-day training session on general CSR knowledge, which was attended by 42 procurement personnel.

Regarding specialized auditor training, in June 2025, ZTE's internal audit experts delivered a two-day supplier ESG auditor program to 92 procurement personnel via a blended format (online or offline). The training comprehensively covered labor rights, health and safety, environmental protection, business ethics, product hazardous substance control, "dual carbon" requirements, conflict minerals, information security, cybersecurity, and business continuity.

Supplier Training and Empowerment

Every year, ZTE regularly organizes specialized ESG training sessions across diverse tiers and topics, including general CSR knowledge, CDP climate change disclosure, compliance management, green and low-carbon practices, and general cybersecurity knowledge. In 2025, ZTE conducted a total of four specialized training sessions, with over 450 supplier participations and more than 1,100 attendances.

ZTE Global Supply Partners Day

In November 2025, ZTE hosted the Global Supply Partners Day in Shenzhen, attended by over 200 strategic partners and core suppliers, along with multiple senior executives of ZTE. CEO Xu Ziyang shared the company's progress and practices in ESG sustainable development, and communicated core requirements for suppliers on green development, transparent procurement, and cybersecurity in the future. Additionally, Yang Jianming, President of ZTE's Supply Chain, proposed a collaborative development roadmap based on four dimensions: green strategic consensus, green system co-building, green capability sharing, and green industry collaboration. He encouraged suppliers to disclose carbon emissions, set carbon reduction targets, and advance green transition to build a supply chain system characterized by resilience, transparency, green practices, and high-quality development.

Supplier Training Camp

From May 28 to 30, 2025, ZTE held the 2025 Supplier Training Camp in Shenzhen, bringing together 199 representatives from 97 suppliers. The training covered key topics including end-to-end supplier management, transparent procurement, cybersecurity and information security, compliance, CSR, "dual carbon" requirements, business continuity, hazardous substance management, and conflict minerals management. The training combined ZTE's practices and industry case studies to help suppliers understand the focus areas of ZTE's ESG assessments and identify areas for improvement.

Supplier CSR Capability Enhancement Program

In 2025, ZTE conducted comprehensive capacity-building programs for 14 suppliers. These programs included detailed interpretation of CSR standards, pre-assessment to identify gaps and provide improvement recommendations, guidance on root-cause analysis of non-conformities and development of corrective action plans and oversight of implementation, and follow-up assessments to ensure closed-loop remediation of all non-conformities.

Supplier Assessment and Incentives

To encourage suppliers to enhance their sustainability performance, ESG (E) is included in ZTE's TQDCE composite evaluation, accounting for 5% of the total score. Evaluation results directly affect:

Tendering

A supplier's ESG performance serves as a non-price scoring factor, directly influencing its final ranking and likelihood of winning bids.

Share Allocation

In subsequent order allocation and annual procurement planning, suppliers demonstrating outstanding TQDCE performance will receive a more stable share of business and extended cooperation under equal conditions.

Recognition

Top-performing suppliers will be recognized and prioritized for future collaboration and strategic partnerships. In 2025, annual awards such as "Global Best Partner" and "Best Overall Performance" took TQDCE performance as a core criterion. Award winners received public recognition and priority for strategic cooperation.

Supplier Communication and Appeals

ZTE has established multiple dedicated channels for supplier ESG violation reporting, including Internal Control and Audit, Compliance Audit Dept., and Procurement Audit Team of the Procurement Management Dept. The reporting scope and channels are publicly available on ZTE's Supply Chain Collaboration website. ZTE handles all reports based on the principle of "permanent confidentiality and minimal disclosure," conducting timely investigations and verification, and implementing corrective actions or imposing penalties as appropriate. The company enforces anti-retaliation and protection measures in accordance with the *Regulations on Protection and Rewarding of Real-Name Whistleblowers* to ensure that whistleblowers are not subjected to adverse treatment due to their reporting.

In 2025, the Procurement Dept. received 20 reports and achieved a 100% handling rate.

Equal Treatment of SMEs

ZTE pays all suppliers, including SMEs, in accordance with contractual payment terms and schedules payments when due. At the end of the reporting period, ZTE's total accounts payable (including notes payable) amounted to CNY34.04 billion, accounting for 15.63% of its total assets.

We are committed to fostering good partnerships with all enterprises including SMEs, upholding financial discipline and prudent asset management to ensure equal treatment of all partners.

Metric and Target

Key Metric	Unit	Target	2023	2024	2025
Percentage of suppliers/subcontractors that have signed the *Supplier CSR Agreement* (including the *Supplier Code of Conduct*)	%	⩾ 90	93.53	93.65	93.68
Percentage of suppliers with contracts containing environmental, labor, and human rights requirements	%	⩾ 90	93.53	93.65	93.68
Percentage of suppliers/subcontractors that have received CSR evaluation (e.g., through the *Supplier CSR Self-Assessment Form*)	%	100	100	100	100
Percentage of major suppliers/subcontractors that have received onsite CSR audits	%	⩾ 85	86.97	86.90	87.14
Percentage of audited/assessed suppliers/subcontractors participating in improvement actions or capacity building	%	100	100	100	100
Percentage of procurement specialists that have received CSR training in across all regions	%	⩾ 90	92.41	93.24	93.33
Number of child labor and forced labor instances found among suppliers/subcontractors	/	0	0	0	0
Percentage of key suppliers in capacity building programs	%	/	69.38	78.54	74.81
Total number of suppliers covered in capacity building programs	/	/	258	261	270
Percentage of suppliers (with significant actual/potential negative impacts) under corrective action/improvement plans	%	100	100	100	100
Number of newly signed *Supplier CSR Agreements*	/	/	404	550	363
Number of suppliers rejected for onboarding due to failed CSR audits	/	/	11	12	11

Effective Conflict Minerals Management

ZTE regards respect for and protection of human rights as the cornerstone of its global operations and maintains a zero-tolerance policy towards any actions that may fuel conflict or violate human rights. To this end, we have established a systematic due diligence management system for conflict minerals to ensure that the ten types of minerals used in our products—gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), mica, copper (Cu), lithium (Li), nickel (Ni), and graphite (C)—do not originate from high-risk areas, including mines in conflict-affected regions such as the Democratic Republic of the Congo and its neighboring areas.

ZTE actively follows the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* to promote supply chain traceability and transparency, treating responsible mineral sourcing as a vital commitment to our global corporate citizenship and sustainable development. Since 2020, ZTE has annually published a *Conflict Minerals Report*, continuously disclosing management progress. For more details, please refer to the *2025 Conflict Minerals Report*.

Clear Management Requirements and Commitments

ZTE has established the *ZTE Conflict Minerals Management Policy* and the *Regulations on Conflict Mineral Management*, setting clear requirements for suppliers regarding the mining, transportation, processing, trading, refining, export, and other aspects of mineral handling. Concurrently, we have developed three operating guidelines for conflict minerals due diligence, supplier risk management, and third-party audits to ensure the operability of our management processes.

We require all relevant suppliers (component suppliers, parts suppliers, or those providing materials containing tin, tantalum, tungsten, cobalt, gold, etc.) to commit to environmentally and socially responsible sourcing.

Supplier Risk Identification and Assessment

Based on RMI's CMRT/EMRT, ZTE verifies information on smelters or refineries (SORs) in the supply chain and, in parallel, issues our self-developed *Supplier Conflict Minerals Management Questionnaire* to understand the internal management measures of suppliers.

Currently, ZTE has embedded a conflict minerals management module in the GPM system, achieving the digitalization of key tasks such as CMRT/EMRT distribution and collection, supplier risk assessment, and SOR screening. This enhances due diligence efficiency and ensures that minerals used in products meet "conflict-free" requirements.

To further identify supply chain risks, ZTE has designed the *Supplier Conflict Minerals Management Questionnaire* and a supplier conflict minerals risk assessment tool. The assessment covers dimensions such as supplier management performance, purchase spend, replacement status, conflict minerals management performance, and the geographical location of SORs. Based on the risk matrix, suppliers are classified into high, medium, and low risk levels. For high-risk suppliers, ZTE conducts special audits and requires them to provide credible risk assessments and management policies. Suppliers who fail to provide valid evidence are required to undergo third-party audits. Those who refuse to improve or cooperate will have their cooperation terminated.

In 2025, ZTE completed surveys on all suppliers involved in the procurement of conflict minerals, achieving 100% coverage.

Enhancement of Supplier Empowerment and Capacity Building

ZTE offers bilingual (Chinese and English) specialized training courses to registered suppliers, covering the background of conflict minerals, interpretation of regulatory standards, ZTE's management requirements, and required supplier cooperation. We encourage suppliers to establish internal conflict-free mineral policies and require them to ensure that upstream SORs obtain valid third-party conflict-free certifications, which must be submitted to ZTE as important evidence for supply chain risk mitigation. For medium and high-risk suppliers, we provide customized training and special guidance to promote continuous improvement of their management systems.

In 2025, ZTE organized a training camp attended by over 199 supplier representatives, enhancing their awareness and capabilities regarding conflict minerals.

Key Metric	Unit	2025
Percentage of products certified under third-party responsible mineral sourcing programs (such as RMAP)	%	97.31
Percentage of products with traceable raw materials	%	95.95

Shouldering CSR to Contribute to the Global Community

Governance

ZTE Foundation was initiated and established in October 2012 by ZTE Corporation with the approval of the Ministry of Civil Affairs. Recognized as a charitable organization in May 2018, it serves as the management body for ZTE's global public welfare programs. The Foundation coordinates and deploys public welfare resources such as technologies, equipment, funding, and volunteer services, and engages in social public welfare activities in a professional and transparent manner.

Strategy

ZTE has established a comprehensive regulatory framework covering the entire process of charitable donations. It has formulated and implemented the *Management Process for Approval of Public Charitable Donation* and *Regulation on Anti-Bribery Compliance in Charitable Donation*, ensuring closed-loop management of charitable donation activities. ZTE has also formulated supporting regulations, including the *Project Management Regulations* and *Regulations on the Implementation of Vulnerable Assistance Project of ZTE Foundation*, to standardize the implementation of public welfare projects, the use of funds, and the management of volunteers.

To ensure the effective implementation of its public welfare strategy, ZTE has established a project selection and initiation mechanism centered on needs identification and effectiveness assessment. The selection of public welfare topics follows a process of "needs identification, research and analysis, evidence-based evaluation, and decision-making and project initiation," ensuring that public welfare resources are precisely aligned with actual social needs and that the feasibility, sustainability, and potential social impact of projects are fully assessed.

Adhering to the vision of "Goodwill, Everywhere" and oriented to "long-term social impact," ZTE avoids fragmented and one-off investments. It promotes the formation of an assessable, trackable, and reviewable operating system for public welfare projects in terms of goal setting, resource allocation, and effectiveness assessment. This approach has shaped four major public welfare areas (educational support, medical assistance, low-carbon environmental protection, and rural revitalization) and one public welfare foundation (the cultivation of a public welfare culture and the development of volunteer teams across the four major areas).

Educational Support

Through the "Xingtianshi Student Support Program" and "Xinghua Student Support Program", a comprehensive assistance system, which integrates financial aid, growth companionship, and personal quality improvement, is built for senior high school students in difficult circumstances, providing continuous support throughout their learning and key growth stages.

Medical Assistance

Focusing on the health needs of children in difficult circumstances, ZTE has implemented the "Bright Baby" ROP aid project, relief program for orphans or impoverished children, "Vcare Space", and medical innovation initiatives. This forms a full-cycle assistance model across disease screening, treatment support, and rehabilitation care, contributing to the construction of a Healthy China.

Low-Carbon Environmental Protection

The ZTE Ecosystem Conservation Fund has been established, focusing on key areas such as afforestation, forest management, and biodiversity conservation. It supports the realization of "dual carbon" goals and the building of ecological civilization.

Rural Revitalization

Closely aligning with the national rural revitalization strategy, and combining its own resource capabilities, ZTE focuses its efforts on industrial assistance, infrastructure construction, and talent cultivation to address the real pain points of rural development and depict the development blueprint of a "Harmonious and Beautiful Countryside."

Public Welfare Culture and Volunteers

The company attaches great importance to the development of volunteer teams, promoting the integration of public welfare concepts into employees' daily behaviors through diverse volunteer services, and cultivating a sustainable corporate public welfare culture.

ZTE Public Welfare Framework

Impact, Risk, and Opportunity Management

Risk and Opportunity List

ZTE Foundation operates in compliance with laws and regulations as well as the Foundation's internal rules. It has detailed provisions for the end-to-end management of public welfare projects, covering needs research, project initiation, implementation, and closure. Through self-inspection and correction, business audits, onsite follow-up visits, data analysis, financial audits, and information disclosure, the Foundation has established a risk monitoring mechanism to achieve effective risk prevention and response.

Category	Description	Probability	Impact Level	Measure
Risk	Inadequate information disclosure, insufficient oversight of fund flows, or non-compliance with international charity standards during the execution of public welfare projects could lead to public distrust, legal and compliance disputes, and reputational damage.	Low	High	• Establish and implement a comprehensive end-to-end oversight and evaluation mechanism for public welfare projects, and disclose detailed information in a timely manner, including donation records, through various online channels such as c websites and WeChat official accounts, to ensure transparency and compliance.
Opportunity	By implementing CSR initiatives, the company can generate positive impacts on communities and beneficiaries, enhance their development capabilities, foster employee pride, and inspire broader participation in public welfare activities, spreading goodwill and creating value for society at large.	High	Medium	• While focusing on public welfare areas such as educational support and medical assistance, create public welfare practice opportunities for company employees and the public, for example, by organizing volunteer services.

Annual Progress

In 2025, ZTE's total investment in public welfare donations reached

CNY **35.37** million

with

89 public welfare projects implemented

in over

15 countries and regions

benefiting more than

100,000 people directly

Supporting Rural Revitalization

In 2025, ZTE aligned with the national rural revitalization strategy and focused on key areas such as industrial support, infrastructure development, and talent cultivation to systematically advance related public welfare practices. Committed to a problem-oriented and needs-oriented approach, the company accurately addressed the pain points of rural development. It implemented a series of public welfare projects, including industrial support, infrastructure construction, and talent cultivation in 22 counties across 11 provinces, including Heilongjiang, Qinghai, Hainan, and Gansu.

ZTE actively built platforms for communication and collaboration, promoting resource co-creation and sharing among multiple parties. In 2025, ZTE Foundation, China Foundation for Rural Development, and China Railway, co-hosted a special exchange session on innovation and joint efforts in rural revitalization in the Greater Bay Area, with over 60 representatives from government and enterprises in attendance. The in-depth discussions focused on policy directions, practical pathways, and innovative models for rural revitalization, fostering consensus and collaboration on leveraging digital technologies to empower rural industrial upgrading and grassroots governance.

Case

Comprehensive Support for the First Charity School in Heilongjiang Province

Zhongxin School in Lishu town, Huanan county, Jiamusi city, is the first charity fully closed boarding school in Heilongjiang province. It adopts a "charitable boarding + targeted assistance" model to provide stable educational support for children who are homeless, out of school, or facing family difficulties.

Focusing on the school's actual needs in safety, facilities, and educational resources, ZTE Foundation prioritized strengthening campus safety and infrastructure support and improved the teaching environment during the rainy season. It supplemented digital educational resources by equipping students with electronic student IDs and introducing online popular science courses and relevant teaching equipment. Additionally, the Foundation offered basic living care support to students, continuously enhancing the school's capacity to deliver education and creating a safer, more stable, and caring environment for children in need.

Promoting Employee Volunteering

In 2025, ZTE continued to strengthen its volunteer service system, with the total number of employee volunteers exceeding 20,000. Throughout the year, a total of 629 various volunteer service activities were organized, engaging 6,371 employees and delivering 13,139.5 hours of onsite services.

Case

Charity Run to Celebrate ZTE's 40th Anniversary

On the occasion of its 40th anniversary, ZTE launched a charity run activity themed "Running to Convey Love, Celebrating with Warmth," encouraging employees and their family members to take part. The event spanned over 20 cities in China, including Shenzhen, Shanghai, Xi'an, and Nanjing, as well as overseas representative offices, totaling over 4,000 participations and creating cross-regional and cross-team momentum for public welfare. Adhering to the principle that "participation is charity," all registration fees went directly to charitable donations.

Case

"Guarding Mountain Flowers, Paying Tribute to 'Her' Strength"—Focusing on Female Teachers in Mountainous Areas

ZTE Foundation continued and upgraded the "Guarding Mountain Flowers" program, focusing on female teachers who serving in mountainous areas. To address the practical challenges, they face at work and in daily life, the Foundation used the funds raised from the charity run, in collaboration with the Shenzhen Women and Children's Development Foundation and the Bairen Benevolent Foundation, customized and distributed 253 "Female Power Guardian Packages." On March 6, 2025, a donation ceremony was held in Shenzhen, after which the supplies were delivered in batches to nine locations across five provinces, including Kashgar in Xinjiang, Nyingchi in Xizang, and Honghe in Yunnan, providing tangible care for the female teachers.

Case

"Doing Something for My Hometown"—Empowering Volunteers to Give Back

ZTE Foundation continuously carries out the "Doing Something for My Hometown" initiative, encouraging employees to participate in consumption-based assistance and care visits during their Spring Festival return trips. Before the Spring Festival in 2025, the Foundation purchased 447 care packages from Tangyuan county, Heilongjiang province, which were accurately delivered to more than 500 elderly people in need in 48 cities across 16 provinces nationwide through the relay efforts of 59 employee volunteers returning to their hometowns. Beyond delivering daily necessities, volunteers helped prepare New Year's Eve dinners and tidy up homes, sharing warmth through face-to-face interactions. Levering employees' return routes, this program integrates consumption-based assistance, volunteer services, and emotional companionship, forming an employee-engagement model that is replicable and scalable.

Case

"ZTE Class" Remote Teaching—Technology Builds an Educational Bridge

ZTE Foundation has been continuously advancing the "ZTE Class" remote teaching support program. By adopting a "dual-teacher" model and digital devices to create remote teaching environments, the program connects global employee volunteers to break geographical and time zone barriers, continuously delivering high-quality educational resources to rural schools. As of the end of November 2025, it had reached 18 rural primary schools in 4 provinces (regions), including Yunnan, Inner Mongolia, Heilongjiang, and Jiangxi, benefiting over 500 children in 41 classes. Nearly 90 ZTE employees and ZTE-supported college student volunteers from home and abroad regularly conduct online teaching every month. The program has been awarded as an "Excellent Case of Digital Charity Story" by the China Federation of Internet Societies and selected as one of the "100 ICT Popular Science Activities in 2025" by the China Institute of Communications.

Case

Public Welfare Culture Week—Gathering Tiny Sparks to Renew Little Homes

The 6th Public Welfare Culture Week, themed "Gathering Tiny Sparks to Renew Little Rooms," focused on caring for rural children and supporting agricultural development. A total of 1,504 employees participated in the event, raising funds through activities such as "running together, buying together, and donating together." The funds were specifically used to improve the study environment for 12 orphans in Gansu province. The concurrently held "Good Shops" charity bazaar generated 514 farmer-support orders, effectively supporting agricultural development in Baise, Guangxi Zhuang autonomous region.

Public Welfare Educational Support: Accompanying Students on the Path of Growth

In 2025, based on the "Xingtianshi Student Support Program" and "Xinghua Student Support Program", the Foundation continued to advance the comprehensive educational support system combining "financial aid, growth companionship, and personal quality improvement." It innovatively formed a companionship model of "annual field visits, monthly handwritten letters, weekly advice columns, and books-at-hand reading," embedding educational support into students' daily learning and growth. This approach addresses immediate hardships and fosters psychological resilience, values formation and identity, and future-readiness, contributing to the long-term realization of educational equity.

"Xinghua Student Support Program": The year 2025 marks the 10th year of collaboration between ZTE Foundation and the Xinghua Teenager Education Foundation of Gansu. Throughout the year, 41 themed lectures and 18 student seminars were held, serving more than 1,800 senior high school students. In collaboration with the Gansu 12355 Youth Service Center, the Foundation conducted mental health activities in 18 schools, reaching nearly 10,000 people. With over 1,000 handwritten letters and a psychological column called "Answering Questions of Youth," the program provided regular, multi-dimensional companionship for students. In 2025, supported graduating seniors achieved an undergraduate admission rate of 86.33%. Over the past ten years, the Foundation has supported 3,192 senior high school students and 596 college students, helping students in need to grow and succeed.

"Xingtianshi Student Support Program": Launched in 2021 as the Foundation's flagship brand, the program follows a "targeted financial aid + long-term companionship" model. To date, 741 employees have donated nearly CNY10 million, enabling 1,079 senior high school students in need. In 2025, 879 students received assistance. Through 19 activities such as "Relief Teahouse" psychological counseling sessions, AI literary courses, pen pal program, graduation gratitude ceremonies, and follow-up visits to existing classes, the program provided end-to-end growth support for students. In 2025, supported graduates achieved an undergraduate admission rate of 99%, with several admitted to top universities in China, realizing the original aspiration of "changing one's destiny through knowledge."

"Dream Chasing" Summer Camp: With "real-world experience + systematic guidance" as its core method, the program integrates corporate and social resources with professional volunteers, and is delivered through modular tracks, including urban study camps, science and technology camps, and college student career development camps, serving students from senior high school through college. Each camp is designed around clear growth goals and combines intensive courses, hands-on practices, and in-depth exchanges to enhance students' real-world understanding of society, technology, and career development. In 2025, ZTE conducted three camp sessions, covering 183 students.

Case

"Dream Chasing" Urban Study Camp

In July 2025, the Foundation organized the "Dream Chasing" urban study camp. A total of 61 supported students from 20 county-level senior high schools across ten provinces in central and western China regions traveled over 2,000 kilometers to Shenzhen for a one-week study tour. Centered on "career awareness and development exploration," the camp combined enterprise and university visits, in-depth exchanges with industry guests, city exploration, and scenario-based career experiences, helping students to systematically understand technology industry trends, professional pathways, and future career directions.

Caring for Veterans: Paying Tribute to Veterans

The year 2025 marks the 20th year of ZTE's care project for veterans in west Yunnan province. Over the past two decades, the Foundation has consistently provided sustained care and companionship, through door-to-door visits and targeted visits, to honor the veterans and preserve national memory. In 2025, Mr. Hou Weigui, the company's founder, led his third visit to Baoshan city, Yunnan province, delivering daily necessities and subsidies to the centenarian veterans.

Medical Assistance: Safeguarding the Light of Life

In 2025, the Foundation continuously refined its comprehensive assistance model of "medical assistance + psychological support + policy advocacy." Projects including ROP assistance and research, aid for orphans and impoverished children, and the "Vcare Space" advanced in tandem, providing continuous support for children in need across diagnosis, treatment, rehabilitation, and growth companionship.

Targeted Assistance

ZTE Foundation focused on three major diseases: ROP, refractory kidney disease, and immunodeficiency, cumulatively sponsoring 161 children. The "Bright Baby" project has established an integrated model of "screening, diagnosis, treatment, financial assistance, and public education." Targeting ROP, with a high risk of blindness, the program fills screening and treatment gap for disadvantaged families. It has built a charitable support network covering the south, northeast, and northwest China in collaboration with top-tier hospitals such as Shenzhen Eye Hospital, the Second Affiliated Hospital of Harbin Medical University, and the First Hospital of Lanzhou University, forming a medical collaboration system with "four main centers + eight sub-centers." It is now one of the largest non-governmental ROP assistance initiatives in China.

Medical Innovation

The Foundation advanced a cold-region, multi-center ROP study to explore how public welfare resources can advance medical research and public health. Led by the Second Affiliated Hospital of Harbin Medical University, the study brought together nearly 20 medical institutions in four provinces (regions) including Heilongjiang, Jilin, Liaoning, and Inner Mongolia for a two-year systematic epidemiological and clinical program. To address challenges posed by cold climate, high nursing difficulty, and uneven distribution of medical resources, the team established a standardized data collection and follow-up visit mechanism, expecting to include 10,000 evaluable cases and to build China's first foundational ROP database covering all its cold regions.

Comprehensive Companionship

The Foundation continuously provided psychological companionship and family support. Mainly through the "Vcare Space," the company has built a companionship system of "space-based services + themed activities + employee volunteering." By the end of 2025, the space had been open for 2,920 days, serving 63,773 families of pediatric patients with 3,046 themed activities and 5,670 hours of employee volunteer service, effectively easing the psychological burden on pediatric patients and their families during prolonged treatment. Around the Children's Day 2025, the Foundation, together with the children of ZTE employees, fulfilled the wishes of 76 critically ill children at the ICU of Shenzhen Children's Hospital and the "Vcare Space," conveying warmth through genuine companionship.

Low-Carbon Environmental Protection: Strengthening Ecological Barriers Though Precise Restoration

Since 2022, through the ZTE Ecosystem Conservation Fund in partnership with China Green Carbon Foundation, ZTE Foundation has been implementing afforestation programs in Baihuahe Forest, Tangwang county, Yichun city, Heilongjiang province, and in Xiaobazi town, Fengning Manchu autonomous county, Chengde city, Hebei province.

As of 2025, a total of 196,329 trees, including Korean pine, red spruce, and Scots pine, have been planted, green approximately 2,531.71 mu (168.78 hectares). This has effectively increased local forest coverage and improved ecosystem stability. Nearly 1,000 ZTE employees have taken part, putting low-carbon principles into practice.

Case **Earth Day Tree Planting**

In April 2025, to mark the 56th World Earth Day, ZTE employee volunteers in Beijing, together with the China Green Carbon Fund and the Forestry and Grassland Bureau of Fengning Manchu Autonomous County, held a tree planting event in Fuerying village, Xiaobazi town. Before the event, more than 400 employees "adopted" saplings, naming them and sending well-wishes. On the day of the event, under guidance from local forestry experts, volunteers worked in teams to dig pits, plant saplings, and backfill the soil. A total of 9,300 Scots pines were planted across 84.54 mu (5.636 hectares). Afterwards, the company revisited the afforestation sites in 2024 in the same area; the sapling survival rate is estimated to exceed 85%. The results have entered acceptance by China's national forestry and grassland authorities.

Common Good Across Borders

In its global operations, ZTE continuously focuses on the interaction between corporate development and local social needs. Through diverse and locally grounded public welfare initiatives, ZTE actively responds to priorities in disaster relief, education, and community care across different countries and regions.

During the reporting period, ZTE's overseas public welfare activities covered

13 countries and regions worldwide.

In Myanmar

In 2025, a 7.9-magnitude earthquake struck the Mandalay region in central Myanmar. ZTE swiftly activated its emergency response plan, repairing communications facilities and deploying temporary base stations to ensure network connectivity in the affected areas. The company also raised funds through targeted donations and employee-led fundraising to provide emergency supplies, temporary housing, and support for orphanages and employee families. In the aftermath, the company continued recovery efforts supporting communications restoration and broader community rebuilding.

In Thailand

A subsidiary of ZTE donated daily necessities to the Baan Nokkamin Foundation to support local disadvantaged children.

In Vietnam

Through the "Education Support—Growing with ZTE" initiative, the company donated school uniforms, school supplies, and daily necessities to students at Na Cai Primary School in Son La province, and funded a new school gate and playground to improve the school's teaching environment.

In Italy

ZTE is the main sponsor of Alcione Milano in Milan, a long-standing youth training club, supporting the training and development of about 500 young athletes from U7 to U19. In addition, ZTE has supported the I Tennis Foundation's public welfare programs for three consecutive years, providing professional tennis training, full scholarships, technical training, and cross-cultural exchanges for children from economically and socially disadvantaged families—enhancing their athletic skills, technological awareness, and global outlook, while cultivating teamwork, responsibility, and social adaptability.

Case **Digital Literacy Training for Young Athletes**

In 2025, ZTE conducted training in phishing prevention and cybersecurity for 100 young tennis players aged 11–17 at an Italian tennis club. The sessions, held at ZTE's local offices, covered the principles and responsible use of smartphones and AI, helping participants understand the risks in the digital world and methods of self-protection. This program not only enhanced digital literacy and innovative thinking but also provided comprehensive growth support for young people from Italy, Kosovo, Albania, and Montenegro.

In Mexico

In January 2025, ZTE made its sixth consecutive charitable donation to Hogares Providencia, a child care institution, before the Three King's Day. Funds raised internally were used by employee volunteers to purchase and donate supplies according to the actual needs of the institution.

In South Africa

The company sponsors the re-employment training for 6–12 people with disabilities every year. Through the training, participants have all returned to the workforce. As of 2025, a cumulative total of 65 people with disabilities have been supported.

In Spain

A subsidiary of ZTE, in collaboration with the Adecco Foundation, focuses on the employment of people with disabilities. On-the-job training and digital skills programs help build workplace capabilities and ease adaptation. At the same time, public events are also organized to foster people's awareness of people with disabilities, thereby creating a more inclusive environment.

In the Philippines

In August 2025, together with the Cebu City Environment and Natural Resources Office, ZTE carried out a community tree planting activity in Taptap district. Thirty-four local employees planted a total of 136 native trees.

Metric and Target

Topic	Target	Key Metric	Progress in 2025
Rural Revitalization and Social Contribution	Fulfill CSR and promote sustainable social development	Continuously advance public welfare programs, ensure transparency, and encourage more people to participate in public welfare activities.	• Annual public welfare investment: CNY35.37 million (including domestic donations, overseas donations, and donations from operating subsidiaries). • Implemented 89 public welfare projects globally, benefiting over 100,000 people. • 20,691 registered volunteers, 13,139.5 onsite service hours, and 629 volunteer service events throughout the year. • Received a full-score rating on the China Foundation Transparency Index (FTI) for nine consecutive years.

Appendix

Statement of the Board of Directors

To all stakeholders:

Sustainable development is a long-term goal that the company has always stuck to, and it is also an important cornerstone driving our continuous innovation and creation of exceptional value. Since 2009, ZTE has proactively released sustainability reports to the public for eighteen consecutive years. These reports systematically present our strategic planning, practical measures, and phased achievements in the fields of green innovation, social contribution, and corporate governance. This continuous effort aims to consolidate the trust of all stakeholders in ZTE.

The Board of Directors is the highest decision-making body of the company's sustainability management. Every year, based on environmental changes in China and overseas as well as the assessment of the importance of sustainability topics, the Board updates the company's risks and opportunities in ESG, reviews and supervises the sustainable development plans and progress, and deliberates on annual work priorities, to ensure efficient allocation of resources and unified actions of all employees.

Sustainability is a systemic program that permeates various functions and business processes within the company. To better advance relevant work, ZTE has established the Strategy and Sustainability Committee, which makes plans and supports decision-making for the company's strategy and sustainability governance system. The Sustainability Work Team—an execution unit under the committee—consists of members from business units respectively responsible for environmental, social, and governance issues. This team formulates ESG strategies, manages daily operations, and takes specific actions, providing strong support for the company's major sustainability decisions.

To ensure the reliability and credibility of the company's sustainability performance data, the company has commissioned TÜV Rheinland (Shanghai) Co., Ltd. to conduct an independent assurance review of the content of the *ZTE Corporation Sustainability Report 2025* in accordance with the AA1000 Assurance Standard and in reference to Appendix C2 *Environmental, Social and Governance Reporting Code* of the *Main Board Listing Rules* issued by HKEX and the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*. The content of this report has been reviewed and approved by the company's Board of Directors and is authorized for external release.

Looking ahead, we will continue to further implement the company's sustainability strategy, engage in positive and candid communication with all stakeholders, and work together to shape a more resilient and sustainable future.

Third Party Assurance Report

TÜVRheinland®
Precisely Right.

Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by ZTE Corporation (hereinafter "ZTE" or "the Company") to conduct an independent third-party assurance of 2025 Sustainability Report (hereinafter, "Report"). The Report disclosed ZTE's sustainability information for the fiscal year 2025 (1 January 2025 to 31 December 2025).

Responsibilities

ZTE is not only responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of ZTE's Report. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability report.

Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in the Report of ZTE in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of ZTE and stakeholders concerned with the company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the Report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact) .

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were also used in undertaking the work:

- Appendix C2 Environmental, Social and Governance Reporting Code of the Main Board Listing Rules issued by HKEX
- Self-Regulatory Guidelines No.17 for Listed Companies - Sustainability Report (Trial) of the Shenzhen Stock Exchange and Self-Regulatory Guide No.3 for Listed Companies - Compilation of Sustainability Report of the Shenzhen Stock Exchange
- Global Reporting Initiative (GRI) Standards of the Global Sustainability Standards Board (GSSB)
- Corporate Sustainability Reporting Directive (CSRD) of the European Commission
- European Sustainability Reporting Standards (ESRS) of the European Financial Reporting Advisory Group (EFRAG)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Inquiring management to understand the company's business and reporting processes, including sustainability strategy, philosophy and management.
- Interviewing relevant executive personnel in key functions to understand and assess the processes, systems and controls related to sustainability management, including key management procedures, stakeholder engagement processes, topic materiality assessment processes, impact assessments, etc.
- Assessing available performance information based on sampling principles and document review.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance work did not include financial report and its financial data, as well as other information not related to the subject matters of sustainability and/or beyond the assurance scope.

Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- ZTE's 2025 Sustainability Report and its contents are in adherence to the AA1000AP AccountAbility Principles, and sustainability information is prepared in accordance with the Self-Regulatory Guidelines No.17 for Listed Companies - Sustainability Report (Trial) of the Shenzhen Stock Exchange, and Environmental, Social and Governance Reporting Code of the Main Board Listing Rules issued by HKEX, and GRI Standards.
- Evidence of the use of relevant processes, systems and controls, and available performance information have been reviewed and assessed, and can reflect sustainability practices of the Company.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on ZTE based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

- Inclusivity: ZTE has established a systematic stakeholder identification and communication mechanism, covering eight types of major stakeholder groups, including shareholders and investors, regulators, customers and consumers, employees and their families, and value chain partners, and clarified corresponding communication channels. The evidence showed that the company collected the opinions of stakeholders through research and other means, and combined the feedback or reporting obtained from special exchanges between key functional departments and stakeholders in daily business activities for double materiality analysis.
- Materiality: ZTE used the "four-step method" to carry out double materiality analysis and constructed a material issue matrix covering financial materiality and impact materiality. The issue identification process considered internal operations and external environments, standards and rating requirements, and the scope of the issues identified was highly relevant to the characteristics of the information communication technology industry and the company's business strategy. The results of the issue materiality analysis, including issue prioritization, have been confirmed and approved by the company's senior management.
- Responsiveness: Evidence showed that ZTE's communication channels with key stakeholder groups are diverse, and the company has established complaint and reporting mechanisms in areas such as compliance, anti-corruption, and customer service. The company has adopted the framework of "governance - strategy - impact, risk and opportunity management - indicators and objectives" for the identified material issues for systematic disclosure. The company elaborated on management strategies, specific actions, annual progress and goal setting under each topic to give responses to the core concerns of stakeholders.
- Impact: ZTE has conducted impact analysis on sustainable development issues, such as climate change, energy use, and supply chain security, and was linked to the United Nations Sustainable Development Goals (SDGs). The Report demonstrated the company's positive environmental and social impact through quantitative indicators (e.g., greenhouse gas emissions, employee training) and case studies (e.g., green supply chain, etc.).

AA1000
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Daniel Pan

Technical Manager of Corporate Sustainability Services

TÜV Rheinland (Shanghai) Co., Ltd

Shanghai, China, 10 February 2026

2025 Sustainability Performance

Sustainability Indicator		Unit	Data
A Environment			
A1.1	Type of emissions and respective emissions data		
	Atmospheric Pollutants		
	NO_x[1]	Tonne	122.35
	SO_x	Tonne	0.43
	PM	Tonne	0.27
	Tin and its compounds[2]	Max concentration (mg/m^3)	0.0003
	Volatile Organic Compounds (VOCs)	Max concentration (mg/m^3)	5.68
	Water Pollutants[3]		
	Total industrial wastewater	m^3	0
	Total domestic wastewater	m^3	1,683,032.25
	Chemical Oxygen Demand (COD)	mg/L	396
	Biochemical Oxygen Demand (BOD)	mg/L	97.8
	Ammonia Nitrogen (NH_3-N)	mg/L	38.8
	Total Nitrogen (TN)	mg/L	45.6
	Total Phosphorus (TP)	mg/L	7.43

Sustainability Indicator		Unit	Data
A1.3	Hazardous wastes		
	Total hazardous wastes	Tonne	1,507.23
	Density of hazardous wastes	Tonne/Million of operating revenue	0.01
A1.4	Non-hazardous wastes	Tonne of CO_2e	439,736.90
	Total non-hazardous wastes	Tonne	21,762.52
	Domestic waste	Tonne	15439.5
	Food waste	Tonne	2373.2
	General waste (recyclable)	Tonne	3949.8
	Density of non-hazardous wastes	Tonne/Million of operating revenue	0.16
	Total wastes produced	Tonne	23,269.75
	Total wastes recycled[4]	Tonne	12,009.43
	Total non-hazardous wastes recycled	Tonne	11,418.02
	Total hazardous wastes recycled	Tonne	591.41
	Total wastes incinerated	Tonne	11,260.32
	Total non-hazardous wastes incinerated	Tonne	10,344.50
	Total hazardous wastes incinerated	Tonne	915.82

[1] The calculation factors for NO_x and SO_x in 2025 are based on the "Quick Reference Table" in the Manual of Accounting Method and Coefficient of Generation and Emission in Emission Source Statistical Investigation issued by the Ministry of Ecology and Environment of the PRC. NO_x data for 2024 and prior years refer to nitrous oxide (N_2O) only.

[2] Standard limits: Tin and its compounds: 8.5 mg/m^3; VOCs: 100 mg/m^3.

[3] The total domestic wastewater volume and the concentrations of various water pollutants (such as COD, BOD, ammonia nitrogen, etc.) are derived from the actual data of the company's various R&D and manufacturing bases. Among them, the pollutant concentration values listed represent the maximum values among the monitoring results of each base during the reporting period.

[4] Data for recyclable waste is derived from actual measurements and statistics; the recycling volumes of domestic waste and food waste are calculated based on the official annual average recovery rates published by the cities where the operations are located.

Sustainability Indicator		Unit	Data
A2.1	Energy consumption		
	Diesel	Liter	2,270,233.89
	Petrol	Liter	6,488,759.98
	Natural gas	10,000 m^3	666.43
	Liquefied petroleum gas	kg	94,289.81
	Direct energy consumption	kWh	147,577,706.98
	Direct energy density	kWh/Million of operating revenue	1,102.19
	Solar power generation	kWh	39,219,411.00
	Purchased electricity	kWh	744,765,587.64
	Indirect energy consumption of other types	kWh	18,236,100.79
	Total indirect energy consumption	kWh	763,001,688.43
	Indirect energy intensity	kWh/Million of operating revenue	5,698.49
	Total electricity consumption	kWh	783,984,998.64
A2.2	Water consumption[5]		
	Water withdrawal	Tonne	4,879,458.13
	Total water consumption	Tonne	1,687,832.25
	By use:		
	Production water	Tonne	779,193.22
	Domestic and office water	Tonne	908,639.03
	By source:		
	Municipal water supply	Tonne	1,683,032.25
	Rainwater collected and stored	Tonne	4,800

Sustainability Indicator		Unit	Data
A2.2	Density of water consumption	Tonne/Million of operating revenue	12.61
	Water discharge	Tonne	2,277,896.61
	Total recycled water	Tonne	33,142,030
	Water recycling rate	%	98.8
A2.5	Packaging materials		
	Total weight of packaging materials	Tonne	41,995
	Density of packaging materials	Tonne/Million of operating revenue	0.31
	Consumption of purchased packaging materials for telecom products	Tonne	36,828
	Plastic packaging materials	Tonne	1,135
	Paper packaging materials	Tonne	23,441
	Metal packaging materials	Tonne	2,802
	Other packaging materials	Tonne	9,450
	Consumption of purchased packaging materials for terminal products	Tonne	5,167
	Plastic packaging materials	Tonne	522
	Paper packaging materials	Tonne	3,708
	Wood packaging materials	Tonne	937
Climate-Related Disclosure	Greenhouse gas emissions		
	Scope 1		
	Direct emissions [Category 1]	Tonne of CO_2e	49,183.47
	Scope 2		
	Indirect emissions from imported energy [Category 2]	Tonne of CO_2e	385,037.00
	Scope 3		

[5] Data on water withdrawal covers all ZTE global bases and representative offices. All other water-related data covers only operations within China. These figures are derived from actual measurements and estimations based on the proportional relationship between chiller energy consumption and water usage.

Sustainability Indicator		Unit	Data
Climate-Related Disclosure	Indirect emissions from transportation [Category 3]	Tonne of CO_2e	387,946.00
	Indirect emissions from products used by an organization [Category 4]	Tonne of CO_2e	1,569,256.51
	Indirect emissions associated with the use of the organization's products [Category 5]	Tonne of CO_2e	46,888,734.11
	Indirect emissions from other sources [Category 6]	Tonne of CO_2e	0
	Total emissions quantified	Tonne of CO_2e	49,280,157.09
	Greenhouse gas emissions intensity		
	Scope 1		
	Direct emissions intensity [Category 1]	Tonne of CO_2e/ Million of operating revenue	0.37
	Scope 2		
	Indirect emissions intensity from imported energy [Category 2]	Tonne of CO_2e/ Million of operating revenue	2.88
	Scope 3		
	Indirect emissions intensity from transportation [Category 3]	Tonne of CO_2e/ Million of operating revenue	2.90
	Indirect emissions intensity from products used by an organization [Category 4]	Tonne of CO_2e/ Million of operating revenue	11.72
	Indirect emissions intensity associated with the use of the organization's products [Category 5]	Tonne of CO_2e/ Million of operating revenue	350.19

Sustainability Indicator		Unit	Data
Climate-Related Disclosure	Indirect emissions intensity from other sources [Category 6]	Tonne of CO_2e/ Million of operating revenue	0
	Total emissions quantified intensity	Tonne of CO_2e/ Million of operating revenue	368.05
B Social			
Employment			
B1.1	Workforce by gender, position, age group, education degree, and geographical region		
	Total workforce	Person	65,095
	By gender		
	Male	Person	49,609
	Female	Person	15,486
	Percentage of males	%	76.2
	Percentage of females	%	23.8
	By position type		
	R&D personnel	Person	31,589
	Production personnel	Person	13,098
	Administrative personnel	Person	5,279
	Marketing personnel	Person	7,633
	Customer service personnel	Person	7,496
	By position level[6]		
	Number of female employees in senior management	Person	1
	Number of male employees in senior management	Person	4
	Number of female management members (excluding the senior management)	Person	106
	Number of male management members (excluding the senior management)	Person	1,024

[6] According to the Articles of Association of ZTE Corporation, senior management refers to the CEO, executive vice presidents, secretary of the Board of Directors, CFO, and any other personnel designated or confirmed by the Board of Directors from time to time based on actual needs. Some board members also serve as senior executives of the company. Management members refer to managers at the A2, A3, and A4 levels of the company.

Sustainability Indicator		Unit	Data
B1.1	By age group		
	< 35	Person	31,356
	⩾ 35	Person	33,739
	By education degree		
	Doctoral degree	Person	549
	Master's degree	Person	26,876
	Undergraduate degree	Person	23,099
	Other degrees	Person	14,571
	By geographical region		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	Person	59,343
	Other countries and regions	Person	5,752
	New employees by geographical region, age group, and gender		
	Total number of new employees	Person	3,446
	By geographical region		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	Person	2,660
	Other countries and regions	Person	786
	By age group		
	< 35	Person	2,935
	⩾ 35	Person	511
	By gender		
	Male	Person	2,700
	Female	Person	746
B1.2	Employee turnover rate by gender, age group, and geographical region		
	Average years of employment		

Sustainability Indicator		Unit	Data
B2.1	Female	Year	9.9
	Male	Year	9.7
	Total employee turnover rate	%	9.4
	By gender		
	Male	%	9.3
	Female	%	9.4
	By age group		
	< 35	%	12.2
	⩾ 35	%	6.6
	By geographical region		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	%	8.6
	Other countries and regions	%	16.6
	The number and rate of work-related fatalities per year over the past three years (including the reporting year)		
	Number of deaths caused by work-related injuries (including those deemed as work-related injuries)[7]		
	2023	Person	3
	2024	Person	4
	2025	Person	0
	Rate of deaths caused by work-related injuries (annual number of deaths caused by work-related injuries* one million/annual employee work hours)[8]		
	2023	%	0.03
	2024	%	0.04
	2025	%	0
B2.2	Number of workdays lost due to work-related injuries	Day	3,333
	Number of annual employee workplace accidents	Case	82

[7] Including deemed work-related injuries

[8] Annual number of deaths caused by work-related injuries × 1,000,000 / annual employee work hours

Sustainability Indicator		Unit	Data
B2.2	Percentage of employees protected by the health and safety management system	%	100
	Safety drill activities	Session	886
	Number of supplier participants in safety training	Person	36,195
	Supplier safety training coverage[9]	%	100
B3.1	Person-times and percentage of employees trained by gender and position		
	Percentage of employees trained	%	100
	Person-times and percentage of employees trained by gender and position		
	Total person-times	Person-time	1,366,594
	By gender		
	Male employees trained	Person-time	1,044,846
	Female employees trained	Person-time	321,748
	Percentage of male employees trained	%	76.46
	Percentage of female employees trained	%	23.54
	By position		
	Percentage of R&D personnel trained	%	38.70
	Percentage of production personnel trained	%	27.20
	Percentage of administrative personnel trained	%	7.04
	Percentage of marketing and customer service personnel trained	%	27.06
B3.2	The average training hours per employee		
	All employees	Hour/Person	123.45
	By gender		
	Male	Hour/Person	128.07
	Female	Hour/Person	108.75

Sustainability Indicator		Unit	Data
B3.2	By position		
	R&D personnel	Hour/person	115.18
	Production personnel	Hour/person	94.21
	Administrative personnel	Hour/person	86.07
	Marketing and customer service personnel	Hour/person	186.10
	New employee training percentage	%	100
	New employee training sessions[10]	Session	15
	Training course hours per session	Hour	47
	Number of new online courses	Section	5,090
	Total number of online courses	Section	35,904
	Total expenditure on employee training	CNY10,000	17,803
B5.1	Number of production suppliers by geographical region		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	Supplier	3,238
	Other countries and regions	Supplier	164
B5.2	Number of the production suppliers where supplier engagement practices are being implemented		
	Percentage of new suppliers signing the *Supplier CSR Agreement*	%	100
	Number of the *Supplier CSR Agreement* newly signed	Copy	363
	Number of suppliers not introduced due to failure to pass CSR audits	Supplier	11
	Number of new subcontractors/suppliers receiving onsite CSR assessments	Supplier	68
	Number of suppliers participating in improvement actions or capability building	Supplier	361
	Percentage of audited suppliers participating in improvement actions or capability building	%	100
	Percentage of new suppliers signing the *Anti-Bribery Commitment Letter*	Supplier	352
	Percentage of new suppliers signing the *Anti-Bribery Commitment Letter*	%	100

[9] The statistics cover onsite personnel related to ZTE's business.

[10] The statistics only include training organized by the ZTE Global Learning & Development Center.

Sustainability Indicator		Unit	Data
B5.2	Number of new suppliers receiving onsite certification audits	Supplier	68
	Number of existing suppliers receiving cross-category collaboration certification audits	Supplier	60
	Number of existing suppliers receiving supervision audits	Supplier	142
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		
	Percentage of products recalled due to health and safety reasons	%	0
B6.2	Number of complaints received about products and services and how they are dealt with		
	Number of complaints related to products and services	Case	77
	Shipment complaints	Case	1
	Service complaints	Case	61
	Engineering complaints	Case	9
	Product complaints	Case	6
	Customer complaint handling rate	%	100
	Timely handling & closure rate (domestic)	%	99.43
	Timely handling & closure rate (overseas)	%	99.36
	After-sales service customer satisfaction (domestic)	%	99.74
	After-sales service customer satisfaction (overseas)	%	99.28
B7.1	Number of concluded corruption lawsuits against ZTE or its ZTE employees during the reporting period		
	Against ZTE	Case	0
	Number of ZTE employees with valid court judgments for embezzlement this year	Person	4

Sustainability Indicator		Unit	Data
B7.3	Anti-corruption training for directors and employees		
	Total anti-corruption and anti-bribery training sessions for directors/executives	Session	1
	Total number of directors covered by anti-corruption and anti-bribery training	Person	9
	Percentage of directors covered by anti-corruption and anti-bribery training	%	100
	Total number of senior management personnel covered by anti-corruption and anti-bribery training	Person	5
B7.3	Percentage of senior management personnel covered by anti-corruption and anti-bribery training	%	100
	Number of management members covered by anti-corruption and anti-bribery training	Person	1130
	Percentage of management members covered by anti-corruption and anti-bribery training	%	100
	Percentage of risky functional personnel covered by anti-corruption and anti-bribery training	%	100
	Total anti-corruption and anti-bribery training sessions for regular employees[11]	Session	1
	Total person-times of anti-corruption and anti-bribery training	Person-time	55,326
	Percentage of operational sites covered by anti-bribery compliance risk assessment	%	100
B8.2	Focus areas of resources contribution		
	Funds	CNY10,000	3,226.39
	Value of item donations	CNY10,000	238.28
	Number of volunteers	Person	20,691
	Volunteer service hours	Hour	13,139.5
	Average volunteer hours per employee	Hour	0.64
	Funds donated for rural revitalization	CNY10,000	705.43
	Number of beneficiaries from rural revitalization	Person	>100,000

[11] The statistics only include the training organized by the compliance training program of ZTE Corporation in a centralized manner. This is an annual training for all employees and excludes training independently organized by subsidiaries, the Anti-Commercial Bribery Compliance Dept., or business units.

Sustainability Disclosure Standard Index

GRI Index

Statement of use	ZTE has reported the information cited in this GRI content index for the period January 1, 2025 through December 31, 2025 with reference to the GRI Standards.
GRI used	GRI 1: Foundation 2021

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 2: General Disclosures 2021	2-1	Organizational details	About ZTE
	2-2	Entities included in the organization's sustainability reporting	About This Report
	2-3	Reporting period, frequency and contact point	About This Report
	2-4	Restatements of information	2025 Sustainability Performance
	2-5	External assurance	Third Party Assurance Report
	2-6	Activities, value chain and other business relationships	About ZTE
	2-7	Employees	Protecting Employees' Rights and Interests
	2-8	Workers who are not employees	Supplier ESG Management
	2-9	Governance structure and composition	Strengthening Corporate Governance
	2-10	Nomination and selection of the highest governance body	Strengthening Corporate Governance
	2-11	Chair of the highest governance body	Strengthening Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Strategy and Management
	2-13	Delegation of responsibility for managing impacts	Sustainability Strategy and Management
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Strategy and Management
	2-15	Conflicts of interest	Strengthening Corporate Governance
	2-16	Communication of critical concerns	Sustainability Strategy and Management
	2-17	Collective knowledge of the highest governance body	Sustainability Strategy and Management
	2-18	Evaluation of the performance of the highest governance body	Sustainability Strategy and Management
	2-19	Remuneration policies	Sustainability Strategy and Management
	2-20	Process to determine remuneration	Protecting Employees' Rights and Interests
	2-21	Annual total compensation ratio	/
	2-22	Statement on sustainable development strategy	Message from the CEO, Message from the COO, Statement of the Board of Directors
	2-23	Policy commitments	Continuously Optimizing the Compliance System; Anti-Bribery and Anti-Corruption; Protecting Employees' Rights and Interests; Supplier ESG Management
	2-24	Embedding policy commitments	Continuously Optimizing the Compliance System; Anti-Bribery and Anti-Corruption; Protecting Employees' Rights and Interests; Supplier ESG Management
	2-25	Processes to remediate negative impacts	Continuously Optimizing the Compliance System
	2-26	Mechanisms for seeking advice and raising concerns	Anti-Bribery and Anti-Corruption
	2-27	Compliance with laws and regulations	Continuously Optimizing the Compliance System
	2-28	Membership associations	Honors and Achievements
	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Protecting Employees' Rights and Interests
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Double Materiality Assessment
	3-2	List of material topics	Double Materiality Assessment
	3-3	Management of material topics	Double Materiality Assessment
GRI 101: Biodiversity 2024	101-4	Identification of biodiversity impacts	Double Materiality Assessment
	101-5	Locations with biodiversity impacts	Enhancing Environmental Impact Management
	101-6	Direct drivers of biodiversity loss	/
	101-7	Changes to the state of biodiversity	Our Impact
	101-8	Ecosystem services	Our Impact

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 102: Climate Change 2025	102-3	Just transition	Taking Comprehensive Action to Address Climate Change
	102-4	GHG emissions reduction targets and progress	Taking Comprehensive Action to Address Climate Change
	102-5	Scope 1 GHG emissions	2025 Sustainability Performance
	102-6	Scope 2 GHG emissions	2025 Sustainability Performance
	102-7	Scope 3 GHG emissions	2025 Sustainability Performance
	102-8	GHG emissions intensity	2025 Sustainability Performance
	102-9	GHG removals in the value chain	Taking Comprehensive Action to Address Climate Change
	102-10	Carbon credits	Taking Comprehensive Action to Address Climate Change
GRI 103: Energy 2025	103-2	Energy consumption and self-generation within the organization	2025 Sustainability Performance
	103-3	Upstream and downstream energy consumption	Taking Comprehensive Action to Address Climate Change
	103-4	Energy intensity	2025 Sustainability Performance
	103-5	Reduction in energy consumption	Taking Comprehensive Action to Address Climate Change
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2025 Sustainability Performance
	201-2	Financial implications and other risks and opportunities due to climate change	Taking Comprehensive Action to Address Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	Protecting Employees' Rights and Interests
	201-4	Financial assistance received from government	/
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2	Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Our Impact; Shouldering CSR to Contribute to the Global Community
	203-2	Significant indirect economic impacts	Our Impact; Shouldering CSR to Contribute to the Global Community
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption
	205-3	Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti-Corruption

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2025 Sustainability Performance
GRI 207: Tax 2019	207-1	Approach to tax	Strengthening Governance and Preventing Emerging Risks
	207-2	Tax governance, control, and risk management	Strengthening Governance and Preventing Emerging Risks
	207-3	Stakeholder engagement and management of concerns related to tax	Strengthening Governance and Preventing Emerging Risks
	207-4	Country-by-country reporting	/
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2025 Sustainability Performance
	301-2	Recycled input materials used	Circular Economy
	301-3	Reclaimed products and their packaging materials	Advancing the Circular Economy
GRI 303: Water and Effluents 2018	303-1	Energy consumption within the organization	Enhancing Environmental Impact Management
	303-2	Energy consumption outside of the organization	Enhancing Environmental Impact Management
	303-3	Water withdrawal	2025 Sustainability Performance
	303-4	Water discharge	2025 Sustainability Performance
	303-5	Water consumption	2025 Sustainability Performance
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2025 Sustainability Performance
	305-2	305-2 Energy indirect (Scope 2) GHG emissions	2025 Sustainability Performance
	305-3	305-3 Other indirect (Scope 3) GHG emissions	2025 Sustainability Performance
	305-4	GHG emissions intensity	2025 Sustainability Performance
	305-5	Reduction of GHG emissions	Taking Comprehensive Action to Address Climate Change
	305-6	Emissions of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	2025 Sustainability Performance
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Enhancing Environmental Impact Management
	306-2	Management of significant waste-related impacts	Enhancing Environmental Impact Management
	306-3	Waste generated	2025 Sustainability Performance
	306-4	Waste diverted from disposal	2025 Sustainability Performance
	306-5	Waste directed to disposal	2025 Sustainability Performance

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supplier ESG Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier ESG Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	2025 Sustainability Performance
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Employees' Rights and Interests
	401-3	Parental leave	Protecting Employees' Rights and Interests
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	/
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Building a Healthy and Safe Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	Building a Healthy and Safe Workplace
	403-3	Occupational health services	Building a Healthy and Safe Workplace
	403-4	Worker participation, consultation, and communication on occupational health and safety	Building a Healthy and Safe Workplace
	403-5	Worker training on occupational health and safety	Building a Healthy and Safe Workplace
	403-6	Promotion of worker health	Building a Healthy and Safe Workplace
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Building a Healthy and Safe Workplace
	403-8	Workers covered by an occupational health and safety management system	Building a Healthy and Safe Workplace
	403-9	Work-related injuries	2025 Sustainability Performance
	403-10	Work-related ill health	Building a Healthy and Safe Workplace
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	2025 Sustainability Performance
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Empowerment and Capability Enhancement
	404-3	Percentage of employees receiving regular performance and career development reviews	Protecting Employees' Rights and Interests
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Strengthening Corporate Governance; Protecting Employees' Rights and Interests; 2025 Sustainability Performance
	405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Protecting Employees' Rights and Interests

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protecting Employees' Rights and Interests; Supplier ESG Management
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Protecting Employees' Rights and Interests; Supplier ESG Management
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Employees' Rights and Interests; Supplier ESG Management
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Employee Empowerment and Capability Enhancement
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Enhancing Environmental Impact Management
	413-2	Operations with significant actual and potential negative impacts on local communities	Enhancing Environmental Impact Management
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supplier ESG Management
	414-2	Negative social impacts in the supply chain and actions taken	Supplier ESG Management
GRI 415: Public Policy 2016	415-1	Political contributions	/
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Efficient Quality Management
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Efficient Quality Management; 2025 Sustainability Performance
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Strong Cybersecurity Foundation; Efficient Quality Management
	417-2	Incidents of non-compliance concerning product and service information and labeling	Strong Cybersecurity Foundation; Efficient Quality Management
	417-3	Incidents of non-compliance concerning marketing communications	Anti-Unfair Competition
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy Protection

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Terms and Disclosure Contents			Issues	Location
Chapter 1 General Provisions				
Chapter 2 Framework for Sustainable Development Information Disclosure				
	Article 11	The Four Pillars of Sustainable Development Information Disclosure		Sustainability Strategy and Management
	Article 12 (1)	Sustainable Development Governance Structure		
	Article 12 (2)	Diversity and Skills of Sustainable Development Governance		
	Article 12 (3)	Information Reporting Mechanism		
	Article 12 (4)	Supervision and Management Mechanism for Sustainable Development		
	Article 12 (5)	Integration of Sustainable Development into Corporate Governance and Decision-Making		
	Article 13	Formulation and Implementation of Sustainable Development Strategy		
	Article 14 (1)	Identification of Sustainable Development Risks and Opportunities		
	Article 14 (2)	Definition and Matching of Timeframes		
	Article 15 (1)	Methods for Strategic Formulation		
	Article 15 (2)	Strategic Objectives and Implementation		
	Article 15 (3)	Evaluation, Judgment, and Management of Identified Risks and Opportunities		Sustainability Strategy and Management
	Article 16 (1)	Trends in Financial Conditions		
	Article 16 (2)	Short, Medium, and Long-Term Trends in Business Results and Cash Flows		
	Article 17	Adaptability of Strategy and Business Model to Sustainable Development-Related Risks		
	Article 18 (1)	Methods for Identifying Risks and Opportunities for Sustainable Development		
	Article 18 (2)	Prioritization and Prioritization Criteria of Identified Risks and Opportunities		
	Article 18 (3)	Supervision Process and Mechanism for Identifying Risks and Opportunities		
	Article 18 (4)	Integration of Sustainable Development Risk and Opportunity Management into Internal Management (if any)		
	Article 19	Setting and Implementation Progress of Sustainable Development Goals		

Terms and Disclosure Contents			Issues	Location
Chapter 3 Environmental Information Disclosure				
Section 1 Tackle Climate Change	Article 20	Actively implement green and low-carbon development by improving processes, upgrading production equipment, optimizing energy structures, improving production efficiency, researching and developing green products and services, and improving and strengthening management, to support the construction of a beautiful China.		Taking Comprehensive Action to Address Climate Change
	Article 21	Information Disclosure on Addressing Climate Change	Taking Comprehensive Action to Address Climate Change	Taking Comprehensive Action to Address Climate Change
	Article 22 (1)	Assessment of the Impact of Climate Change on the Company's Strategy and Business Model		
	Article 22 (2)	Uncertainty Factors in Climate Change Adaptation Assessment		
	Article 22 (3)	Ability to Adjust to Climate Change Adaptation		
	Article 23 (1)	Climate-Adaptive Adjustments to Strategy, Business Model, and Resource Allocation		
	Article 23 (2)	Process Improvement and Equipment Update Measures to Address Climate Risks		
	Article 23 (3)	Transformation Plan and Assumptions for Climate-Related Risks and Opportunities		
	Article 23 (4)	Resource Support for Transformation Plans		
	Article 23 (5)	Implementation Progress of Transformation Plans		
	Article 24	Requirements for accounting and disclosure of greenhouse gas emissions		
		Carbon credit line and carbon emission trading		
		Third-party verification or authentication		
	Article 25 (1)	Greenhouse Gas Emissions by Business Unit or Facility		2025 Sustainability Performance
	Article 25 (2)	Greenhouse Gas Emissions by Country or Region		
	Article 25 (3)	Greenhouse Gas Emissions by Source Type		
	Article 26	Greenhouse Gas Emission Accounting Standards and Methods		

Terms and Disclosure Contents			Issues	Location
Section 1 Tackle Climate Change	Article 27	Greenhouse Gas Emission Reduction Practices and Achievements	Taking Comprehensive Action to Address Climate Change	Taking Comprehensive Action to Address Climate Change
		Greenhouse gas emissions directly reduced by emission reduction measures		
		Participation and transaction of greenhouse gas emission reduction projects (if any)		
	Article 28	Progress in Research and Development of Carbon Emission Reduction Technologies and Products		Taking Comprehensive Action to Address Climate Change
Section 2 Pollution Prevention and Ecosystem Protection	Article 29	Integrate the construction of a beautiful China and ecological environment protection into the company's development strategy and corporate governance process. Based on the actual situation of the company's production and operation characteristics, ecological environment management requirements, the impact on the environment, and the consistent demands of the affected public, implement relevant environmental management systems, take effective measures to fulfill ecological environment protection responsibilities, prevent and control environmental pollution, and protect biodiversity.		Taking Comprehensive Action to Address Climate Change
	Article 30 (1)	Pollution Discharge Information	Pollutant Emissions	Enhancing Environmental Impact Management
	Article 30 (2)	Operation of Pollution Treatment Technology and Facilities		
	Article 30 (3)	Pollution Reduction Goals and Measures		
	Article 30 (4)	Impact of Pollution Emissions on Stakeholders		
	Article 30 (5)	Major Pollution Emission Incidents		
	Article 31 (1)	Total Amount and Density of Waste	Waste Management	Enhancing Environmental Impact Management
	Article 31 (2)	Waste Treatment Methods and Disposal		
	Article 31 (3)	Waste Reduction Goals and Specific Measures		
	Article 32 (1)	Withdrawal and Disposal Activities within the Ecological Conservation Red Line	Ecosystem and Biodiversity Conservation	Our Impact
	Article 32 (2)	Protection and Restoration Measures for Ecological Function Areas		
	Article 32 (3)	Measures for the Protection of Wild Animals and Plants and Their Natural Habitats		
	Article 32 (4)	Measures for the Protection and Management of Biodiversity Resources		
	Article 32 (5)	Actions and Effects of Reducing the Impact of Products on Ecosystems		
	Article 33 (1)	Environmental Risk Assessment and Emergency Management Measures	Environmental Compliance Management	Enhancing Environmental Impact Management
	Article 33 (2)	Details and Impact of Major Environmental Incidents During the Reporting Period		
	Article 33 (3)	Administrative Penalties and Criminal Liability for Environmental Incidents		

Terms and Disclosure Contents			Issues	Location
Section 3 Resource Utilization and Circular Economy	Article 34	Intensive and efficient utilization of energy, water, raw materials, and other resources, strengthening resource saving management during the resource use process, and promoting the reduction, reuse, and recycling of production and circulation processes.		Taking Comprehensive Action to Address Climate Change
	Article 35 (1)	Basic Information on Energy Use	Energy Utilization	Taking Comprehensive Action to Address Climate Change
	Article 35 (2)	Use of Clean Energy		
	Article 35 (3)	Energy Saving Goals and Specific Measures		
	Article 36 (1)	Water Resource Use	Water Resource Utilization	Enhancing Environmental Impact Management
	Article 36 (2)	Water Resource Saving Goals and Specific Measures		
	Article 37 (1)	Goals and Plans for Circular Economy	Circular Economy	Advancing the Circular Economy
	Article 37 (2)	Specific Measures for Circular Economy		
	Article 37 (3)	Progress and Achievements of Circular Economy		
Chapter 4 Social Information Disclosure				
Section 1 Rural Revitalization and Social Contributions	Article 38	Combine the company's main business with the implementation of rural revitalization and social public welfare, while ensuring the healthy development of the company and sustainable returns to investors, promote the sustainable development of the economy and society.		Shouldering CSR to Contribute to the Global Community
	Article 39 (1)	Integration of Rural Revitalization and Poverty Alleviation Strategies into the Company's Strategy	Rural Revitalization	Shouldering CSR to Contribute to the Global Community
	Article 39 (2)	Rural Revitalization Support Measures		
	Article 39 (3)	Achievements of Rural Revitalization Work		
	Article 40	Public and Social Contributions	Social Contribution	Shouldering CSR to Contribute to the Global Community
Section 2 Innovation-Driven and Scientific Ethics	Article 41	Actively implement the innovation-driven development strategy, continuously enhance innovation capabilities and competitiveness, comply with scientific ethics norms in innovation decision-making and practice, respect the spirit of science, and give full play to the positive effects of science and technology.		Empowering Industries Through Innovation and Building the Foundation of Digital Economy
	Article 42 (1)	Strategy and Goals for Technology Innovation	Innovation-Driven	Driving Technology Innovation for Development
	Article 42 (2)	Specific Situations of Technology Innovation		
	Article 42 (3)	Research and Development Progress and Achievements of Technology Innovation		

Terms and Disclosure Contents			Issues	Location
Section 2 Innovation-Driven and Scientific Ethics	Article 43 (1)	Scientific Ethics Norms	Technology Ethics	Upholding Technology Ethics
	Article 43 (2)	System, Governance Structure, and Operation of Scientific Ethics		
	Article 43 (3)	Behaviors Violating Scientific Ethics (if any)		
	Article 43 (4)	Internal and External Training and Science Popularization of Scientific Ethics		
Section 3 Suppliers and Customers	Article 44	While pursuing economic benefits and protecting the interests of shareholders, protect the interests of creditors, treat suppliers, customers, and consumers with integrity.		Upholding Win-Win Collaboration to Grow with Partners; Staying Open and Transparent to Win Customer Trust
	Article 45 (1)	Supply Chain Risk Management	Supply Chain Security	Supply Chain Security
	Article 45 (2)	Measures to Ensure Supply Chain Security		
	Article 46	Amount of overdue payment and its solution	Equal Treatment of SMEs	Supplier ESG Management
		Disclosure requirements and solutions of overdue payment for small and medium-sized enterprises		
	Article 47 (1)	Construction and Implementation of Product and Service Quality Management System	Product and Service Safety and Quality	Staying Open and Transparent to Win Customer Trust
	Article 47 (2)	Quality Management and Product and Service Quality Certification		
	Article 47 (3)	Handling and Impact of Product and Service Quality Incidents During the Reporting Period		
	Article 47 (4)	Implementation of After-Sales Service and Product Recall System, and Customer Complaint Handling		
	Article 48 (1)	Data Security Management and Certification (if any)	Data Security and Privacy Protection	Data Security and Privacy Protection
	Article 48 (2)	Handling of Data Security Incidents (if any)		
	Article 48 (3)	Customer Privacy Protection System		
	Article 48 (4)	Handling of Customer Privacy Leakage Incidents (if any)		
Section 4 Employees	Article 49	Legally protect the legitimate rights and interests of employees, provide employees with healthy and safe working conditions, pay employee salaries and social security on time, strengthen employee training, and establish a reasonable and effective employee grievance system.		Remaining Human-Centric and Supporting Employee Development
	Article 50 (1)	Policies and Implementation in Employee Employment, Treatment, and Other Aspects	Employees	Protecting Employees' Rights and Interests

Terms and Disclosure Contents			Issues	Location
Section 4 Employees	Article 50 (2)	Basic Situation of Occupational Health and Safety	Employees	Building a Healthy and Safe Workplace
	Article 50 (3)	Basic Situation of Employee Career Development and Training		Employee Empowerment and Capability Enhancement
Chapter 5 Information Disclosure Related to Sustainable Development Governance				
Section 1 Sustainable Development Governance Mechanisms	Article 51	Actively integrate the concept of sustainable development into the company's governance systems and processes in combination with the company's actual situation and the requirements of this Guideline, further improve and perfect the company's governance mechanisms, and promote the company's sustainable development.		Sustainability Strategy and Management
	Article 52	Due Diligence on Identification and Response to Sustainable Development Risks	Due Diligence	Double Materiality Assessment
	Article 53 (1)	Construction and Implementation of Stakeholder Engagement System	Stakeholder and Engagement	Stakeholder Engagement
	Article 53 (2)	Channels and Implementation of Feedback from Stakeholders		
Section 2 Business Conduct	Article 54	In business activities, it shall follow the principles of voluntariness, fairness, equality, and mutual benefit, observe social ethics and business ethics, shall not seek illegal interests through bribery and other illegal activities, shall not infringe upon others' trademarks, patents, and copyrights and other intellectual property rights, and shall not engage in unfair competition.		Adhering to Compliant Operations for Steady Business Growth
	Article 55 (1)	Anti-Bribery and Anti-Corruption Management System	Anti-Bribery and Anti-Corruption	Anti-Bribery and Anti-Corruption
	Article 55 (2)	Anti-Bribery and Anti-Corruption Risk Assessment		
	Article 55 (3)	Number of Employees Trained in Anti-Bribery and Anti-Corruption		
	Article 55 (4)	Handling of Bribery and Corruption Incidents (if any)		
	Article 56 (1)	Anti-Unfair Competition System and Construction	Anti-Unfair Competition	Anti-Unfair Competition
	Article 56 (2)	Litigation (if caused by unfair competition)		
Chapter 6 Supplementary Provisions and Interpretations				
	Article 57	Index table		Sustainability Standards Index
	Article 58	Report Attestation or Audit		Third Party Assurance Report

Appendix C2 Environmental, Social and Governance Reporting Code Index

Aspect	Mandatory Disclosure Requirements	Location
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability Strategy and Management
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Dimension	Aspect	"Comply or explain" Provisions		Location
Environmental	A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Taking Comprehensive Action to Address Climate Change
		KPI A1.1	The types of emissions and respective emissions data.	2025 Sustainability Performance
		KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2025 Sustainability Performance

Aspect		Mandatory Disclosure Requirements		Location
Environmental	A1: Emissions	KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2025 Sustainability Performance
		KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Taking Comprehensive Action to Address Climate Change
		KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Enhancing Environmental Impact Management
	A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Taking Comprehensive Action to Address Climate Change
		KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2025 Sustainability Performance
		KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2025 Sustainability Performance
		KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Taking Comprehensive Action to Address Climate Change
		KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Enhancing Environmental Impact Management
		KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	2025 Sustainability Performance
	A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.		Enhancing Environmental Impact Management
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Enhancing Environmental Impact Management

Aspect			Mandatory Disclosure Requirements		Location
Social	Employment and Labor Practices	B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Protecting Employees' Rights and Interests
			KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	2025 Sustainability Performance
			KPI B1.2	Employee turnover rate by gender, age group and geographical region.	2025 Sustainability Performance
		B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Building a Healthy and Safe Workplace
			KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2025 Sustainability Performance
			KPI B2.2	Lost days due to work injury.	2025 Sustainability Performance
			KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Building a Healthy and Safe Workplace
		B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Employee Empowerment and Capability Enhancement
			KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	2025 Sustainability Performance
			KPI B3.2	The average training hours completed per employee by gender and employee category.	2025 Sustainability Performance
		B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Protecting Employees' Rights and Interests
			KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Protecting Employees' Rights and Interests
			KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Protecting Employees' Rights and Interests
	Operating Practices	B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Supply Chain Security
			KPI B5.1	Number of suppliers by geographical region.	2025 Sustainability Performance
			KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supplier ESG Management

Aspect			Mandatory Disclosure Requirements		Location
Social			KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier ESG Management
			KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier ESG Management
		B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Strong Cybersecurity Foundation
			KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2025 Sustainability Performance
			KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Rapid Response to Customer Demands
			KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Driving Technology Innovation for Development
			KPI B6.4	Description of quality assurance process and recall procedures.	Efficient Quality Management
			KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Compliance and Privacy Protection
		B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer		Anti-Bribery and Anti-Corruption
			KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Bribery and Anti-Corruption
			KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Continuously Optimizing the Compliance System
			KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Bribery and Anti-Corruption
	Community	B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Shouldering CSR to Contribute to the Global Community
			KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Shouldering CSR to Contribute to the Global Community
			KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Shouldering CSR to Contribute to the Global Community

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(I) Governance		An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Taking Comprehensive Action to Address Climate Change
	(II) Strategy	Climate-related risks and opportunities	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Taking Comprehensive Action to Address Climate Change

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	Climate-related risks and opportunities	Business model and value chain	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Taking Comprehensive Action to Address Climate Change
		Strategy and decision-making	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; current and anticipated adaptation and mitigation efforts (whether direct or indirect); any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Taking Comprehensive Action to Address Climate Change
			Financial position, financial performance and cash flows	Taking Comprehensive Action to Address Climate Change
		Financial position, financial performance and cash flows	Current financial effect An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Taking Comprehensive Action to Address Climate Change

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(II) Strategy	Financial position, financial performance and cash flows	Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; andAC2 – 19 (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Taking Comprehensive Action to Address Climate Change
		Climate resilience	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (d) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: (e) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (f) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and (g) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (h) how and when the climate-related scenario analysis was carried out, including: (i)(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Taking Comprehensive Action to Address Climate Change

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(II) Strategy	Climate resilience	(j)(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out.	Taking Comprehensive Action to Address Climate Change
	(III) Risk Management		An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritizes climate-related risks relative to other types of risks; AC2 – 22 (v) how the issuer monitors climate-related risks; and (v) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritize and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Taking Comprehensive Action to Address Climate Change
	(IV) Metrics and Targets	Greenhouse gas emissions	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	2025 Sustainability Performance

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(IV) Metrics and Targets	Greenhouse gas emissions	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;AC2 – 23 (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Taking Comprehensive Action to Address Climate Change
		Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Refer to *ZTE's 2025 CDP Corporate Questionnaire*
		Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Refer to *ZTE's 2025 CDP Corporate Questionnaire*
		Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Refer to *ZTE's 2025 CDP Corporate Questionnaire*

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(IV) Metrics and Targets	Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Refer to *ZTE's 2025 CDP Corporate Questionnaire*
		Internal carbon prices	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric ton of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Refer to *ZTE's 2025 CDP Corporate Questionnaire*
		Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Sustainability Strategy and Management
		Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	/
		Climate-related targets	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; andAC2 – 26 (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Taking Comprehensive Action to Address Climate Change

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(IV) Metrics and Targets	Climate-related targets	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; andAC2 – 26 (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Taking Comprehensive Action to Address Climate Change
			An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Taking Comprehensive Action to Address Climate Change
			An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Taking Comprehensive Action to Address Climate Change

Aspect			Mandatory Disclosure Requirements	Location
Climate-related Disclosures	(IV) Metrics and Targets	Climate-related targets	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarburization approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; AC2 – 27 (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Taking Comprehensive Action to Address Climate Change

ESRS Index

CSRD Standard	Disclosure	Location/Response
ESRS 2: General Disclosures	BP-1 - General basis for preparation of the sustainability statement	About This Report
	BP-2 - Disclosures in Relation to Specific Circumstances	2025 Sustainability Performance
	GOV-1 - The role of the administrative, management and supervisory bodies	Strengthening Governance and Preventing Emerging Risks
	GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability Strategy and Management
	GOV-3 - Integrated of sustainability-related performance in incentive schemes	Sustainability Strategy and Management
	GOV-4 - Statement on due diligence	Supplier ESG Management
	GOV-5 - Risk management and internal controls of sustainability reporting	Strengthening Governance and Preventing Emerging Risks
	SBM-1 - Strategy, business model, and value chain	About ZTE
	SBM-2 - Interests and views of stakeholders	Stakeholder Identification and Engagement
	SBM-3 - Material impacts, risk, and opportunities and their interaction with strategy and business model	Double Materiality Assessment
	IRO-1 - Description of the processes to identify and assess material impacts, risks, and opportunities	Double Materiality Assessment
	IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement	ESRS Index
ESRS E1: Climate Change	E1-1 - Transition plan for climate change mitigation	Taking Comprehensive Action to Address Climate Change
	E1 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment; Taking Comprehensive Action to Address Climate Change
	E1 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	Taking Comprehensive Action to Address Climate Change
	E1-2 - Policies related to climate change mitigation and adaptation	Taking Comprehensive Action to Address Climate Change

CSRD Standard	Disclosure	Location/Response
ESRS E1: Climate Change	E1-3 - Actions and resources in relation to climate change policies	Taking Comprehensive Action to Address Climate Change
	E1-4 - Targets related to climate change mitigation and adaptation	Taking Comprehensive Action to Address Climate Change
	E1-5 - Energy consumption and mix	Taking Comprehensive Action to Address Climate Change
	E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	2025 Sustainability Performance
	E1-7 - GHG removals and GHG mitigation projects financed through carbon credits	Taking Comprehensive Action to Address Climate Change
	E1-8 - Internal carbon pricing	Refer to ZTE's 2025 CDP Corporate Questionnaire
	E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Taking Comprehensive Action to Address Climate Change
ESRS E2: Pollution	E2 IRO-1 - Description of the processes to identify and assess material pollution-related impacts, risks, and opportunities	Enhancing Environmental Impact Management
	E2-1 - Policies related to pollution	Enhancing Environmental Impact Management
	E2-2 - Actions and resources related to pollution	Enhancing Environmental Impact Management
	E2-3 - Targets related to pollution	Enhancing Environmental Impact Management; 2025 Sustainability Performance
	E2-4 - Pollution of air, water, and soil	Enhancing Environmental Impact Management
	E2-5 - Substances of concern and substances of very high concern	Enhancing Environmental Impact Management
	E2-6 - Anticipated financial effects from pollution-related impacts, risks, and opportunities	/
ESRS E3: Water and Marine Resources	E3 IRO-1 - Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities	Enhancing Environmental Impact Management
	E3-1 - Policies related to water and marine resources	Enhancing Environmental Impact Management
	E3-2 - Actions and resources related to water and marine resources	Enhancing Environmental Impact Management

CSRD Standard	Disclosure	Location/Response
ESRS E3: Water and Marine Resources	E3-3 - Targets related to water and marine resources	Enhancing Environmental Impact Management; 2025 Sustainability Performance
	E3-4 - Water consumption	Enhancing Environmental Impact Management
	E3-5 - Anticipated financial effects from water and marine resources-related impacts, risks, and opportunities	/
ESRS E4: Biodiversity and Ecosystems	E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Our Impact; Enhancing Environmental Impact Management
	E4 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment
	E4 IRO-1 - Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities	Enhancing Environmental Impact Management
	E4-2 - Policies related to biodiversity and ecosystems	Enhancing Environmental Impact Management
	E4-3 - Actions and resources related to biodiversity and ecosystems	Our Impact
	E4-4 -Targets related to biodiversity and ecosystems	Enhancing Environmental Impact Management
	E4-5 - Impact metrics related to biodiversity and ecosystems change	Our Impact; Enhancing Environmental Impact Management
	E4-6 - Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	/
ESRS E5: Resource Use and Circular Economy	E5 IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities	Advancing the Circular Economy
	E5-1 - Policies related to resource use and circular economy	Advancing the Circular Economy
	E5-2 - Actions and resources related to resource use and circular economy	Advancing the Circular Economy
	E5-3 - Targets related to resource use and circular economy	Advancing the Circular Economy
	E5-4 - Resource inflows	Advancing the Circular Economy
	E5-5 - Resource outflows	Enhancing Environmental Impact Management

CSRD Standard	Disclosure	Location/Response
ESRS E5: Resource Use and Circular Economy	E5-6 - Anticipated financial effects from resource use and circular economy-related impacts, risks, and opportunities	/
ESRS S1: Own Workforce	S1 SBM-2 - Interests and views of stakeholders	Stakeholder Identification and Engagement
	S1 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment
	S1-1 - Policies related to own workforce	Protecting Employees' Rights and Interests
	S1-2 - Processes for engaging with own workers and workers' representatives about impacts	Protecting Employees' Rights and Interests
	S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns	Protecting Employees' Rights and Interests; Whistleblowing and Whistleblower Protection
	S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Protecting Employees' Rights and Interests; Employee Empowerment and Capability Enhancement
	S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Protecting Employees' Rights and Interests
	S1-6 - Characteristics of the undertaking's employees	2025 Sustainability Performance
	S1-7 - Characteristics of non-employee workers in the undertaking's own workforce	Protecting Employees' Rights and Interests
	S1-8 - Collective bargaining coverage and social dialogue	Protecting Employees' Rights and Interests
	S1-9 - Diversity metrics	Protecting Employees' Rights and Interests
	S1-10 - Adequate wages	Protecting Employees' Rights and Interests
	S1-11 - Social protection	Protecting Employees' Rights and Interests
	S1-13 - Training and skills development metrics	Employee Empowerment and Capability Enhancement
	S1-14 - Health and safety metrics	Building a Healthy and Safe Workplace
	S1-15 - Work-life balance metrics	Protecting Employees' Rights and Interests
	S1-16 - Compensation metrics (pay gap and total compensation)	2025 Sustainability Performance

CSRD Standard	Disclosure	Location/Response
ESRS S1: Own Workforce	S1-17 - Incidents, complaints and severe human rights impacts	Whistleblowing and Whistleblower Protection
ESRS S2: Workers in the Value Chain	S2 SBM-2 - Interests and views of stakeholders	Stakeholder Identification and Engagement
	S2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment
	S2-1 - Policies related to value chain workers	Supplier ESG Management
	S2-2 - Processes for engaging with value chain workers about impacts	Supplier ESG Management
	S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	Whistleblowing and Whistleblower Protection
	S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Supplier ESG Management
	S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Supplier ESG Management
ESRS S4: Consumers and End-Users	S4 SBM-2 - Interests and views of stakeholders	Stakeholder Identification and Engagement
	S4 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Staying Open and Transparent to Win Customer Trust
	S4-1 - Policies related to consumers and end-users	Staying Open and Transparent to Win Customer Trust
	S4-2 - Processes for engaging with consumers and end-users about impacts	Staying Open and Transparent to Win Customer Trust
	S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Whistleblowing and Whistleblower Protection
	S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Staying Open and Transparent to Win Customer Trust
	S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Staying Open and Transparent to Win Customer Trust

CSRD Standard	Disclosure	Location/Response
ESRS G1: Business Conduct	G1 GOV-1 - The role of the administrative, management and supervisory bodies	Strengthening Governance and Preventing Emerging Risks; Adhering to Compliant Operations for Steady Business Growth
	G1 IRO-1 - Description of the processes to identify and assess material impacts, risks, and opportunities	Strengthening Governance and Preventing Emerging Risks; Adhering to Compliant Operations for Steady Business Growth
	G1-1 - Corporate culture and Business conduct policies and corporate culture	About ZTE
	G1-2 - Management of relationships with suppliers	Supplier ESG Management
	G1-3 - Prevention and detection of corruption and bribery	Anti-Bribery and Anti-Corruption
	G1-4 - Confirmed incidents of corruption or bribery	Anti-Bribery and Anti-Corruption

ZTE