ZTE Corporation Sustainability Report 2024

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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, 2024, to December 31, 2024. Any inconsistencies will be explained in the relevant sections of this report.

For 17 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);
- 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 rating 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 2024.

——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.

——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**: www.zte.com.cn**.

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

Message from the CEO

In 2024, the global landscape remained complex and volatile while the macro environment was still highly uncertain, as marked by tight resources, market segmentation, fierce cross-industry competition, and unprecedented challenges brought by climate change. However, history is always shaped by adversity, and within every crisis lies opportunities. The new wave of AI-driven technological revolution, particularly the boom of large models and generative AI, has propelled the global digital and intelligent transformation. In this critical year filled with both challenges and opportunities, ZTE, as a "driver of digital economy", stayed true to its original aspiration and responded to the call of the times.

By 2024, ZTE had conducted business in more than 160 countries and regions, serving more than a quarter of the world's population. With our outstanding contributions in the fields of green innovation, driving the development of the digital economy through 5G and AI, and bridging the global digital divide, 5G technologies, and AI, we were honored "Distinguished Contribution Award" at the World Internet Conference. This not only acknowledges our past efforts but also motivates us to strive for greater progress in the future.

Technological innovation has always been the key driving force for our growth. ZTE offers a comprehensive suite of products and solutions in computing, storage, networks, and data centers—all designed to meet the diverse needs for constructing intelligent computing centers. Our expertise in key technologies such as high-speed connectivity and in-network computing enables us to build an efficient, green, and secure digital infrastructure that underpins the digital transformation across industries. Moving forward, we will continue to advance the evolution of 5G-A and all-optical networks, build end-to-end, open intelligent computing infrastructure, develop green, intelligent, and highly efficient digital energy solutions, and embed AI into smart home and personal devices. Meanwhile, we're deeply aware of our responsibility to address critical challenges—security, sustainability, and ethics, remaining steadfast to our original aspiration—"Tech for Good".

At ZTE, we proactively embrace changes, and accelerate our organizational evolution. Based on years of digital transformation, we are now leveraging AI to drive a full-scale intelligent upgrade across the company. Also, we adopt composable R&D that covers chips, devices, while operating flexibly as small teams within a large enterprise. These innovations have led to higher efficiency and agile iteration, enabling us to deliver high-quality digital solutions to our customers.

In the current era where computing and networks, intelligence and connectivity are rapidly converging, openness and cooperation is the path we must take to achieve sustainable development. Guided by the principle of "openness, decoupling, and win-win collaboration", we have built composable capabilities and promoted capability sharing, speeding up the innovation, R&D, and application of AI technologies. Working closely with chip manufacturers, ICT software and hardware vendors, and other partners, we are building an open technology ecosystem and facilitating mutual success, so that more enterprises and users can benefit from digital technology.

In our pursuit of sustainable development, we remain dedicated to "Tech for Good", attaching equal importance to technological leadership and CSR fulfillment. In Liberia, together with our partner, we have built green communication sites to provide new infrastructure in rural areas, so that remote regions can also benefit from digital technology. In Xiamen Bay, we have established wide-coverage, all-weather, multi-dimensional sensor networks for the Xiamen State-Level Marine Nature Reserve for Rare Marine Species, safeguarding natural ecosystems with the power of technology. In the future, we will keep pushing the boundaries of technology with an open and collaborative mindset, and unlocking social value through innovative applications.

Going alone may be fast, but going together takes us further. ZTE will continue to foster collaboration with partners worldwide and steadfastly advance technological innovation. We firmly believe that through relentless effort and innovation, we are bound to build a smarter, more efficient, and sustainable future shared by all, extending the benefits of digital technology to every corner around the globe.

Xu Ziyang

Executive Director and CEO of ZTE Corporation

Message from the COO

In 2024, we have navigated both challenges and opportunities amid a complex and changing global landscape. Committed to innovation-driven and sustainable development, ZTE has embedded ESG into every aspect of its operations. By harnessing digital and intelligent technologies, we are developing a development model that coexists harmoniously with nature and society, while exploring a path for business continuity in the new era.

Strengthening Corporate Governance and Business Resilience

In 2024, we consistently enhanced the effectiveness and transparency of board governance, while improving expertise in strategic decision-making for sustainable development. The Strategy and Sustainability Committee was established, responsible for building the company's governance system for strategic and sustainable development. Meanwhile, the Science and Technology Ethics Committee was set up to promote responsible innovation and "Tech for Good". Efforts were also made in Business Continuity Management (BCM). Through the implementation of real-time risk monitoring, we swiftly identified potential business impacts and developed comprehensive capabilities, thereby strengthening our resilience. In addition, compliance management was seamlessly integrated into our business operations. Driven by digital transformation, 100% of compliance control points were managed online, reinforcing the crucial role of compliance in safeguarding the company's high-quality growth.

Facilitating Environmental Protection and Green Transformation with Digital and Intelligent Technologies

ZTE has received official approval from the Science-Based Targets initiative (SBTi) for its near-term 1.5°C target and long-term net-zero targets. We've also published the ZTE Net-Zero Strategy White Paper and secured our place on the CDP A List for leading climate action. With focus on four key areas: green operations, green supply chain, green digital foundation, and empowerment for green development of industries, the company is dedicated to charting a "green digital path" to build a net-zero carbon future with global partners across industries.

Driving Technological Innovation and Fulfilling Social Responsibilities

Diving deep into core technologies, the company has made continuous breakthroughs and innovation, winning three First Prizes and two Second Prizes in the 2023 State Scientific and Technological Progress Award of China. Globally, ZTE has actively engaged in building communication networks. In the rural network project in Liberia, we provided network services for over 580,000 rural residents, helping to bridge the digital divide. Together with industry partners, we have been advancing digital and intelligent transformation across sectors. Also, an emergency communications system with the Space-Air-Ground Integrated Networks (SAGINs) has been developed to ensure seamless communications for disaster relief, creating a lifeline in emergencies.

With a broader vision and systematic management, we have been practicing the principle of "doing it right the first time, doing it right all the time" in quality management. To support the high-quality growth of ZTE, we've launched iQMS, a one-stop quality management platform, and introduced the Green Project Management (GPM) system. Guided by the vision of "Security in DNA, Trust Through Transparency", we are committed to delivering secure and reliable products and services to customers. Our major products have obtained the Common Criteria (CC) certification and EU Type Examination Certificates under the Radio Equipment Directive (RED)–Delegated Act (DA), and passed the GSMA NESAS audit. All these certifications have affirmed the high security of our telecom equipment.

ZTE is making unremitting efforts to foster a human-centric workplace built on mutual respect, fully motivating the initiative and creativity of its employees and encouraging them to create value in their respective positions. We were granted the LinkedIn MostIn Awards - Global Talent Magnet Employer and the ATD Outstanding Talent Development Team Award for our achievements in talent development. Additionally, our ISO 45001 Occupational Health and Safety Management Systems certification now covers offices in 30 countries. career development. ZTE cares for its employees, supports their career growth, and strives to enhance their sense of achievement and well-being.

With a strategic focus on a Safe, Precise, Intelligent, Reliable, and Efficient (SPIRE) supply chain, the company has been continuously advancing the application of intelligent technologies to address uncertainties more agilely. Leveraging digital tools, we have developed forecast models to predict the impact of typhoons, floods, and other

disasters. For example, during Typhoon Yagi in Hainan province and the floods in Huludao, Liaoning province, ZTE quickly predicted the resources need and delivered relief equipment. Furthermore, ZTE conducted onsite CSR audits of 261 suppliers and arranged for 121 supplier representatives to participate in the UN Women's career development program for female employees, further contributing to a sustainable supply chain.

We have also been actively fulfilling our social responsibilities, with employees engaging in 310 volunteer activities around the globe. Our student aid programs, such as the Xinghua Program and Xingtianshi Program, span 15 provinces, 23 cities, and 29 counties across China, while 87 global philanthropic programs have been launched in Colombia, Indonesia, South Africa, and beyond. These efforts encompass education support, poverty alleviation, environmental protection, and disaster relief, bringing benefits to local communities.

Embracing the historic opportunities brought by digital transformation, ZTE is willing to join hands with ecosystem partners with a commitment to openness and win-win collaboration, steer its development under the principle of "Tech for Good", and drive high-quality growth in the real economy with digital and intelligent innovation. We firmly believe that integrating corporate growth with CSR fulfillment is key to long-term success. Looking ahead, we are willing to work with global partners, to build a more intelligent, efficient, and sustainable future!

Xie Junshi

EVP and COO of ZTE Corporation

About ZTE

Company Profile

ZTE Corporation is a world-leading provider of integrated ICT solutions, bringing innovative technologies and product solutions to global operators, government and enterprise customers, and consumers. Founded in 1985 and listed on both the Hong Kong and Shenzhen Stock Exchanges, the company operates in more than 160 countries and regions and serves over 1/4 of the global population. Together with its partners, ZTE is committed to creating a more intelligent, efficient, and sustainable future with digital innovation.

ZTE has complete, end-to-end products and integrated solutions in the ICT industry. With a full series of wireless, wired, computing power, digital energy, and terminal products, as well as professional services, ZTE can flexibly meet the differential demands of global operators, government and enterprise customers for rapid innovation. The digital economy trend is unstoppable, 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" and promoting the digital transformation worldwide with innovative technologies. ZTE keeps strengthening underlying capabilities and scaling up R&D investment to build stronger core competence. As of December 31, 2024, ZTE has filed 93,000 global patent applications and accumulated 48,000 granted patents. In the chip sector, the company holds about 5,500 patent applications, with over 2,000 already granted. In the field of AI, ZTE has submitted over 5,000 patent applications, nearly half of which have been granted. In addition, ZTE has won a total of 11 gold awards, 3 silver awards, and 39 excellence awards from the China Patent Awards and 31 awards from the Guangdong Patent Awards.

Adhering to sustainable development around the world, ZTE aims to achieve harmony among society, environment, and stakeholders. With communications technologies, the company strives to enable connectivity for people from every corner of the world. ZTE incorporates the concept of "innovation, convergence, and green development" into the full product lifecycle and the whole business process covering R&D, production, logistics, and customer services, making unremitting efforts to reduce global energy consumption and carbon emissions. In addition, the company also conducts public welfare and relief activities to bring benefits to the global communities.

ZTE holds membership in the UN Global Compact and the Global Enabling Sustainability Initiative (GeSI), and is a key participant and a pioneer in the Partner2Connect (P2C) Digital Coalition initiated by the International Telecommunication Union (ITU). Since 2009, the company has been releasing sustainability reports/CSR reports to the public for 17 consecutive years. In 2024, ZTE has received official approval from the SBTi for its near-term 1.5°C target and long-term net-zero target, and has become the first large-scale ICT company in China to receive official approval for both the near-term and long-term GHG emission and secure a place on the CDP A List.

Honors and Achievements

Field	Awarded in	Awarded by	Honor
Corporate Governance	January 2024	China Foundation Center	Full score in the Foundation Transparency Index (FTI)
	July 2024	Southern Weekly	2024 Exemplary Responsible Enterprise
	October 2024	Forbes China	2024 China ESG 50
	October 2024	Shenzhen Stock Exchange	"A" rating in the information disclosure assessment for four consecutive years
	November 2024	Harvard Business Review	Ram Charan Management Practice Award
	November 2024	World Internet Conference	Distinguished Contribution Award
	December 2024	Shenzhen Copyright Society	Shenzhen Copyright Gold Award
	December 2024	BDO Global	Outstanding ESG Performance of H-Share Companies Award and Theme Award
	December 2024	Global Times	"Annual ESG Excellence Case" awarded for the network construction project in rural regions of Liberia
Environmental	April 2024	CDP China and PwC China	The case "Goal-Driven, Step-by-Step Decoding: Pathways and Actions to Achieve Climate Goals" was selected into the *Chinese Enterprise CDP Disclosure Analysis Report 2023*.
	October 2024	Informa	"Outstanding Green Fibre Use Case" awarded for ZTE's green PON solution
	November 2024	Project Management Institute China	"Project of the Year" awarded for the Malaysia CelcomDigi Network Merge Project
Social	February 2024	SSCL Innovation	SSCL APAC 2024 Awards–Best Supply Chain Innovation
	May 2024	China Society for Talent Development (CSTD)	Beacon Program Award at the 8th CSTD Enterprise Learning Design Competition
	June 2024	The State Council of the People's Republic of China	Three first prizes and two second prizes of the State Scientific and Technological Progress Award
	June 2024	International Society for Performance Improvement (ISPI)	Outstanding Human Performance Intervention
	July 2024	Bloomberg Green	Most DE&I Friendly Workplace
	October 2024	Association for Talent Development (ATD)	Outstanding Talent Development Team Award
	October 2024	China International Contractors Association	2024 International Engineering Digitalization Excellence Scenario Application

	November 2024	LinkedIn	LinkedIn MostIn Awards – Global Talent Magnet Employer
	November 2024	Zhilian Zhaopin	2024 Top 100 Employers in China
	December 2024	Telecom Review	"Best Digital Transformation Provider (Vendor) - Asia" awarded for ZTE's intelligent O&M services

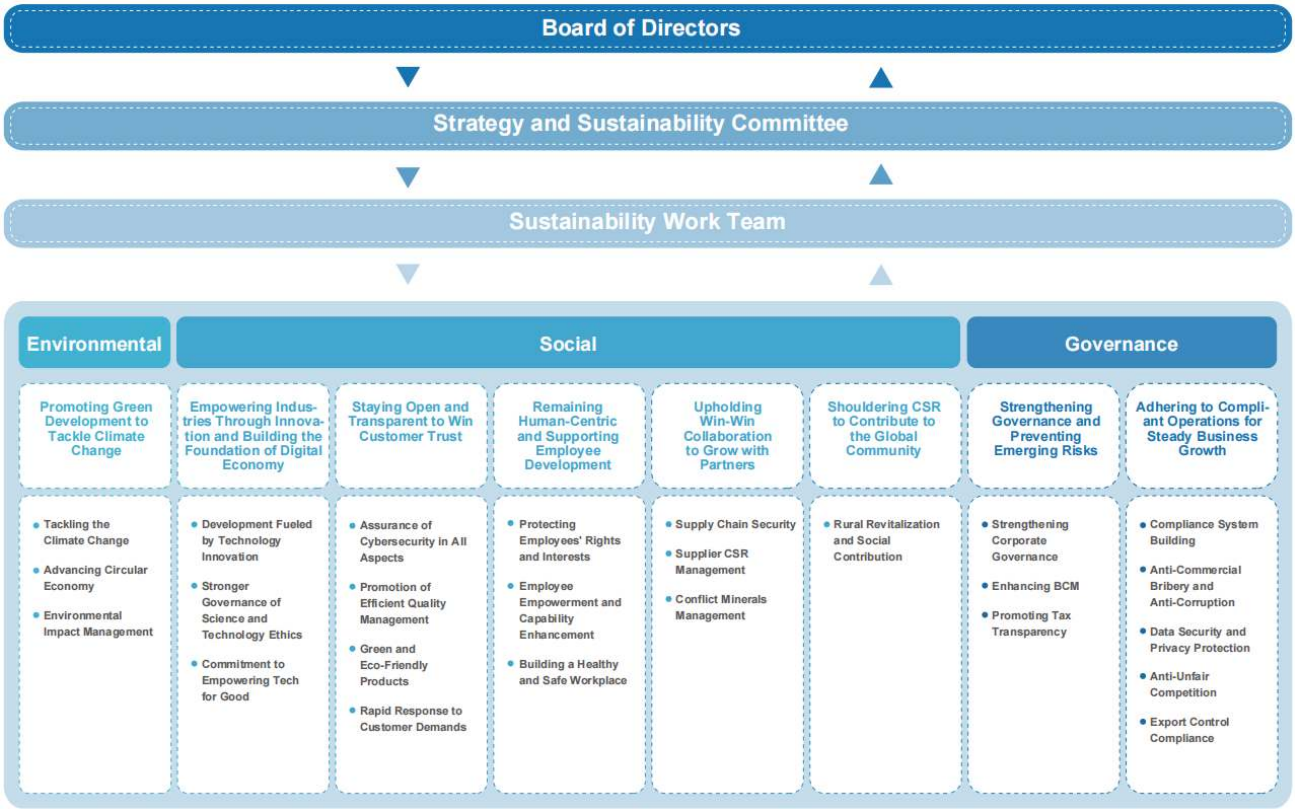
Sustainability Strategy and Management

Sticking to the concept of sustainability worldwide, ZTE is committed to promoting balanced economic, social, and environmental development, and utilizing communications technologies to ensure equitable access to connectivity across regions.

Governance

In August 2024, the Strategy and Sustainability Committee was established by integrating the functions of the Strategy Committee and the work related to sustainable development, thereby upgrading the corporate governance system. In this way, the company aims to better incorporate the philosophy of sustainable development into its strategies and business activities, effectively implement the ESG strategies and measures, and improve core competitiveness and sustainability capability.

Under the guidance of the Board of Directors, the Committee leads the building of the company's governance system for strategy and sustainable development, and formulates plans and provides support for the corresponding decision-making. The Sustainability Work Team covers eight ESG modules, namely empowering industries through innovation, staying open and transparent, promoting green development, upholding win-win collaboration, shouldering CSR, remaining human-centric, adhering to compliant operations, and strengthening governance. Each module is managed by the corresponding department and team.



ZTE Sustainability Architecture

Functions and Responsibilities

At the strategic level, ZTE's Board of Directors is responsible for reviewing major strategic directions, sustainable development plans, and significant projects.

At the decision-making level, the Strategy and Sustainability Committee bears the primary responsibility for relevant issues. The members of the Committee include the company's Chairman, CEO, heads of all level-2

units, and Chief Scientist. Among them, the Chairman serves as the director of the Committee; the CEO is the deputy director of the Committee, and all the EVPs and the head of Strategy and Investment are standing members of the Committee.

The main responsibilities of the Committee include:

- Study and formulate the goals and plans for the company's medium- and long-term strategy and sustainable development, conduct preliminary review of the plans, and track and manage the implementation of key tasks.
- Study and review major investments, financing plans, and major capital management and operation projects that must be approved by the Board of Directors.
- Study and review major issues that affect the company's development (including the major adjustments to strategic directions, overall organizational structure, and sustainable development goals).
- Implement the decisions of the Board of Directors on matters concerning ESG, and mitigates related risks.
- Regularly review and evaluate the strategic plans for the existing and new business fields of the company.
- Regularly review and evaluate the company's sustainable development goals, strategies, process management, and results.

At the execution level, the Sustainability Work Team is composed of members of the responsible departments for each module, and 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 eight 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.

Operation 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, the relevant organizational structure and responsibilities, and the operation 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 dual-carbon project goals 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 CTO, Chief Strategy Officer, and SVPs in charge of Supply Chain and Administration Affairs and Real Estates. The impact of appraisal results on performance bonuses of relevant senior management ranged from 3% to 10%. Moving forward, ZTE will further expand the scope of linkage between appraisals and ESG performance to ensure the continuous advancement of ESG initiatives.

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 Chairman,

CEO, Chief Strategy Officer, and other executives frequently share ZTE's insights, strategies, and progress in the field of sustainable development through public channels.

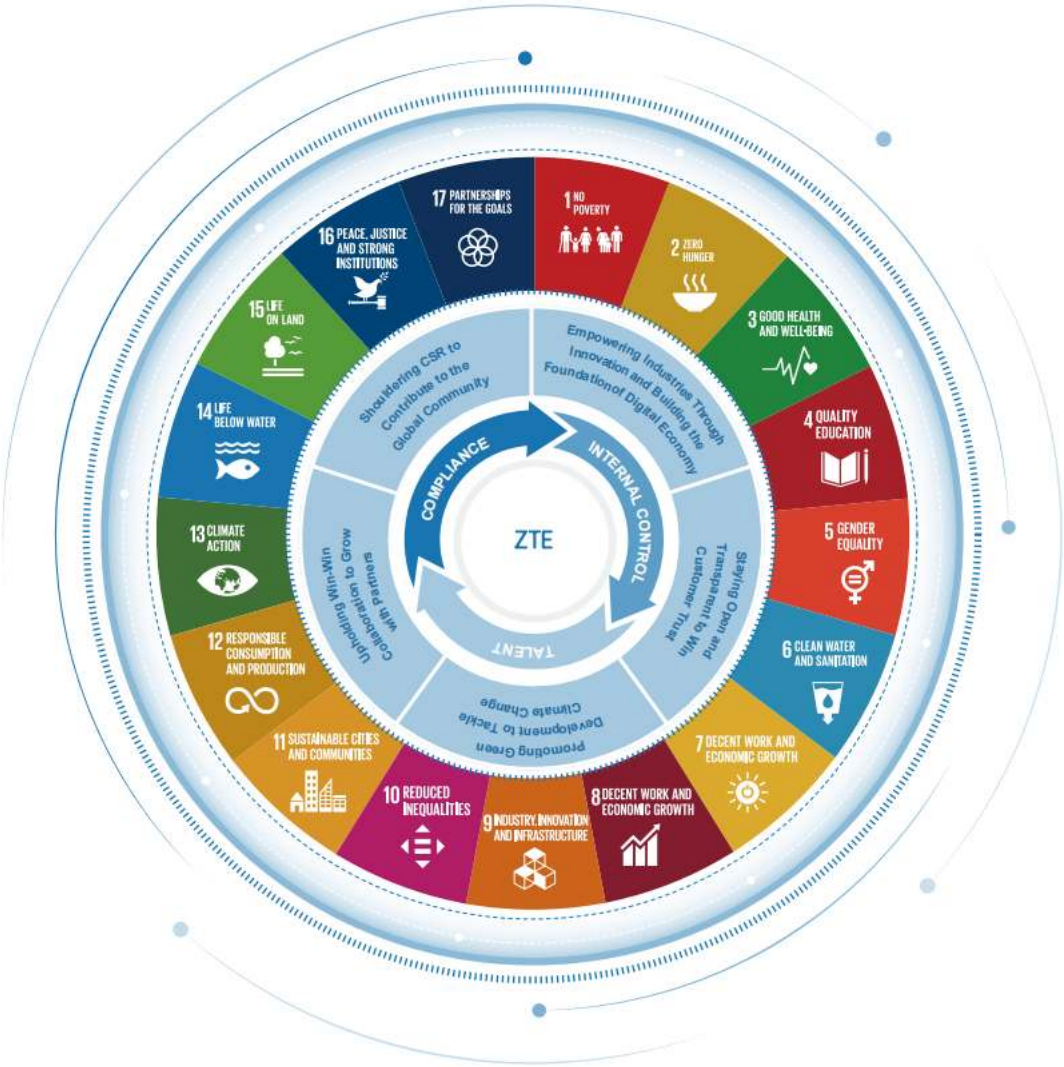
In 2024, ZTE organized multiple ESG training sessions for the Sustainability Work Team:

- In July 2024, ZTE collaborated with an external professional organization to hold a one-day seminar about domestic and international ESG policies and standards. In the seminar, participants analyzed the EU Corporate Sustainability Reporting Directive (CSRD), IFRS S1 and S2 standards issued by the International Sustainability Standards Board (ISSB), *Corporate Sustainability Disclosure Standards -- Basic Standards (Trial)* issued by China's Ministry of Finance, *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)*, and *Appendix C2 Environmental, Social and Governance Reporting Code* of the *Main Board Listing Rules* issued by HKEX. Members of the Sustainability Work Team engaged in discussions and shared their insights on how to implement these standards within the company.
- In September 2024, ZTE held a workshop for the Sustainability Work Team with a focus on core requirements such as dual materiality and the four-element disclosure framework proposed by the stock exchange. The workshop aimed to optimize management practices and improve performance through high-quality disclosures.
- From June to October 2024, members of the Sustainability Work Team participated in multiple training sessions organized by CDP, including "CDP 2024 Disclosure Process and Questionnaire Changes."
- In October 2024, ZTE arranged for one project ambassador and two team members to participate in the UN Global Compact's 2024 SDG Ambition Accelerator program, where they completed the planned learning and obtained graduation certificates.
- An expert from ZTE's Sustainability Work Team was selected to join the IFRS Sustainability Reference Group (SRG). The SRG is a diverse group of subject matter experts that provide technical input to ISSB members and staff for research and standard-setting projects.

Strategy

Integrating sustainable development with its corporate strategies, ZTE aspires to strengthen its core competitiveness with a focus on its vision and three strategic cornerstones—internal control, compliance, and talent. On this basis, ZTE has analyzed and incorporated the ISSB IFRS S1 and S2 standards in 2024, in line with the 17 United Nations SDGs and industry trends. It has also studied the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation)* and *Appendix C2 Environmental, Social and Governance Reporting Code* of the *Main Board Listing Rules* issued by HKEX. Based on the results of the double materiality analysis, ZTE has further expanded the connotation and focus of its sustainable development strategy to contribute to global sustainability.

- **Promoting Green Development to Tackle Climate Change:** Manage resources and energy consumption effectively, reduce carbon emissions, optimize waste management, support the circular economy, and continuously minimize the environmental impact of business operations. Empower green development across industries through technological innovation and collaborate with global partners to build a green and low-carbon industrial chain;
- **Empowering Industries Through Innovation and Building the Foundation of Digital Economy:** Leverage strengths of foundational technology R&D, innovation, and commercial use to accelerate the digital and intelligent transformation of various industries, and comply with ethical standards in technological innovation to promote sustainable socio-economic development;
- **Staying Open and Transparent to Win Customer Trust:** Ensure cybersecurity for customers through high-quality products and provide timely responses to customer needs with excellent services;
- **Upholding Win-Win Collaboration to Grow with Partners:** Engage in strategic cooperation with suppliers to ensure a secure and reliable supply chain, and promote long-term development and capability building of more partners in the value chain through close partnerships;
- **Shouldering CSR to Contribute to the Global Community:** Participate in local community sustainability agendas worldwide and support rural revitalization through technologies, funding, and volunteer services so as to contribute to global communities.



ZTE Sustainability Strategy System

Risk Management

The Board of Directors is responsible for reviewing the internal control and risk management system of ZTE to ensure its effectiveness, and has authorized the Audit Committee to conduct the review.

Strengthening the Three Lines of Defense

ZTE has established a comprehensive and multi-level internal control and risk management system under the framework covering the Board of Directors, Audit Committee, Internal Control Committee, and three lines of defense for internal control. The Internal Control Committee is a company-level internal control management body, which exercises the functions of decision-making, planning, supervision, and guiding of internal control. Specifically, our internal control and risk management system features "three lines of defense" as follows:

(1) The first line of defense lies with each business unit. They hold the primary accountability for and implement risk management and internal controls.

(2) 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.

(3) The third line of defense is composed of the audit departments. They are responsible for monitoring the effectiveness of the risk management and internal control system and conducting internal audits.

Promoting Closed-Loop Risk Management

ZTE has formulated and strictly enforced a set of regulations and rules, including the *ZTE Risk Management Regulations* and the *Process for Management and Control of Major and High Risks*. The company has defined that risk management follows the principles of "management with systems, evaluation with standards, response with plans, proactive warning of changes, and review of incidents". In addition, based on the principle that "the business owner is responsible for the associated risks," ZTE has designated specific units and individuals for risk control, thereby ensuring that risk management is implemented in an orderly manner.

ZTE adopts a three-tier risk classification structure, covering business fields of strategy, finance and accounting, marketing, legal and compliance, R&D, operations, supply chain, human resources, and engineering services.

To effectively identify risks, the company utilizes a variety of methods, such as risk inventories and process analysis, allowing all business units to comprehensively assess long, medium, and short-term risks.

For efficient allocation of management resources, the company evaluates risk levels based on the likelihood of occurrence and the severity of impact. The likelihood of risk occurrence is categorized into five levels, ranging from "very low" to "very high". 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. Based on the calculated risk value (likelihood of occurrence multiplied by the degree of impact), risks are classified into five categories—very high, high, medium, low, and negligible. This enables the company to implement classified risk management strategies that accurately target control priorities and measures for each risk category.

In response to the major and important risks identified, action plans (APs) will be developed, along with other measures, to ensure closed-loop monitoring and effective mitigation. Meanwhile, when new business, models, markets, projects, and products are introduced, or changes in internal and external environments arise, each business unit promptly initiates risk assessments, so as to guarantee the timeliness and accuracy of risk management.

ZTE's ESG risk management is integrated into its overall risk management process. Each ESG business module is responsible for identifying both risks and opportunities within its domain. Specifically, these modules will track key tasks, and monitor significant ESG risk events to ensure they are addressed effectively, and develop corresponding control measures. Also, they conduct regular comprehensive inspections, eliminate hazards, mitigate risks, and continuously assess the effectiveness of the company's ESG risk management and internal control system. For identified ESG risks, the company employs qualitative and quantitative assessment methods to establish control objectives, define key control points (KCPs), and carry out essential control activities, thereby executing targeted risk management strategies.

Metrics and Targets

Category	Field	Target	Progress in 2024	SDG
Governance	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 Shenzhen Stock Exchange.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
		■ Integrate the BCMS operations with business operations ■ Stay risk-oriented, provide training for frontline employees, and conduct drills and tests to achieve in-depth governance and enhance resilience ■ Manage risks in a digital manner and enhance the	✓ RTO achievement rate: 100% ✓ Implementation Rate of drills and tests: 100% ✓ Pass rate of drills and tests: 100% ✓ Percentage of excellent drills and tests: 81% ✓ Closure rate of internal and external audit findings: 100%	

		resilience of the industry chain		
		■ Strengthen tax compliance management and tax risk control to avoid major tax disputes or tax-related incidents that may have a negative impact on the company's operations and brand reputation, and on this basis, implement a series of plans to legitimately and reasonably enjoy tax incentive policies in accordance with laws and regulations	✓ ZTE has been continuously graded "A-level" in tax credit rating and ranked among Shenzhen's top 100 taxpayers.	
	Adhering to Compliance in Operations for Steady Business Growth	■ Create a "clean and upright" internal environment and establish a long-term mechanism where employees dare not, cannot, and would not engage in misconduct	✓ The company's integrity-themed short videos reached over 100,000 views, and its anti-corruption articles garnered more than 100,000 clicks. ✓ A total of 43,763 employees participated in the internal control exams, with a pass rate of 100%. ✓ The average completion cycle for investigations into whistleblowing clues is less than 65 days, and the report closure rate for 2024 exceeded 90%.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
		■ Comply with legal requirements and prevent and control risks, facilitate the implementation of compliance requirements at business units and co-build the compliance image, and 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 2024. ✓ No data security incident occurred in 2024. ✓ 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%.	
		■ Zero major violations related to false advertising, monopolistic practices, and infringement of trade secrets	✓ In 2024, there was no lawsuit or major administrative penalty resulting from unfair competition practices.	
Environmental	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	✓ Scope 1 & 2 (Operational Emissions): A year-on-year reduction of 13.4% in carbon emissions in 2024. ✓ Scope 3 (Upstream and Downstream Emissions): An 8.39% reduction physical emissions intensity during the use and maintenance phase	

		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	of telecom products; a year-on-year reduction of 5.02% in absolute emissions across the full lifecycle of terminal products. ✓ Promoted carbon accounting among 100 top-level suppliers.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
		■ Gradually increase the rate of internal compliant recycling and reuse of returned system products	✓ Achieved a rate of 78.2% for compliant recycling and reuse of returned system products.	
		■ 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.	
Social	Empowering Industries Through Innovation and Driving the Digital Economy	■ Continuously strengthen R&D innovation capabilities	✓ The proportion of R&D expenses to operating revenue reached 19.81%.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 14 LIFE BELOW WATER 15 LIFE ON LAND
		■ Increase the number of patent applications and granted patents to protect our core technologies	✓ Over 2,000 patent applications were filed in China. ✓ Over 1,000 patents were granted in China. ✓ Over 1,500 PCT international patent applications were filed.	
	Staying Open and Transparent to Win Customer Trust	■ Prevention and control of risks in sci-tech ethics, and promotion of responsible innovation and tech for good	✓ Established the Science and Technology Ethics Committee. ✓ Established the AI Management Working Group under the CSC.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
		■ Provide services for customers to safeguard their 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 external complaint related to hazardous substances ■ Complete the transition to the GPM system	✓ No major safety accident at customers' sites. ✓ Customer satisfaction score exceeded 90 points. ✓ iQMS was launched with the "1+5+N" framework. ✓ The skill assessments throughout the year covered 99% quality positions. ✓ The completion rate of capability enhancement plans was100%. ✓ No external complaint. ✓ The GPM system was officially	

			launched.	
	Remaining Human-Centric and Supporting Employee Development	■ Compliant employment with no incidents of employee rights violations ■ Enhance Employee Protection ■ Increase Employee Well-Being and Satisfaction ■ Improve the Efficiency of zService (internal one-stop service platform)	✓ 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 2024, over 99.2% of documents were handled within 3 working days. ✓ Employee service satisfaction scores in the first and second halves of 2024 were 96.58 and 97.97 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 88.72 points. ✓ Rate of senior experts giving lectures reached 70.5%.	
		■ 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	■ No disruptions in the manufacturing business ■ Continuously enhance business continuity in high-risk scenarios	✓ There were no cases of incomplete tasks in the company's manufacturing due to anomalies. ✓ Measures were implemented to ensure uninterrupted power supply to key locations and optimize resource-sharing plans across regions, sites, and personnel in high-risk scenarios such as power outages.	
		■ Continuously empower and manage suppliers to improve the overall CSR management across the supply chain	✓ 93.65% of suppliers/subcontractors have signed the Supplier CSR Agreement. ✓ 100% of suppliers/subcontractors have completed CSR assessments. ✓ 86.90% of key suppliers/subcontractors have undergone onsite CSR audits. ✓ 100% of audited suppliers/subcontractors have taken corrective actions or	

			engaged in capability building. ✓ 93.24% of procurement staff have received CSR training ✓ No cases of child labor or forced labor have been found among suppliers/subcontractors.	
	Shouldering CSR to Contribute to the Global Community	■ Fulfill CSR and promote sustainable social development	✓ Invested CNY34.04 million in public welfare activities (including domestic donations, overseas donations, and donations from operating subsidiaries). ✓ Conducted 87 public welfare projects globally, benefiting over 100,000 people. ✓ Registered volunteers: 15,305; cumulative on-site service hours: 36,750.9 hours; volunteer service activities conducted throughout the year: 310. ✓ Consistently received a full score in the China FTI.	

Double Materiality Assessment

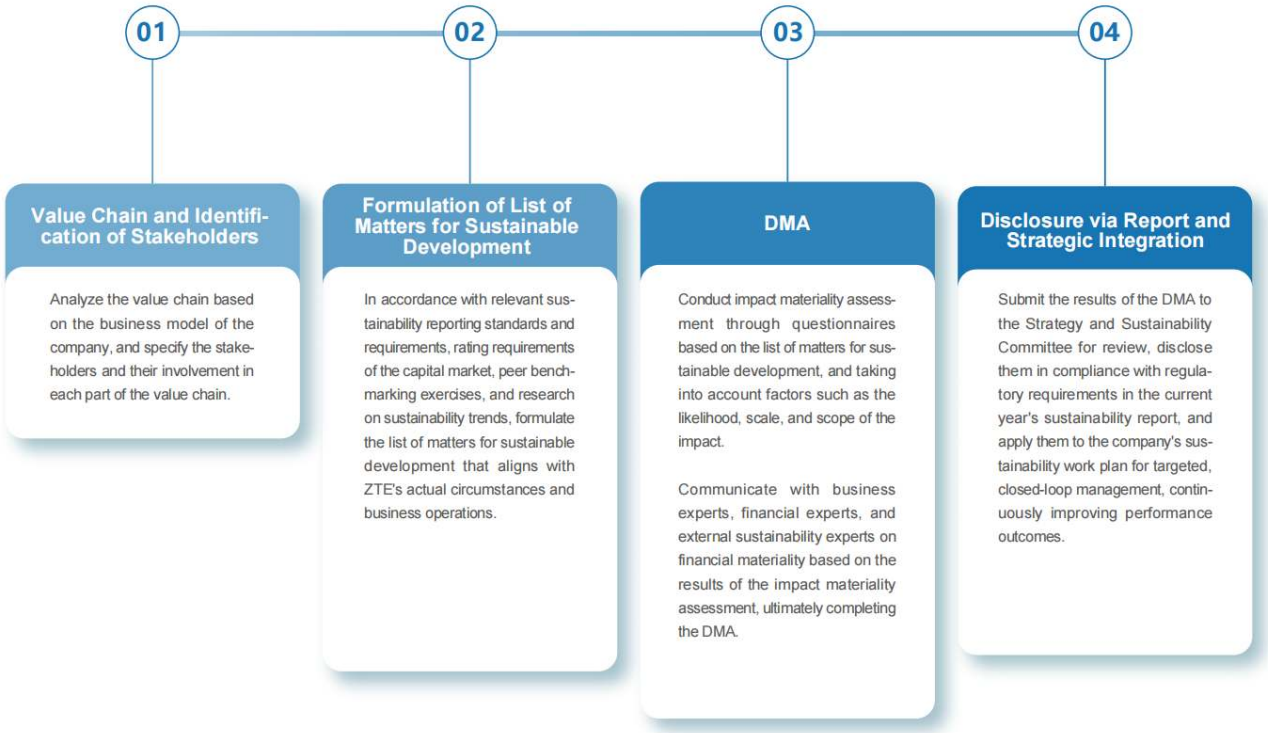
Double Material Assessment (DMA) is for companies to identify which sustainability matters are most material to the organization from the two perspectives of impact materiality and financial materiality. It is intended to help companies focus on their core competencies, effectively address emerging sustainability risks, collaborate with stakeholders to create value, and achieve the sustainable development of all parties.

Methods for Assessment and List of Matters

In 2024, building on previous impact materiality assessment, ZTE introduced financial materiality assessment. Through extensive communication with financial experts, external sustainability experts, and internal and external stakeholders, the company comprehensively examined key areas of concern and their financial effects. Material topics were thoroughly managed and disclosed.

DMA Process

ZTE has established a four-step, closed-loop DMA process that spans from dynamic identification of matters to strategic integration.



ZTE's DMA Process

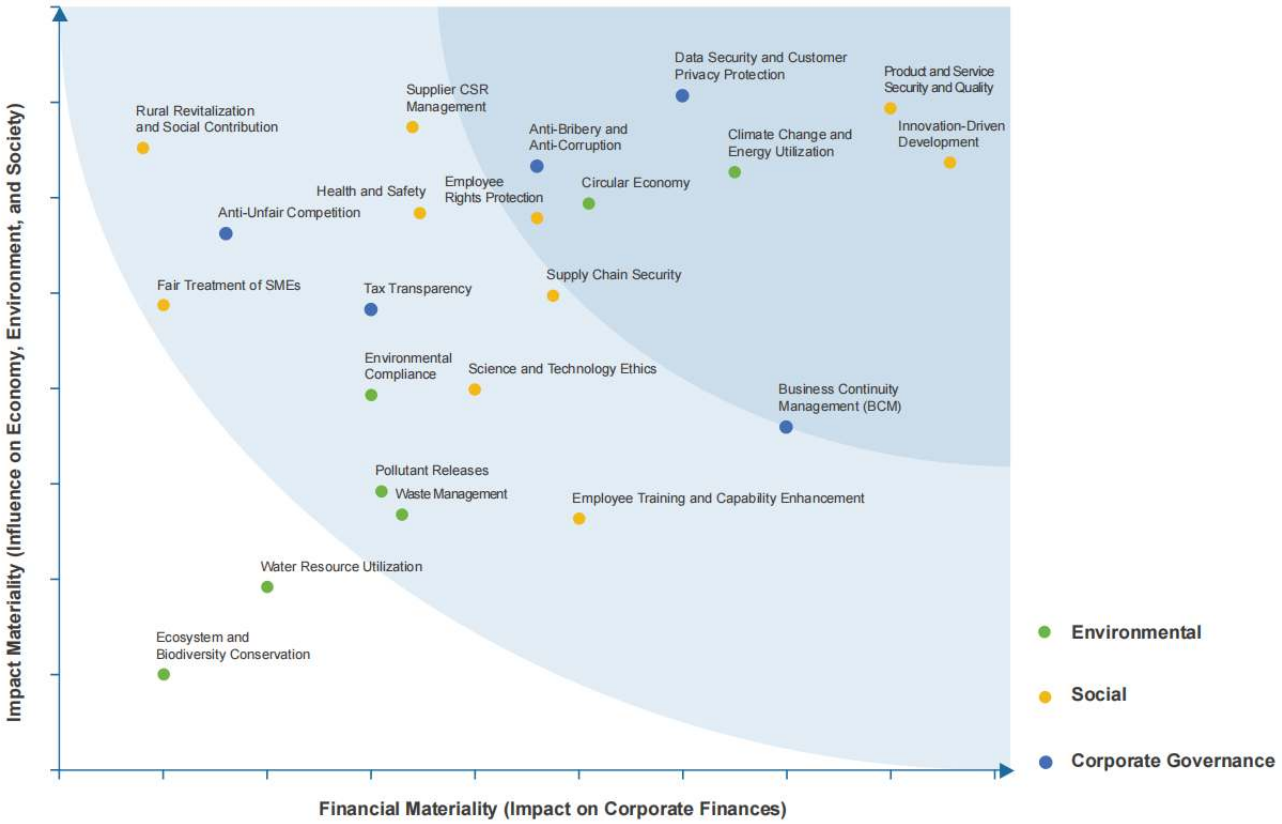
In 2024, ZTE conducted an online survey of internal and external stakeholders, and distributed questionnaires on impact materiality assessment. A total of 2,530 valid responses were collected, including 2,484 from internal stakeholders and 46 from external stakeholders. Based on this, ZTE organized a meeting on financial materiality assessment, involving external experts and over 30 internal experts from sustainability-related departments. After three rounds of comprehensive review by industry experts, the 2024 DMA was completed.

Materiality Matrix

Based on the analysis, ZTE identified 22 material topics. The reporting framework is structured into four areas,

namely, governance, strategy, risk management, and metrics and targets, with differentiated approaches:

- **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-area framework, with management measures and performance data collectively presented.
- **Topics Not Fully Aligned with the Four-Area 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-area framework.
- **Standard Topics Under the Four-Area Framework:** The remaining 16 topics (e.g., climate change, anti-bribery and anti-corruption, and innovation-driven development) are systematically disclosed under the four-area framework, covering governance, strategy and management mechanism, risk and opportunity management, annual progress, and metrics and targets.



ZTE's 2024 Materiality Matrix

Impact, Risk, and Opportunity Management of Material Topics

The company's Strategy and Sustainability Committee reviewed and confirmed this year's materiality matrix. For topics identified as having high or medium materiality, responsible departments conducted comprehensive risk prediction and opportunity identification from multiple dimensions and aspects, extending the impact analysis from the company's operations to its value chain activities. For topic disclosure, the focus was on disclosing annual management measures for material topics. Regarding implementation, the company strengthened the overall management of these topics, leveraging its internal control system and risk management capabilities to rigorously control related risks and actively seize opportunities, thereby advancing sustainable development.

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
1	Stakeholder Engagement	✓	✓	✓	✓		✓	✓	✓	■ All Stakeholders	Failure to respond to the expectations and concerns of stakeholders in a timely manner may lead to low transparency and affect the company's reputation.	Responding promptly to the legitimate concerns of stakeholders can help enhance corporate transparency, and strengthen trust with stakeholders.	17 PARTNERSHIPS FOR THE GOALS	Double Materiality Assessment—Stakeholder Engagement	**Medium Positive Impact** ●●●○○
2	BCM	✓	✓	✓	✓	✓	✓	✓	✓	■ Suppliers ■ Customers ■ 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.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Corporate Governance: Strengthening Governance and Preventing Emerging Risks—Enhancing BCM	**Medium Negative Impact** ●●●○○ **High Positive Impact** ●●●●○
3	Tax Transparency	✓	✓	✓	✓		✓	✓	✓	■ Shareholders & Investors ■ Regulators	Complex global political and economic situations and frequent changes in policies pose higher tax compliance requirements.	Improving tax transparency in cross-border operations and overseas business compliance can help build a trustworthy and compliant image in the global		Corporate Governance: Strengthening Governance and Preventing Emerging Risks—Promoting Tax Transparency	**Medium Negative Impact** ●●●○○ **Medium Positive Impact** ●●●○○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
												market, thereby attracting more international investment opportunities and business collaborations.			
4	Anti-Bribery and Anti-Corruption	✓	✓	✓		✓	✓	✓	✓	■ Shareholders & 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.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Corporate Governance: Adhering to Compliant Operations for Steady Business Growth—Anti-Commercial Bribery and Anti-Corruption	**High Negative Impact** ●●●●○ **Medium Positive Impact** ●●●○○
5	Data Security and Customer Privacy Protection	✓	✓	✓	✓	✓	✓	✓	✓	■ Customers ■ Consumers ■ Value Chain Partners ■ Regulators	Non-compliant data and privacy management may lead to data breaches, 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		Corporate Governance: Adhering to Compliant Operations for Steady Business Growth—Data Security and Privacy Protection	**Medium Negative Impact** ●●●○○ **High Positive Impact** ●●●●○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
												facilitate the efficient and secure circulation of data.			
6	Anti-Unfair Competition	✓	✓	✓		✓	✓	✓	✓	■ Shareholders & Investors ■ Regulators ■ Industry Peers ■ Customers ■ 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.		Corporate Governance: Adhering to Compliant Operations for Steady Business Growth—Anti-Unfair Competition	**Medium Negative Impact** ●●●○○ **Medium Positive Impact** ●●●○○
7	Climate Change and Energy Utilization	✓	✓	✓	✓	✓	✓	✓	✓	■ Regulators ■ Suppliers ■ Customers ■ Consumers	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	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.		Environment: Promoting Green Development to Tackle Climate Change—Tackling Climate Change	**High Negative Impact** ●●●●○ **High Positive Impact** ●●●●○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
											to shifts in market preferences.				
8	Circular Economy	✓	✓	✓	✓	✓	✓	✓	✓	■ Suppliers ■ Customers ■ 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.		Environment: Promoting Green Development to Tackle Climate Change—Advancing Circular Economy	**High Negative Impact** ●●●●○ **Medium Positive Impact** ●●●○○
9	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.		Environment: Promoting Green Development to Tackle Climate Change—Environmental Impact Management	**Medium Negative Impact** ●●●○○ **Medium Positive Impact** ●●●○○
10	Water Resource Utilization		✓			✓	✓			■ Communities ■ Employees	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.		Environment: Promoting Green Development to Tackle Climate Change—Environmental Impact Management	**Negligible Negative Impact** ●○○○○
11	Pollutant Releases		✓			✓	✓			■ Communities	Failure to treat and regularly monitor	Long-term compliant releases and		Environment: Promoting Green Development to	**Low Negative Impact** ●●○○○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
											pollutants in accordance with laws and regulations may lead to excessive releases, causing environmental compliance risks.	operations can enhance the company's reputation and image.		Tackle Climate Change—Environmental Impact Management	
12	Waste Management		✓			✓	✓			■ Communities	Improper and non-compliant waste disposal may lead to pollution of the surrounding environment.	Long-term compliant waste disposal can enhance the company's reputation and image.		Environment: Promoting Green Development to Tackle Climate Change—Environmental Impact Management	**Low Negative Impact** ●●○○○
13	Innovation-Driven Development	✓	✓	✓	✓		✓	✓	✓	■ Shareholders & Investors ■ Customers ■ Consumers ■ Suppliers ■ 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 go ahead of industry development trends, drive social progress, and provide new momentum for economic growth.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	Society: Empowering Industries Through Innovation and Building the Foundation of Digital Economy—Development Fueled by Technology Innovation	**Negligible Negative Impact** ●○○○○ **Very High Positive Impact** ●●●●●
14	Science and Technology Ethics	✓	✓	✓		✓	✓	✓	✓	■ Regulators ■ Customers ■ Suppliers ■ Communities	The lack of effective control may bring potential technical, ethical, and safety issues, which may lead to regulatory	A well-established governance system for science and technology ethics can enhance brand competitiveness and contribute to the improvement		Society: Empowering Industries Through Innovation and Building the Foundation of Digital Economy—Stronger Governance of	**High Negative Impact** ●●●●○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
											penalties, declined market trust, and damage to brand reputation.	of global AI governance standards.		Science and Technology Ethics	
15	Ecosystem and Biodiversity Conservation		✓	✓	✓			✓	✓	■ Communities ■ Customers	Human activities may lead to changes in the ecological environment, resulting in the destruction of habitats for certain species.	Through the company's digital and intelligent technologies, the efficiency of ecological protection can be enhanced, contributing to the conservation of biodiversity.	14 LIFE BELOW WATER 15 LIFE ON LAND	Society: Empowering Industries Through Innovation and Building the Foundation of Digital Economy—Commitment to Empowering Tech for Good	**Negligible Negative Impact** ●○○○○ **Low Positive Impact** ●●○○○
16	Product and Service Security and Quality	✓	✓	✓	✓	✓	✓	✓	✓	■ Regulators ■ Customers ■ Suppliers ■ Consumers	If the company fails to respond effectively to changes in external regulatory standards, it may face regulatory penalties, access restrictions, and diminished market trust.	Through best security and quality practices, the company can gain a competitive edge in the market.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Society: Staying Open and Transparent to Win Customer Trust	**Very High Negative Impact** ●●●●● **Very High Positive Impact** ●●●●●
17	Employee Rights Protection	✓	✓		✓	✓	✓	✓	✓	■ Employees ■ Value Chain Partners	In the process of employee selection, training, use, and retention, if the corresponding plans are unreasonable, implementation is non-standard, the	Respecting talent, providing employees with a good career platform, creating an equal, inclusive, diverse, healthy, and safe working environment, and offering comprehensive		Society: Remaining Human-Centric and Supporting Employee Development	**High Negative Impact** ●●●●○ **High Positive Impact** ●●●●○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
											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, lead to employee complaints, and result in an increased turnover rate.	learning and development opportunities can enable employees to realize their value, and better adapt to the rapid development of the new era.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH		
18	Employee Training and Capability Enhancement		✓		✓	✓	✓	✓	✓	■ Employees	Lack of control over the capability centers may affect the effective implementation of their work, the building of a learning organization, and capability enhancement.	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.		Society: Remaining Human-Centric and Supporting Employee Development	**Medium Negative Impact** ●●●○○ **Medium Positive Impact** ●●●○○
19	Health and Safety	✓	✓		✓	✓	✓	✓	✓	■ Employees ■ Value Chain Partners	Failure to promptly identify workplace safety hazards or effectively manage the	Ensuring the safety and health of employees can help protect their rights, increase job satisfaction,		Society: Remaining Human-Centric and Supporting Employee Development	**High Negative Impact** ●●●●○ **High Positive Impact** ●●●●○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
											safety production of partners may lead to safety accidents, occupational health damage, and property losses; failure to follow up on regulatory changes and implement requirements in a timely manner may result in compliance risks such as fines and production suspension for rectification.	improve corporate productivity and economic benefits, maintain a positive corporate image and reputation, and enhance market competitiveness.			
20	Supply Chain Security	✓	✓	✓	✓	✓	✓	✓	✓	■ Value Chain Partners ■ Customers ■ Consumers	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, boost customer confidence, and achieve business development.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Society: Upholding Win-Win Collaboration to Grow with Partners—Supply Chain Security	**High Negative Impact** ●●●●○ **Medium Positive Impact** ●●●○○
21	Supplier CSR Management	✓	✓	✓	✓	✓	✓	✓	✓	■ Value Chain Partners ■ Customers ■ Consumers	Serious CSR incidents (such as child labor/forced labor/severe safety or environmental incidents) at suppliers may	By communicating ZTE's CSR requirements to suppliers at all tiers, which include enhancing the working conditions and labor rights of		Society: Upholding Win-Win Collaboration to Grow with Partners—Supplier CSR Management	**High Negative Impact** ●●●●○ **Medium Positive Impact** ●●●○○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
											lead to supply disruptions and damage to the company's brand.	employees and reducing environmental impact, suppliers can elevate their CSR fulfillment capabilities, thereby improving the supply chain's competitiveness in sustainable development.			
22	Fair Treatment of SMEs	✓				✓	✓			■ Value Chain Partners	Overdue accounts payable to suppliers that are SMEs may affect the company's reputation.	Timely payment can help the company build a positive reputation and image.		Society: Upholding Win-Win Collaboration to Grow with Partners—Supplier CSR Management	**Negligible Negative Impact** ●○○○○
23	Due Diligence	✓	✓	✓	✓		✓	✓	✓	■ Value Chain Partners ■ Customers ■ Communities	Insufficient effectiveness and reliability of due diligence may lead to supply chain security issues or operational security issues of enterprises, bringing negative impacts to communities.	Thorough due diligence can enhance the company's operational efficiency and strengthen its positive impact on communities.		Corporate Governance: Adhering to Compliant Operations for Steady Business Growth—Anti-Bribery and Anti-Corruption Society: Upholding Win-Win Collaboration to Grow with Partners—Supplier CSR Management	**Medium Positive Impact** ●●●○○

No.	Material Topic	Scope of Impact			Nature of Impact		Impact Cycle			Affected Stakeholder	Risk	Opportunity	SDG	Location in the Report	Impact Level
		Upstream	Operations	Downstream	Positive	Negative	Short-Term	Medium-Term	Long-Term						
24	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 questioning, 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, inspire more people to engage in public welfare activities, and create value for the entire society.	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES	Society: Shouldering CSR to Contribute to the Global Community	**Negligible Negative Impact** ●○○○○ **Medium Positive Impact** ●●●○○

Positive Impact			Negative Impact		
Monetary Threshold (CNY10,000)	Symbol	Impact Level	Monetary Threshold (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

Stakeholder Engagement

ZTE has established open and diverse communication mechanisms with various stakeholders. Based on the relevance of stakeholders to specific business areas, relevant departments take the lead in stakeholder engagement. After fully understanding the concerns and expectations of each stakeholder, ZTE integrates their focuses, needs, opinions, and suggestions into the company's operations management, strategic planning for sustainable development, identification and response to risks and opportunities, setting of targets and metrics, and management mechanisms. ZTE is committed to achieving harmonious coexistence and common growth with its stakeholders.

Category	Representative	Key Concern	Communication Channel
Shareholders and Investors	– Shareholders and contributors – Potential investors	– Corporate business and fundamentals – Long-term development plans, financial performance, and ESG performance – Corporate governance and risk management – Communication and interaction with investors	– Regular information disclosure – General meetings of shareholders – Investor roadshows and conferences – Communication via phone and email
Regulators	– Government agencies and competent authorities at all levels – Shenzhen Stock Exchange – Hong Kong Stock Exchange – China Securities Regulatory Commission	– Compliance with laws and regulations – Green development and climate change – Product quality and security – Standardized information disclosure on sustainable development – Promotion of economic growth	– Participation in relevant meetings – Communication with industry associations and other organizations
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	– Presales communication – Aftersales services – Routine communication (e.g., customer visits) – High-level exhibitions – Third-party training – Customer audits
Employees and Their Families	– All employees – Families of employees	– Competitive salaries and benefits – Comprehensive training systems – Transparent career development paths – Work-life balance – Health and safety in the workplace	– Trade unions – Online communication platforms – Compliance hotlines for employees – EAP – Employee representatives – Face-to-face communication with executives and other internal activities – Open days for families – Family appreciation events
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	– Annual Global Partners Day – Supplier training – Onsite audits and communication – Regular visits – High-level visits – Complaint hotlines

Industry Peers	– ICT industry companies	– Fair competition – Technical exchanges	– Visits and tours – Industry events and conferences – Project collaboration and exchanges
Communities	– Communities surrounding factories – Targeted support regions – Underdeveloped countries and regions	– Contribution to the sustainable development of communities – Sharing of the benefits of corporate development – Bridging of the digital divide and enjoyment of the value of information technologies	– Face-to-face communication – Public welfare activities – Complaint hotlines
Social Organizations	– Universities and research institutions – ESG rating agencies – Media – NGOs, industry associations, etc.	– Good cooperative relationships – Timely sharing of corporate experience and practices – Transparent information communication and sharing – Joint development of industries	– Press conferences – Regular communication and feedback – Project cooperation – ZTE websites, public accounts, and other public channels

ZTE's participation in stakeholder activities in 2024:

	Chairman: – From May 22 to 24, ZTE held its eighth "Innovation Day" in Shenzhen. Mr. Li Zixue, Chairman of ZTE, delivered the opening speech at the event, expressing his hope to explore innovative approaches with partners from various sectors through the platform of "Innovation Day". He emphasized that innovation serves as a driving force to jointly promote high-quality development in the industry and create a better digital future together. – On September 6, during the Beijing Summit of the Forum on China-Africa Cooperation, the China Council for the Promotion of International Trade (CCPIT) and the Ministry of Commerce jointly hosted the eighth Conference of Chinese and African Entrepreneurs. Chairman Li Zixue attended the conference and delivered a keynote speech titled "Driving the Integration of Urban-Rural Development and Emerging Industries in Africa through a Four-Pronged Approach", introducing ZTE's ongoing efforts and future cooperation strategies to promote Africa's digital transformation and industrial modernization.
	CEO: – On April 11, the 2024 ZTE Cloud-Network Ecosystem Summit, themed "Win-Win Collaboration for Shared Prosperity in the Intelligent Era" was successfully held in Nanjing. Xu Ziyang, CEO of ZTE Corporation, delivered the opening speech at the event, stating that ZTE would adhere to its core philosophy of putting customers first and prioritizing partners. He emphasized the importance of mutual benefit and focusing on each party's strengths to build broader and deeper connections with more customers. Together with partners, ZTE aims to thoroughly explore and advance the development of industry. – On June 26, CEO Xu Ziyang delivered keynote speeches at both the "AI First" session and the GTI Summit themed "5G-A×AI" at MWC Shanghai 2024. Mr. Xu shared ZTE's practices and innovations in intelligent digitalization amidst the AI wave.

COO:

- On May 6, the sixth meeting of the China-France Business Council was held in Paris, France. Xie Junshi, EVP and COO of ZTE Corporation, chaired a roundtable discussion on emerging technologies and sustainable development. Mr. Xie called for collaborative efforts and open innovation among all parties to better address a series of global challenges such as climate change, resource scarcity, and environmental protection.
- On November 4, the 2024 Export Control Compliance Conference, organized by the China Chamber of Commerce for Import and Export of Machinery and Electronic Products and co-hosted by ZTE, was held in Beijing. Mr. Xie delivered a keynote speech titled "Balancing Openness and Security—Strengthening Enterprise Export Control Compliance through Management Practices".

CSO:

- On May 24, the 2024 ZTE Innovation Day Sustainable Development Forum, themed "Green, Innovative, and Symbiotic", was held in Shenzhen. Wang Xiang, SVP and CSO of ZTE Corporation, delivered a speech at the event. Mr. Wang emphasized that enterprises and society share a symbiotic relationship. In the process of development, enterprises should not only focus on their own growth but also serve the communities in which they operate, courageously shouldering social responsibilities and actively contributing to the sustainable development of society.

President of Supply Chain:

- On November 12, at ZTE's 2025 Global Partners Day, Yang Jianming, SVP of ZTE Corporation and President of Supply Chain, delivered a keynote speech. Mr. Yang stated that ZTE proposed four key directions for future supply chain development in collaboration with its partners: embracing uncertainty and building an anti-fragile supply chain; promoting transformation to drive growth and gain new competitive edges; building supply chain AI agent for higher intelligence and efficiency; and practicing CSR to support sustainable development.

Chief Development Officer (CDO):

- On May 13, the Global Trade and Investment Promotion Summit 2024 was held at the Diaoyutai State Guesthouse. Cui Li, CDO of ZTE Corporation, participated in a parallel forum titled "Igniting the AI Engine to Empower Economic and Social Development". Ms. Cui engaged in in-depth discussions with attendees on hot topics such as insights into the AI industry, openness and collaboration to advance AI development, and AI for new industrialization and inclusive growth.

Vice President:

- In September, Chen Zhiping, Vice President of ZTE, attended SDG Digital held at the United Nations Headquarters by the ITU and the United Nations Development Programme (UNDP). At "A Digital Future for All", Ms. Chen delivered a keynote speech, in which she articulated ZTE's strong commitment to advancing meaningful global connectivity and digital transformation while actively promoting initiatives aligned with the United Nations SDGs, and also shared the company's global efforts to leverage digital technologies for biodiversity protection.

Governance

Strengthening Governance and Preventing Emerging Risks

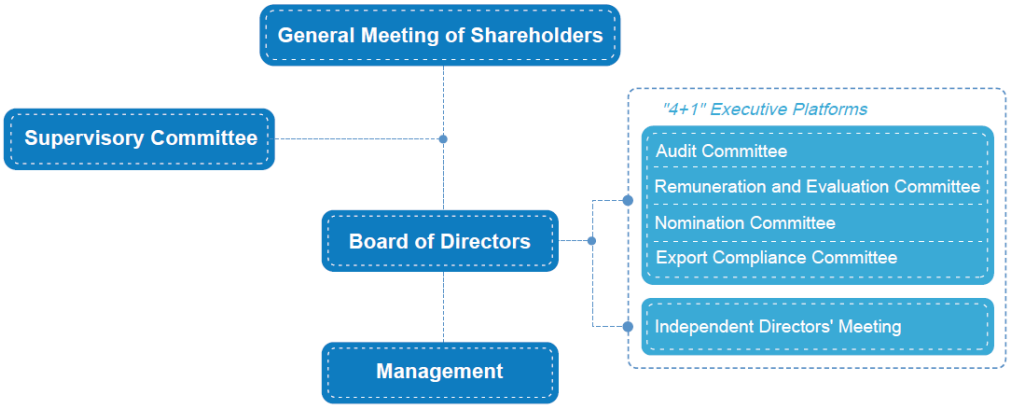
In accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Code of Corporate Governance for Listed Companies in China*, and other relevant laws and regulations of the China Securities Regulatory Commission (CSRC) as well as advanced experience and rules on corporate governance at home and abroad, ZTE has continuously improved its corporate governance system, standardized operations, and optimized internal control and tax management systems, guaranteeing robust and steady business operations.

Strengthening Corporate Governance

Improving the Governance Structure

ZTE has set up a governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and the management. The General Meeting of Shareholders is the company's highest authority. Elected by the General Meeting of Shareholders, the Board of Directors is the decision-making body of the company. Under the Board of Directors are the "4+1" executive platforms, namely, the Audit Committee, Remuneration and Evaluation Committee, Nomination Committee, Export Compliance Committee, and the Independent Directors' Meeting, which conduct prior deliberation on specific matters within the scope of their functions and authorities and provide professional recommendations. The Supervisory Committee directly reports to the General Meeting of Shareholders, and functions as the oversight body of the company. As the executive authority, the management is appointed by the Board of Directors, and takes charge of the company's overall operations.

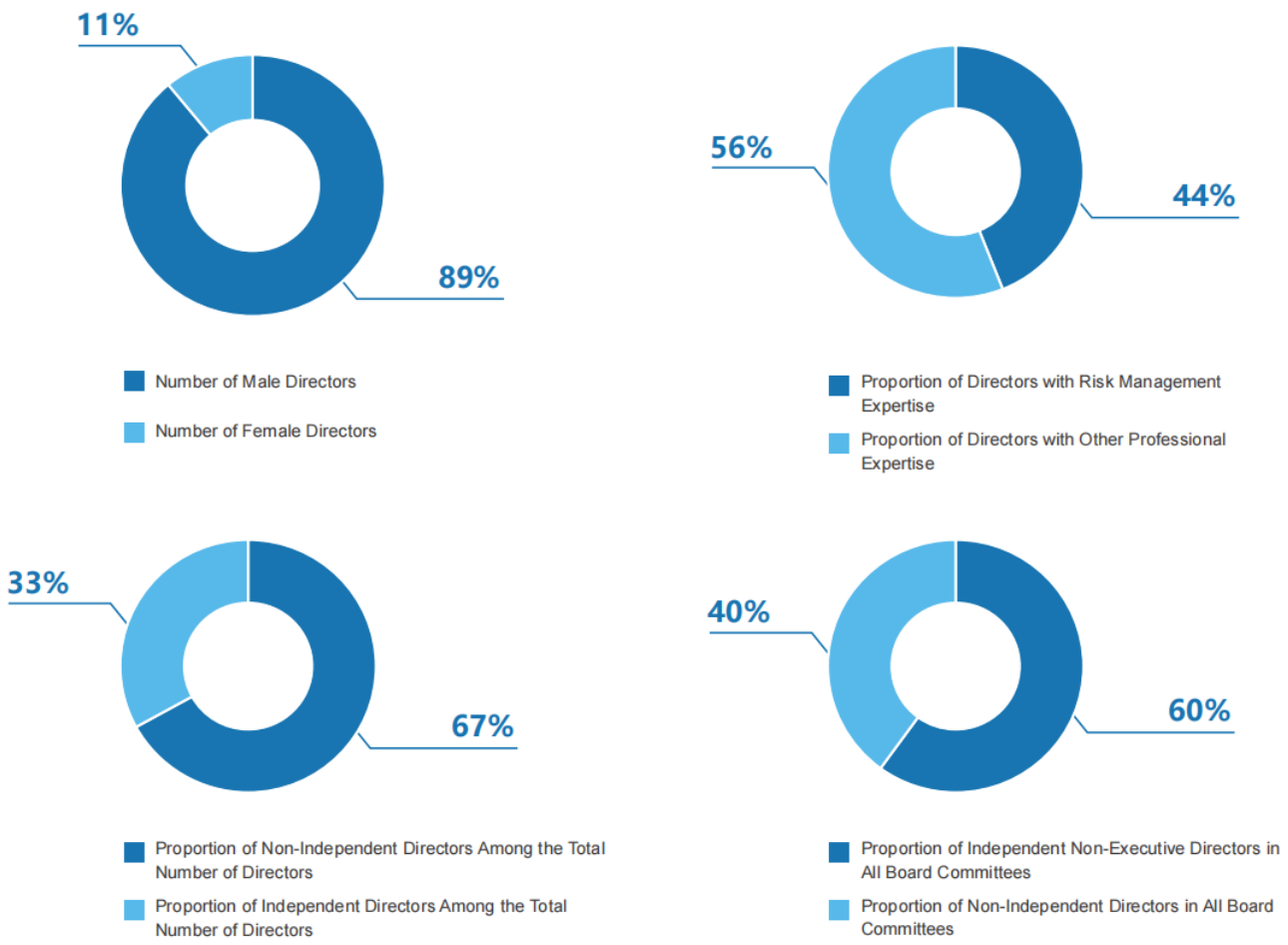
During the reporting period, the governance structure, namely, the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee, and the management, all functioned in accordance with relevant laws. The company's corporate governance practices complied with the provisions of normative documents on the governance of listed companies issued by the CSRC.



ZTE's Corporate Governance Structure

Ensuring Professional Fulfillment of Duties

In terms of the appointment of the board members, the company has nominated and selected directors in strict accordance with the requirements and procedures stipulated in the *Articles of Association* and the *Working Rules of the Nomination Committee of the Board of Directors*. To promote diversity, ZTE has formulated the *Policy to Promote Diversity on the Board of Directors*. Directors are appointed in consideration of multiple factors, including but not limited to age, gender, cultural and educational background, expertise, skill, and knowledge, to ensure open, fair, independent, and diversified appointments.



Composition of ZTE's Board of Directors

To ensure that board members professionally fulfill their duties in the decision-making process of our sustainability strategy, ZTE organized specialized ESG training in 2024, conducting monthly sessions on capital market trends and ESG regulations. The three newly appointed directors (including independent directors) completed the training on the *Responsibilities of Directors of Companies Listed on the Main Board of HKEx* prior to assuming their positions.

Regulating Related-Party Transactions

To ensure the compliance and transparency of related-party transactions, ZTE held the Second Meeting of the Independent Directors of the Ninth Board of Directors on December 19, 2024. The meeting involved in-depth discussions and reviews of the company's routine related-party transactions concerning procurement and sales. The transaction prices and agreement terms were rigorously reviewed, and a proposal on connected transactions was agreed to be submitted to the Board of Directors for deliberation.

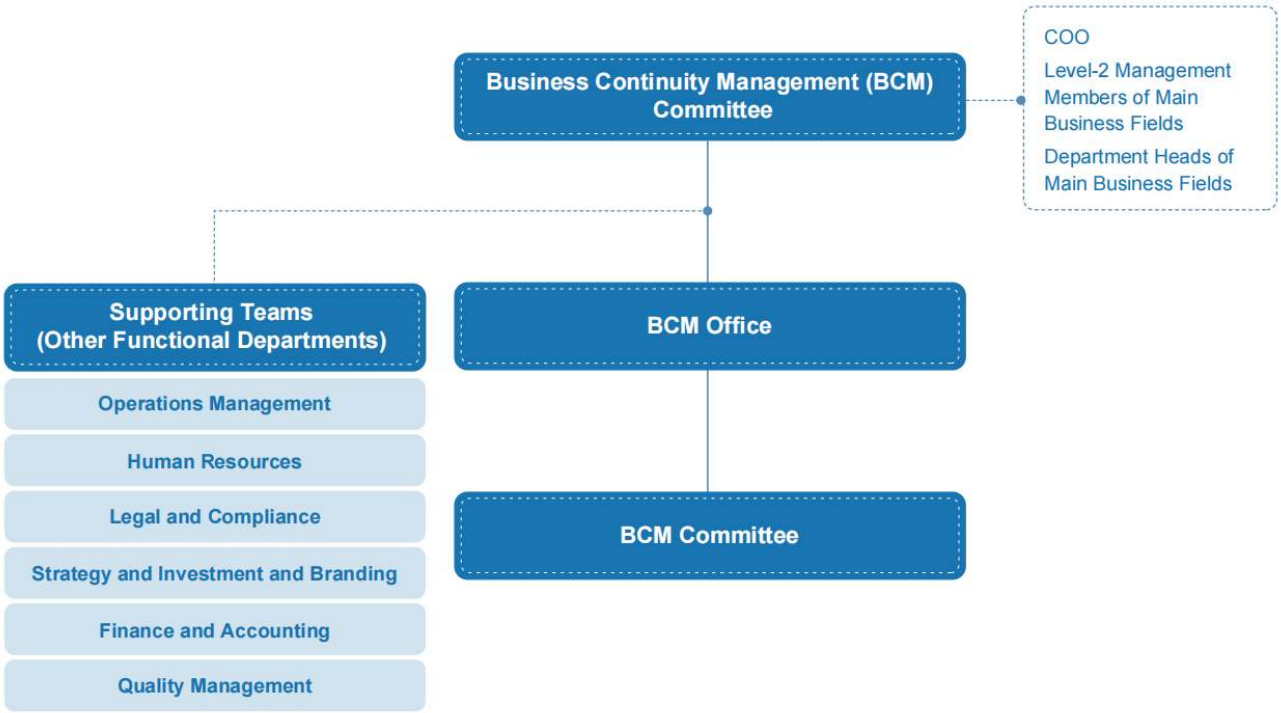
Guaranteeing Minority Shareholders' Rights and Interests

ZTE has established a corporate governance structure that guarantees the full exercise of rights and equal status of all shareholders, especially the minority ones. In accordance with the *Articles of Association*, a written notice will be given before the General Meeting of Shareholders, to notify all registered shareholders of the issues to be deliberated as well as the date and venue of the meeting. Shareholders (including their representatives) exercise their voting rights based on the number of their respective voting shares. Shareholders attending the meeting have the right to one vote for each share held. The company adopts both onsite and online voting for shareholders to participate in the meeting at their convenience. The votes of minority shareholders are disclosed separately in the meeting's resolution announcements to give an adequate account of the views of minority shareholders.

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 held by the COO of the company, while the Deputy Directors are 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 and Management Mechanism

ZTE's BCM policy is the following: agile response, proactive prevention, and effective mitigation, to build world-class business sustainability capabilities, and protect the interests of employees, customers, shareholders, suppliers, and other stakeholders to the largest extent.

ZTE has obtained the ISO 22301:2019 certification for its management system, with the scope covering its five manufacturing bases and major R&D centers. To achieve standardized and systematic management across the processes, the company has established a pyramid-structured BCM System (BCMS): the top level consists of the *BCMS Manual*; the second level includes management processes, such as business impact analysis, risk assessment and strategy management, business continuity plan management, and exercise and testing management; the third level comprises operational guidelines; and the base level consists of implementation records.

Risk and Opportunity Management

When planning its 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.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	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, focusing 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 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

For response and management of business continuity risks, ZTE adopts a full-process management approach, covering pre-event prevention and early warning, in-event assessment and tracking, and post-event response and handling. Facing significant changes in internal and external environments, ZTE conducts overall business

impact analysis at least once a year to identify the priority of activities and critical resources within business processes, and manages risks in accordance with risk management regulations.

During the problem-solving and incident management phase, ZTE develops business continuity plans, specifying emergency response and business recovery measures to ensure rapid response in the event of business disruptions. Meanwhile, ZTE regularly organizes high-risk drills and tests to verify the adaptability and effectiveness of the plans.

Based on the impact of incidents on operations and core business, ZTE has established a quantified and graded incident management mechanism, which specifies the reporting processes. Specialized groups and spaces have also been created to ensure the accuracy, timeliness, and interoperability of information, thereby facilitating cross-departmental collaboration.

■ Risk Management

ZTE has established an overseas risk monitoring mechanism. Through collaboration with third parties, the company conducts real-time risk monitoring across 31 countries and 6 critical logistics channels, effectively reducing risks of information asymmetry. Also, ZTE produces risk maps and security reports on a monthly basis to support decision-making. In addition, the company places a strong emphasis on tracking changes in international product certification regulations, identifying potential business impacts, and developing compliant pathways to ensure the continuity of its global operations.

■ Drills and Tests

ZTE has built a precise and practical drill and testing system, focusing on higher quality and high-complexity scenario design. In 2024, the company conducted a total of 132 multi-dimensional drills and tests, covering a wide range of scenarios such as full data center facilities (power/cooling/liquid cooling/IT/security systems), overseas geopolitical conflicts, extreme natural disasters, lithium-ion battery fires, and digital infrastructure disruptions. Throughout the year, ZTE identified multiple aspects for improvement and carried out rectifications accordingly.

■ BCM Capability Building for Stakeholders

ZTE incorporates the improvement of suppliers' BCM capabilities into its annual plan, continuously encourages suppliers to obtain ISO 22301 certification, and conducts training for key suppliers. In 2024, the scope of training was further expanded to logistics service providers and tier 2 and tier 3 material suppliers. Meanwhile, ZTE continues to strengthen the BCM capabilities of property contractors by jointly developing BCM plans and organizing drills.

ZTE also shares and exchanges experience in BCMS building and risk management with customers and other external stakeholders. In 2024, the company carried out more than 50 such activities.

■ Incident Handling

In 2024, in accordance with the BCM incident management regulations, a total of 135 incidents were reported, all of which were handled accordingly.

[Case] Emergency Response to Natural Disasters in 2024

- In June 2024, as China entered a period of frequent natural disasters, ZTE launched a special initiative for emergency communications support in response to natural disasters. In accordance with BCM incident management requirements, 30 incidents were reported, involving 19 provinces and municipalities, with a total of 68 briefings issued.
- In August 2024, continuous heavy rainfall hit Huludao, Liaoning province. In response, ZTE deployed 191 personnel and 705 spare parts. Self-developed emergency communications products (such as backpack base stations, satellite communications devices, and drones) were widely used on the frontline of disaster relief, earning high praise from customers.
- In September 2024, Super Typhoon Yagi, the 11th typhoon of the year, swept through Hainan, Guangdong, and Guangxi provinces. In response, ZTE mobilized 350 personnel and 1,300 spare parts. By conducting in-depth analysis of the affected network topology, the company identified priority areas for restoration and quickly recovered critical network nodes. Meanwhile, the company also adjusted RRU power and deployed high-traffic parameters to enhance network service capacity.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024

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: 95% ■ Implementation Rate of drills and tests: 100% ■ Pass rate of drills and tests: 100% ■ Percentage of excellent drills and tests: 75% ■ Closure rate of internal and external audit findings: 100%	■ RTO achievement rate: 100% ■ Implementation Rate of drills and tests: 100% ■ Pass rate of drills and tests: 100% ■ Percentage of excellent drills and tests: 81% ■ Closure rate of internal and external audit findings: 100%

Promoting Tax Transparency

Governance

Attaching great importance to tax governance and transparency, ZTE has set up the Global Tax Compliance Committee to coordinate tax compliance management, ensuring that all tax-related activities are carried out in an orderly manner.

The Global Tax Compliance Committee, as the highest decision-making body for tax compliance, formulates the company's tax compliance strategy and ensures resource allocation. It determines the strategic direction and targets of tax compliance, reviews tax compliance plans, makes decisions on major tax compliance-related issues, and fosters a culture of integrity and compliance within the company.

The tax team, based on the policies and significant actions set by the Global Tax Compliance Committee, fully implements specific tasks of tax transparency and tax compliance, and takes charge of tax risk management, enjoyment of tax incentives, and tax-related capability building. Team members have solid knowledge in finance and taxation, as well as the ability in continuous learning. They keep a close watch on the latest significant global tax regulations and policies, track new developments in domestic and international tax reforms in real time, and update and adjust management strategies in sync to ensure that ZTE's business operations and management models effectively adapt to changes in new policies and maintain tax compliance.

Strategy and Management Mechanism

Tax transparency and tax compliance are the strategic cornerstones of ZTE's tax management and the primary focus of the company's tax-related operations.

ZTE has established corresponding regulations and processes, specified the fundamental principles and rules of tax governance, and detailed the basic requirements, key implementation paths, and related processes for tax risk management. Also, the company has specified the management requirements, considerations, and standard actions for each major issue related to tax compliance and tax governance. Meanwhile, ZTE has strengthened its internal control mechanism for tax management to guard against significant tax-related issues that could potentially impact the company's business development.

Risk and Opportunity Management

Based on global tax-related policies and regulations, the company's overall financial requirements, and its risk management framework, ZTE regularly identifies and manages the risks and opportunities related to tax governance.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	The complex and volatile global political and economic landscape, coupled with frequent changes in related policies, may impact ZTE's operations in international markets, thereby influencing its tax governance.	Medium	Low	Continuously strengthen research and prediction of overseas tax and financial policies to promptly identify and respond to policy changes.

	Global tax regulation is increasingly stringent, imposing higher compliance requirements on enterprises, leading to increased pressure on corporate tax compliance.	High	Medium	Continue to effectively manage fundamental tasks such as tax declaration and invoice management, and strengthen global transfer pricing management.
Opportunity	Improving tax transparency in cross-border operations and overseas business tax compliance can help build an image of integrity and compliance in the global market, thereby gaining more international investment opportunities and business collaboration.	Medium	Low	Build and improve the tax compliance management system to enhance tax transparency and increase trust and opportunities for international collaborations.

Annual Progress

ZTE adheres to three principles: proactive management, legal compliance, and monitoring of key issues. By strengthening risk management through daily tax risk reporting, self-inspection and mitigation of tax risks, and tax audit compliance, the company has achieved systematic tax governance. In 2024, the main activities to promote tax transparency are as follows.

■ Internal Training

ZTE's tax team regularly conducted tax-related training for relevant departments within ZTE, providing comprehensive and in-depth interpretation of updates on global tax policies such as the "Two-Pillar Solution", and continuously enhancing the tax compliance awareness of relevant personnel.

■ Customer Communication

ZTE proactively communicated and collaborated with customers, conducting exchanges with the financial teams of multiple customers. Tax risk management models and the development direction of tax digitalization were the main focuses of all parties. The exchanges were mutually beneficial and provided valuable insights and learning opportunities for improving tax management capabilities.

■ Policy Monitoring

ZTE actively participated in research and surveys organized by tax authorities. As a representative of companies going global, the company was invited to the seminars hosted by tax authorities, sharing its understanding of the latest global tax policies and tax systems in some countries.

Metrics and Targets

Topic	Target	Achievement in 2024
Tax Transparency	Strengthen tax compliance management and tax risk control to avoid major tax disputes or tax-related incidents that may have a negative impact on the company's operations and brand reputation, and on this basis, implement a series of plans to legitimately and reasonably enjoy tax incentive policies in accordance with laws and regulations.	ZTE has continuously been graded "A-level" in tax credit rating and ranked among Shenzhen's top 100 taxpayers.

Adhering to Compliant Operations for Steady Business Growth

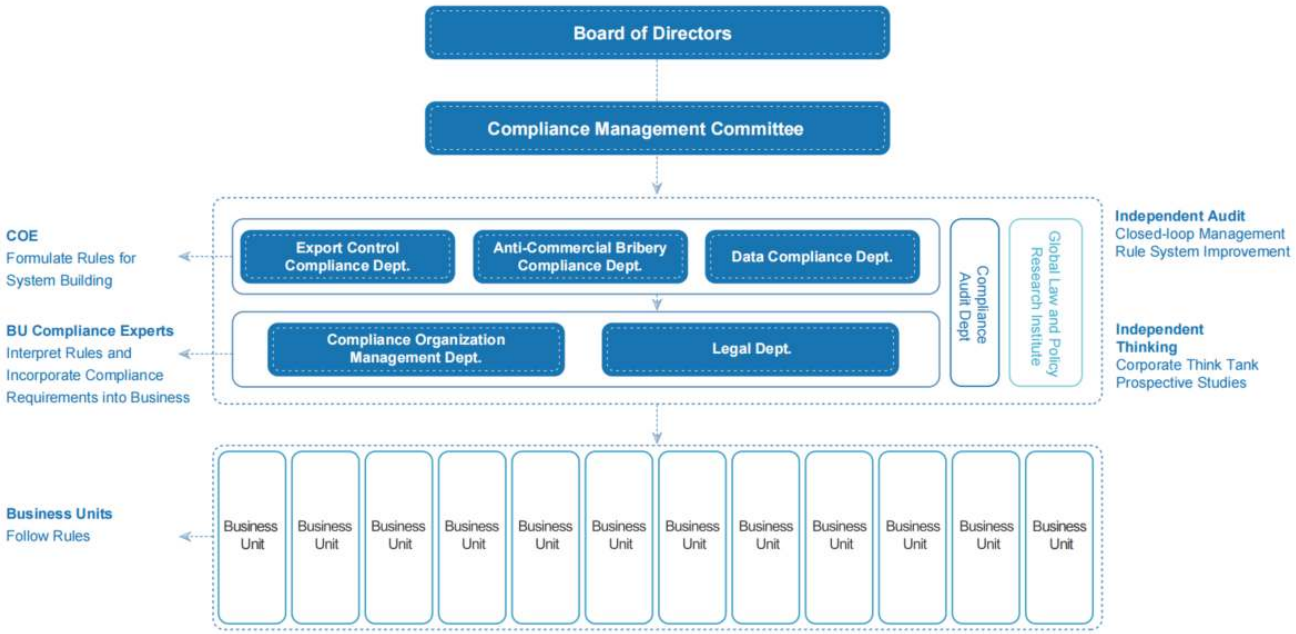
As the fundamental principles for its compliant operations, ZTE upholds business ethics and compliance with the laws and regulations of the countries and regions where it conducts business. The company incorporates compliance management into all business processes, achieving deep integration of business development and compliance control. By continuously promoting compliance governance, the company aims to enhance its competitive advantages, and improve compliance system building to effectively ensure business sustainability.

Compliance System Building

Governance

The company focuses on three key compliance areas: export control compliance, anti-bribery compliance, and data compliance. It has established an efficient compliance management structure featuring both horizontal and vertical collaboration. The Compliance Management Committee is the highest deliberative and decision-making body for the company's compliance affairs. Established with the resolution of the company's Board of Directors, the Committee is composed of the Chairman, 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 during the company's operations, and reviewing and approving solutions to such risks.

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



Compliance Management Organizational Structure of ZTE

The company's Center of Expertise (COE), which consists of the Export Control Compliance Dept., Anti-Commercial Bribery Compliance Dept., and Data Compliance Dept., is responsible for establishing and improving the company's compliance system, as well as formulating rules for respective areas. The BU compliance teams are responsible for ensuring the implementation of company's compliance requirements at business units, interpreting and publicizing the company's compliance rules, etc. The Compliance Points of Contact (CPOCs) are responsible for executing compliance tasks within their respective units and reporting compliance issues. In addition, the company has established the Compliance Audit Dept., which serves as the third line of defense in compliance management, and conducts independent audits on compliance matters,

thereby realizing closed-loop compliance management.

Strategy and Management Mechanism

Compliance is one of the strategic cornerstones of ZTE. The company is committed to building a world-class corporate legal and compliance platform and a best-in-class compliance management system aligned with international standards and business practices. With the mission of identifying, reporting, and addressing legal risks, as well as participating in, facilitating, and contributing to business operations, ZTE aims to develop an independent, effective, and efficient corporate compliance system. With such system, the company effectively identifies and controls compliance risks to ensure operational safety, and efficiently integrates compliance management into all processes to support business growth and ensure "compliance creates value."

ZTE has established a risk-oriented compliance management mechanism based on the PDCA cycle. On the basis of comprehensive risk assessments and dynamic identification of compliance risks, the company has developed a hierarchical compliance rule system consisting of compliance policies, compliance manuals, and work instructions, and incorporates compliance requirements into business processes via KCPs. In addition, an automated control system has been introduced to ensure the effective implementation of compliance requirements. Moreover, the company conducts in-process supervision through regular audits and inspections as well as violation investigations and handling, continuously optimizes rules to refine the compliance system, and enhances digital capabilities to improve the efficiency of compliance management. In 2024, the company established a mechanism for collaborative response to compliance trends. Under such mechanism, the compliance departments conduct early risk identification and analysis of external legal changes that may affect the company's operations, and work with business departments to develop risk contingency plans and prepare response measures, ensuring business sustainability amid a rapidly changing external environment.

Annual Progress

Compliance Culture Building

- Compliance Training

ZTE requires all employees, including management members and interns, to participate in the annual compliance training and exams organized by the company's compliance training program team. The training courses cover such areas as anti-bribery compliance, export control compliance, and data compliance, and are tailored to the business scenarios of employees in different positions. For international employees, the company has developed multilingual training materials in 16 languages, such as Spanish, French, Arabic, Italian, and Portuguese. By the end of 2024, more than 60,000 employees had actively participated in the company-wide compliance training through the online learning platform, achieving a 100% training coverage rate.

- Compliance Perception Survey

In 2024, more than 40,000 employees of ZTE completed the compliance perception survey. By analyzing the feedback from employees, the company gained a qualitative and quantitative understanding of how employees perceive the company's compliance management, thereby realizing targeted development and improvement of relevant policies to support compliance management system building. According to the survey results, 97.2% of the employees deemed that the management members highly valued compliance, invested sufficient resources into compliance efforts, and took the initiative to enhance compliance awareness among the departments.

Compliance Risk Monitoring Platform

ZTE has established the compliance risk monitoring platform, iCompliance, which continuously monitors business systems and processes, as well as the execution of compliance KCPs. Leveraging big data analytics, the platform enables the timely identification of potential risks, allowing for effective risk management and the fulfillment of compliance requirements. By 2024, the company had launched 37 sets of risk indicators and 25 sets of risk models. In addition, the digital inspections conducted through the platform can directly identify suspected non-compliant applications, improving the overall efficiency by more than 50%.

Demonstration of Professional Compliance Capabilities

- External Exchanges and Activities

ZTE hosted and co-hosted multiple compliance-related activities, including the 2024 Export Control Compliance Conference, the "Corporate Governance and Compliance Practices" seminar of the 2024 Conference on International Industrial Cooperation (Singapore), and the 2024 Zhejiang Province Trade Compliance Capability

Enhancement Special Event. During these events, ZTE discussed compliance strategies and risks with global experts, and shared research findings and best practices related to compliance.

■ Contribution to Industry Growth

"AllAboutCompliance" is a professional WeChat public account independently operated by ZTE employees. As of December 2024, the account had published a total of 829 posts, with more than 400 of them being original research outcomes. The posts include ZTE's best compliance practices, updates on Chinese and international laws and regulations, and compliance enforcement cases.

In 2024, ZTE participated in the development of the national standard, *Compliance Management Specification of Undertaking Fair Competition*, and the industry standard, *Capability Maturity Model for Compliance Management of Electronic Information Industry Enterprises*. During standards development, ZTE incorporated its advanced technologies, managerial experience, and practical achievements into the standards, helping regulate the industry order, promoting fair competition, and driving collaborative development within the industry.

Whistleblowing and Whistleblower Protection

■ Whistleblowing Process and Scope

The *Handling and Investigation of ZTE Whistleblowing Job Specification* specifies the company's management process for accepting and investigating whistleblowing cases, ensuring that violations are promptly addressed under the principles of independence, objectivity, fairness, and confidentiality. Moreover, the company's *Regulations on Compliance Reporting* provides more detailed regulations on the whistleblowing accepted and handled by the Compliance Audit Dept., including the whistleblowing scope and channels for violations in export control, anti-bribery, and data compliance, as well as the policies for protecting and rewarding whistleblowers.

■ Scope of Whistleblowing Acceptance

Violations of any external law or internal regulation that are committed by any current or former employee of ZTE, or any supplier, distributor, subcontractor, customer, or any other partner related to ZTE and that cause losses or potential risks to the company. Such violations include but are not limited to malpractices (such as embezzlement and corruption), compliance issues in export control, data compliance, and anti-bribery, issues related to information security, human resources policies (such as performance appraisals), CSR (such as discrimination, harassment, health and safety, and environmental protection), supplier CSR, and 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: +860755-26771199
- 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** (Compliance Audit > Report Violation Clue)

■ Whistleblower Protection and Rewards

The company's *Regulations on Protection and Rewarding of Real-Name Whistleblowers* and *Regulations on Compliance Reporting* clearly define the measures for protecting whistleblowing information and the anti-retaliation policy. The whistleblowing information includes the personal information of the whistleblower and the reported content. The company strictly keeps such information confidential to ensure that it is not leaked, which is the primary principle in handling whistleblowing. In addition, the company provides three-level protection for whistleblowers, encourages good-faith reports, and offers three types of rewards for real-name whistleblowers, with a maximum reward of up to CNY5 million.

Three-Level Protection Measures for Whistleblowers

Three-Type Rewards for Whistleblowers

In 2024, the company received a total of 175 clues from different whistleblowing channels, with a 100% handling rate. Among all those clues, 32 were related to anti-bribery; in the same year, the company concluded seven anti-bribery compliance investigations, imposed disciplinary actions on the personnel confirmed as having committed violations, and addressed issues identified during the investigations, such as insufficient training and flaws in business processes, safeguarding the company's compliant operations. Additionally, the company determined the compliance whistleblowing rewards amounting to several tens of thousands of Chinese yuan in 2024, continuously improving the effectiveness of the 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 and Management Mechanism

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, and 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

By removing loopholes, optimizing processes, and improving management, ZTE aims to create a clean and upright internal environment, and establish a long-term mechanism where everyone dares not, cannot, and would not commit corruption, eliminating corruption at its source. Intentional false reimbursement, misappropriation or illegal sale of corporate property, and the solicitation or acceptance of kickbacks and bribes are included in ZTE's top prohibitions regarding values; and it is one of the goals of the company's internal control efforts to eliminate the breeding ground for internal fraud.

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.

Risk and Opportunity Management

Anti-Bribery

To fully and effectively identify, analyze, and assess potential and existing bribery risks in the company's business activities, take appropriate risk controls, and thus establish and improve a risk-oriented anti-bribery compliance management system, ZTE has updated the *Regulations on Risk Assessment of Anti-Bribery Compliance*, clearly defining the responsibilities of each department involved, risk assessment principles, factors for initiating risk assessments, and the assessment methods, modes, and processes. The company conducts anti-bribery risk assessments both on a regular basis each year and when significant changes occur in the external environment or the company experiences major events or business changes.

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 control 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 violation and fraud risks.

Risk and Opportunity List

Category	Description	Possibility (High, Medium, Low)	Impact (High, Medium, Low)	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.
	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,	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

	operational risks, or reputational damage to the company.			mechanism comprised of pre-event review, in-process supervision, and post-event 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

- **Risk Governance and Rule Optimization**

- In 2024, ZTE updated and published the *ZTE Anti-Corruption and Anti-Bribery Compliance Policy* and *ZTE Anti-Bribery Compliance Manual*, which include the explicit prohibition against political donations. With such efforts, the company continuously enhances the applicability and effectiveness of its policies and regulations and provides employees with clear compliance guidance. Additionally, the *Business Partner Identification and Anti-Bribery Compliance Risk Assessment Form* and *Anti-Bribery Compliance Risk Assessment Form for Procurement Transactions* were optimized and embedded into the certification and procurement systems for online filling.

- In 2024, ZTE continued its risk assessment efforts. In accordance with Transparency International's annual Corruption Perceptions Index (CPI), internal business data, and survey results on the compliance governance of subsidiaries, the company updated and optimized the annual country-based anti-bribery risk profiling models and data, and then generated the anti-bribery risk index ranking for each subsidiary. The risk profiling covered all subsidiaries (a coverage rate of 100%) and provided a reference for the company's rule optimization, country-based audits and risk assessments, and training and exchanges. Additionally, with a risk-oriented mindset, six medium- and high-risk countries were selected for special assessments and anti-bribery compliance management was optimized accordingly.

- In 2024, based on the *Guide to Fraud and Violation Risk Management*, ZTE identified over 400 potential violation and fraud risks related to transaction opportunities, positions of power, funds, and expenses. Those risks were compiled into the company's list of violations and frauds to support business units in identifying and managing violation and fraud risks, as well as in planning and implementing inspection projects.

- **Due Diligence**

- The company implements graded risk management for its business operations. For all high-risk business partners, it requires the provision of due diligence reports issued by third-party professional institutions. In addition, the company's compliance reviewers may independently carry out due diligence based on relevant internal guidelines, depending on the actual risks. The methods of due diligence include screening via compliance systems, online searches, document reviews, personnel interviews, and on-site visits. In 2024, the coverage rate of due diligence for high-risk business partners reached 100%.

- **Training and Publicity**

In 2024, ZTE conducted multiple online and offline anti-bribery compliance training activities for all, including board members, management members at all levels, and employees in key positions. Medium- and high-risk business partners (including subcontractors) were also required to participate in and complete regular or ad hoc anti-bribery and anti-fraud training activities. For example:

- Anti-bribery compliance training was provided to all board members, the CEO, and all EVPs and SVPs, achieving a coverage rate of 100%.

- All management members of the company were required to participate in anti-bribery compliance training, with a coverage rate of 100%.

- Multiple targeted training activities were organized for personnel in key positions, such as compliance reviewers, finance and engineering service personnel, sales and marketing personnel, and certification and procurement managers. The training content included updates on anti-bribery compliance regulations, scenario-based guidance, system update guidance, and interpretation of customer compliance policies.
- Anti-bribery compliance training was delivered to over 200 business partners, under a risk-oriented approach.
- In 2024, ZTE arranged for all employees to sign the *Letter of Commitment on Anti-Bribery Compliance*, achieving a coverage rate of 100%. A total of 57 articles on anti-bribery were sent to all employees through push notifications, covering trending topics, scenario-based cases, policies, standards, and guidelines. Such efforts enhanced employees' anti-bribery compliance awareness and built a sound compliance culture.
- Each year, ZTE conducts training and exams on internal control and integrity. In 2024, more than 40,000 employees participated in the exams with a pass rate of 100%.
- In 2024, the company's integrity-themed short videos reached over 100,000 views, and its anti-corruption articles, including the *Analyzing Corporate Internal Control and Fraud Issues Through Big Data*, garnered more than 100,000 clicks.
- ZTE provided special training on fraud risk identification, integrity, and internal control to subsidiaries, and provided answers to questions encountered by subsidiaries in the process of fraud risk identification.

[Case] Activity for the 6th "Month of Integrity Culture" in 2024—Talent Competition

On December 5, 2024, ZTE held the talent competition under the theme of "Guarding Integrity and Exploring New Horizons for a Brighter Future". The event was attended by ZTE's Chairman, the SVP in charge of internal control and audit, and other leaders.

The Chairman pointed out that the "Month of Integrity Culture" had been held for six consecutive years at the company, becoming a key element of the company's culture of integrity. He also indicated that, through fostering a clean, healthy, and positive cultural environment, the company ensured the effective implementation of the principles of fairness and integrity to support high-quality business growth.

The competition witnessed multiple superb players, and awarded one first prize, three second prizes, five third prizes, and six outstanding organization awards.

■ Supervision and Audit

- In 2024, with a risk-oriented approach, ZTE conducted special audits in areas such as gifts and hospitality, customer training, commercial sponsorship, business partnerships, and procurement transactions. In addition, the company completed country-based audits on 9 branches/subsidiaries in 8 countries, and regularly inspected the documents or business involving key customers. During all those audits and inspections, issues were fully identified, and were corrected as required.
- In 2024, ZTE conducted 44 audits and fraud investigations on the identified high-risk business and areas, as well as multiple business units such as Domestic Sales, International Sales, Global Services, and Supply Chain. Moreover, the company effectively handled all received whistleblowing clues, and arranged for business units to correct the issues discovered during audits. A total of 25 employees involved in unethical conduct received disciplinary actions.

■ System Certification

In 2024, ZTE continued to maintain the validity of the ISO 37001 certification, which covered subsidiaries or branches in 38 key countries.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Anti-bribery and anti-corruption	**Short-term targets:** Enhance employees' awareness of integrity, improve the efficiency and effectiveness of investigations into whistleblowing clues, and optimize the anti-fraud mechanism. **Medium-term targets:** Establish a correct sense of right and wrong, severely crack down on violations,	■ Promote the building of the culture of integrity and develop innovative methods of publicizing such culture to enhance employees' awareness of integrity.	■ The company's integrity-themed short videos reached over 100,000 views, and its anti-corruption articles garnered more than 100,000 clicks. ■ A total of 43,763 employees participated in the internal

	and remove deficiencies to optimize process management. **Long-term targets:** Create a "clean and upright" internal environment and establish a long-term mechanism where employees dare not, cannot, and would not engage in misconduct.	■ Investigate and handle violations. ■ Optimize the anti-fraud mechanism.	control exams, with a pass rate of 100%. ■ The average completion cycle for investigations into whistleblowing clues is less than 65 days, and the report closure rate for 2024 exceeded 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 image.

Strategy and Management Mechanism

ZTE regards data security and the respect for individuals' privacy rights as one of the basic requirements in its business operations. In business activities with customers, suppliers, partners, or any other third parties, the company always strictly adheres to data compliance requirements, and upholds business sustainability under the premise of compliance, striving to reduce operational risks, meet requirements related to digital ethics, and earn the trust of partners and the general public.

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, fulfils data security obligations, guarantees the accuracy, integrity, and confidentiality of data, and gives special protection to core data, important data, and personal information.

In terms of rules and processes, the company has formulated the *ZTE Compliance Manuals for Data Protection – Corporate-Level Manual* for all its employees and contractors, outlining the data compliance principles and general requirements. To detail compliance requirements for specific fields, we have, based on the Corporate-Level Manual, developed a series of specific regulations, including the *Compliance Management Regulations on Important Data*, *Regulation on Personal Data Identification*, *Regulation on Compliance Management for Cross-border Data Transfer*, and *Privacy by Design Specifications*. Moreover, scenario-based guidelines tailored to different business scenarios have been developed as specific work instructions to ensure compliance in data security and privacy protection.

Risk and Opportunity Management

With a risk-oriented approach, ZTE continuously strengthens the identification of compliance obligations related to data security and privacy protection, and translates external laws into internal regulations. The company also conducts risk assessments based on its business scenarios, and implements targeted compliance controls for specific risks to ensure that any risk in data security and privacy protection is visible, preventable, and controllable, thereby laying a solid foundation for compliance management.

Risk and Opportunity List

Category	Description	Probability (High/ Medium/Low)	Impact Level (High/Medium/ Low)	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 reduce 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

- **Continuous Improvement of the Management System**

In terms of risk governance, in response to the frequent changes in data compliance laws promulgated by different government agencies, ZTE continuously strengthens the identification of compliance obligations in

external regulations with a risk-oriented approach, and optimizes the standardized actions for monitoring external regulations and conducting risk assessments. For high-risk scenarios, the company has implemented special risk governance measures related to important data, cross-border data transfer, and products built on large AI models, and established a screening mechanism for important data, effectively blocking cross-border data transfer in the scenarios and realizing the routine operation of the risk prevention and control system.

Regarding rule optimization, ZTE continuously improves the compliance rules in PbD, consumer business, and commissioned processing. Given such efforts, the effectiveness of data compliance control has been strengthened, and business efficiency has been improved.

As for external certification, in 2024, ZTE passed the recertification of ISO/IEC 27701:2019 Privacy Information Management, maintaining the validity of the certificate. In the same year, the company's terminal products and services successfully passed recertification of the EU's ePrivacy seals, comprehensively guaranteeing privacy security.

- **Digital Compliance Management**

ZTE has pioneered an automated data screening and de-sensitization tool within the industry—Intelligent Data Screening (IDS), which enables one-click screening and de-sensitization of important data, personal data, and other special types of data in documents. This tool has significantly enhanced the effectiveness and efficiency of compliance management while reducing the corresponding costs.

Moreover, the company's Privacy Compliance Review System (PCRS) is operating smoothly. In 2024, a total of 90 tickets were submitted to the PCRS, and all terminal products/features involving the processing of privacy passed the compliance review on the PCRS system.

- **Training and Empowerment**

Each year, ZTE provides data compliance training and exams for all employees, with a coverage rate of 100%, and includes the exam results in the employee appraisal system, ensuring that all employees have the necessary data compliance awareness. Meanwhile, in response to changes in external laws and new control requirements, the company offers special training to employees in key positions, such as those in compliance management, information security, and data processing.

ZTE actively participates in the formulation of external rules. In 2024, it submitted legislative opinions on data security and privacy protection eight times, engaged in 49 exchanges with Chinese and overseas regulators, and conducted 63 customer exchanges.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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 in 2024. ■ No data security incident occurred in 2024. ■ 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. The department has also set "zero major violations" as a performance indicator to strengthen enforcement.

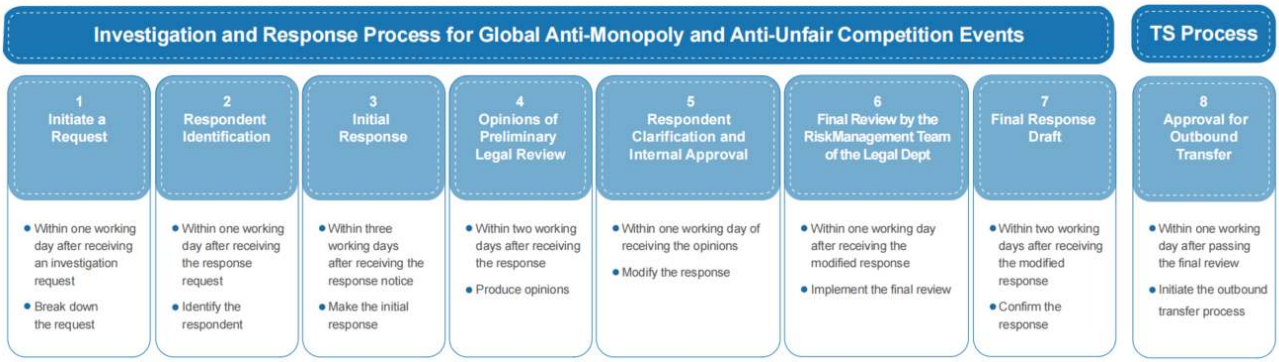
Strategy and Management Mechanism

Anti-Unfair Competition

Since 2021, ZTE has carried out its group-level program for compliance with anti-unfair competition laws. Based on anti-monopoly laws and regulations in key countries and regions such as China, the European Union, and the United States, the company has conducted research and analysis of important cases, performed risk assessments across various business fields, and developed and incorporated internal regulations (for example, anti-monopoly redlines, compliance guidelines, and case-handling instructions) into the business approval processes. In addition, the company has conducted compliance training, and performed dynamic tracking, supervision, and inspection of regulation implementation, continuously forestalling risks and enhancing the anti-monopoly compliance system.

The ZTE Business Code of Conduct stipulates that all departments and employees within the company shall avoid engaging in any form of monopoly or anti-competitive behaviour, either independently or in collaboration with other partners. The standards, such as the Regulations on Channel Partner Management of the China Region of Mobile Device Division and Regulations on the E-Commerce Operation of the China Region of the Mobile Device Division, explicitly specify the requirements for ensuring the authenticity and accuracy of product information and preventing the release of false information. Additionally, the ZTE News Releasing Process includes compliance reviews to avoid legal and compliance risks. Moreover, a series of regulations and guidelines related to sales and marketing channels help ensure that the company's sales and marketing practices comply with anti-unfair competition laws and regulations.

Also, the *Investigation and Response Process for Global Anti-Monopoly and Anti-Unfair Competition Events* ensures that the company can quickly and effectively investigate and respond to global events related to anti-monopoly and anti-unfair competition. The process covers all stages from initiating a request to confirming a response.



Investigation and Response Process for Global Anti-Monopoly and Anti-Unfair Competition Events

Risk and Opportunity Management

Based on the requirements of anti-unfair competition laws and regulations and typical cases, as well as the internal compliance requirements and overall risk management framework, ZTE regularly conducts risk assessments related to unfair competition and implements risk control before, during, and after business activities

Risk and Opportunity List

Category	Description	Probability (High/ Medium/Low)	Impact Level (High/ Medium/Low)	Measure
Risk	Non-compliant price control may expose the company to the risks related to	Low	High	■ ZTE has established internal rules such as the anti-monopoly redline, implemented special projects for risk

	restriction of competition, leading to lawsuits or administrative penalties.			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 control system to ensure all business activities meet legal requirements.

Annual Progress

■ Improvement of the Compliance Management System

During business operations, ZTE conducts strict reviews of internal regulations and agreements related to anti-unfair competition, and has updated relevant documents such as the *Regulations on Channel Partner Management of the China Region of Mobile Device Division* and *Supplier Commitment Letter of Transparent Cooperation and Anti-Bribery Compliance* to ensure compliance with anti-unfair competition laws and regulations.

■ Employee Training

In 2024, ZTE tracked anti-unfair competition legislation and enforcement practices worldwide, and publicized relevant information to all the employees through the "Bi-Weekly Highlights of Trending Topics" column. Such information included interpretations of laws, regulations, and compliance requirements, such as the *Interim Provisions on Anti-Unfair Competition on the Internet*, *Anti-Unfair Competition Law of the People's Republic of China*, and *Shenzhen Enterprise Competition Compliance Guidelines*.

In October 2024, the company delivered a training session on relevant regulations to all the employees of the China Region of the Mobile Device Division. With a focus on the interpretation and publicity of the *Regulations*

on the E-Commerce Operation of the China Region of the Mobile Device Division, the training stressed the need to follow transparent marketing mechanisms and raised the following requirements:

- Ensure the authenticity and accuracy of product information and prevent the release of false information;
- Establish a comprehensive consumer rights protection mechanism to promptly respond to consumer complaints and after-sales needs.

■ **Demonstration of Professional Capabilities**

To deepen the understanding of anti-unfair competition laws and regulations and enhance legal and compliance personnel's vigilance against violations, ZTE continuously tracks external trends, undertakes special research on anti-unfair competition, and shares research outcomes with external parties. In October 2024, the company published an article titled *How to Avoid Monopoly in Corporate Bidding and Tendering* in the "Compliance Governance" column of the 248th issue of China's Faren Magazine.

In 2024, ZTE participated in the formulation of the current national standard *Compliance Management Specification of Undertaking Fair Competition*.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Anti-unfair competition	Zero major violations	Zero major violations related to false advertising, monopolistic practices, and infringement of trade secrets.	In 2024, there was no lawsuit or major administrative penalty resulting from unfair competition practices.

Export Control Compliance

Export Control Rules and Policies

ZTE pays close attention to changes in external laws and regulations. Each day, the latest information about global export controls is collected and classified based on its relevance to and potential impact on the company's business. Moreover, the company performs in-depth interpretations of the contents that may impact its business and carries out company-wide publicity and checks, thereby ensuring the potential impacts of the new regulations are fully addressed in a timely manner.

On a yearly basis, the company updates its *Export Control Compliance Policy*, *Export Control Compliance Management Commitment Statement*, and the corresponding training materials and implementation guidelines to ensure the strict execution of internal and external compliance requirements. In 2024, *ZTE's 2024-2025 Export Control Compliance Policy* and *ZTE's 2024-2025 Export Control Compliance Management Commitment Statement* were released and signed by all the employees, with a coverage rate of 100%.

Export Control Risk Assessment

In 2024, ZTE completed comprehensive and special risk assessments in the field of export control. The company conducted an in-depth analysis of the Chinese, U.S., and EU compliance requirements concerning export controls and economic sanctions. With an efficient and systematic approach, we assessed the risks in business scenarios and implemented risk-oriented compliance controls. For specific business scenarios and risks, the company also tailored risk measurement methods and offered corresponding assessment opinions.

[Case] Enterprise Compliance Service System (ECSS)

ZTE has independently developed the ECSS to enable automated, systematic, and intelligent compliance controls. Currently, it offers management functions in the fields of export control compliance, anti-bribery compliance, and software governance and compliance under global laws and regulations. In addition, the function of identifying export control risks has been implemented within the company, covering business areas such as sales, marketing, supply chain, R&D, engineering services, finance and accounting, and human resources. The ECSS integrates compliance requirements into business processes and enables automated compliance controls over transaction-related scenarios, boosting the efficiency of compliance management.

Since 2021, the ECSS has been applied to ZTE's subsidiaries and external enterprise customers in multiple fields, including the telecom, energy, software, terminal, semiconductor, photovoltaic, and healthcare. In 2024, more than 100 external enterprise customers opened trial accounts on the ECSS, and over 50 customers engaged in thorough discussions with ZTE regarding the application of the system.

ZTE's All Scenario-Based Digital Compliance Product

With its capabilities on digital compliance, ZTE has built an **advanced and efficient** digital enterprise compliance service system, effectively resisting **complex and changing** compliance risks and achieving **stable business operations**.

Environmental

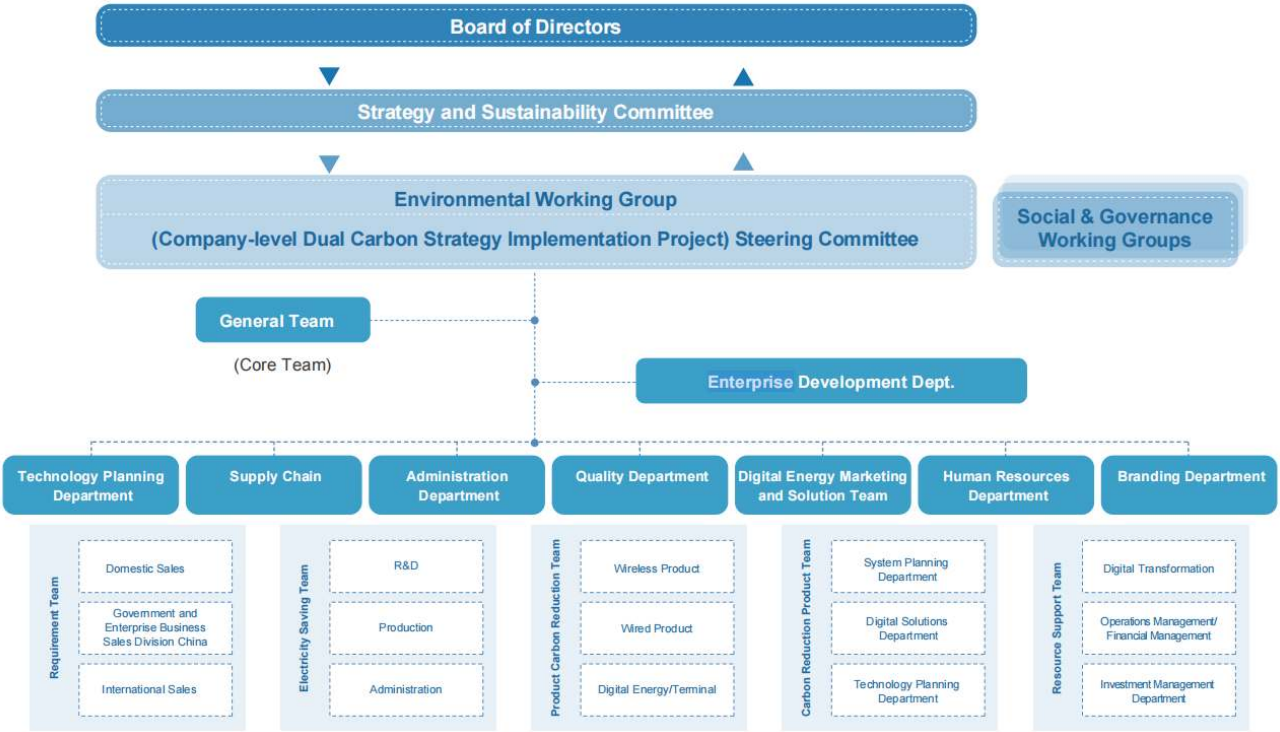
Promoting Green Development to Tackle Climate Change

ZTE is deeply committed to green development. In May 2023, the company 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. ZTE continues to advance its "Green Digital Path" initiative across four dimensions: green corporate 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.

Tackling Climate Change

Governance

In 2022, ZTE established the Dual Carbon Strategy Implementation Project Team (hereinafter referred to as the Dual Carbon Team), a company-level project team led by the Chief Strategy Officer. Established under the Enterprise Development Dept., this team brings together over 250 members from various fields, including R&D, product operation, marketing, supply chain, administration, operations management, and human resources. In 2024, with the establishment of the Strategy and Sustainability Committee, the Dual Carbon Team was renamed the Environmental Working Group under the Sustainability Working Group. This work group is responsible for addressing environmental issues of the company, including climate change and energy use, water use, pollutant emissions, waste management, environmental compliance, and circular economy. Its operations, reporting, and evaluation mechanisms are integrated into the unified management of the Strategy and Sustainability Committee. For more details on the Board of Directors and the Strategy and Sustainability Committee, please refer to the section "Sustainability Strategy and Management".



ZTE Sustainability Working Group – Environmental Working Group

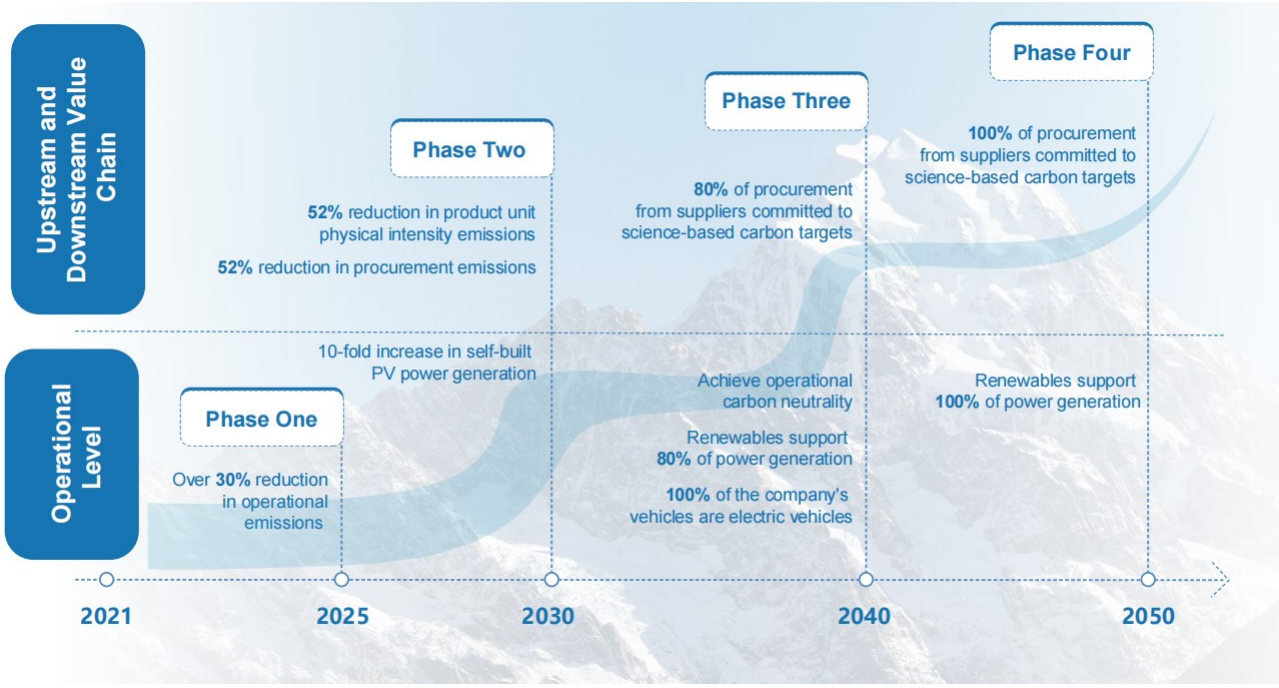
Members of the Environmental Working Group possess extensive expertise and practical experience in environmental protection and energy conservation. Every year, they receive training delivered by internal and external experts on climate change knowledge, methods and best practices for risk and opportunity identification

and management, GHG Protocol/ISO carbon accounting rules, emission reduction methodologies, SBTi standards, EU carbon border adjustment mechanisms, etc. The members are well-versed in national and local environmental regulations and policies, and understand the company's products, energy-saving technologies and requirements, production processes, and the operation of environmental facilities. Therefore, they can fully and promptly identify risks and opportunities related to climate change, formulate effective environmental policies and emission reduction plans, and ensure their implementation.

Strategy and Management Mechanisms

ZTE has thoroughly analyzed the risks and opportunities concerning climate change, its carbon emissions data, emission reduction potential, and the associated costs and benefits. On this basis, the company positions green and low-carbon as one of the core elements of our sustainability strategy. Through green corporate operations, green supply chain, green digital infrastructure, and green empowerment of industries, ZTE has been paving the "Green Digital Path," leveraging its technological innovation to support global decarbonization.

In line with the SBTi's 1.5°C pathway, ZTE has set greenhouse gas emission reduction targets and officially received approval from SBTi for its 1.5°C and net-zero targets in April 2024. To achieve these targets, we have conducted in-depth strategic decoding, and then established key implementation phases, sub-targets, and milestones. For more details, please refer to the 2024 ZTE Net-Zero Strategy White Paper.



ZTE Dual Carbon Roadmap

Risk and Opportunity Management

The Environmental Working Group is responsible for identifying and assessing environmental and climate-related dependencies, impacts, risks, and opportunities. These assessments are integrated into the company's overall risk management process. We have fully considered short, medium, and long-term time horizons (aligned with ZTE's strategy deployment timeline), legal and regulatory requirements, stakeholder needs, and upstream and downstream value chains. On this basis, we have adopted scenario analysis, conducting both qualitative and quantitative evaluations.

Every year, ZTE discloses detailed information on climate change risks and opportunities, governance, business strategy, and performance through the CDP questionnaire. For more information, please refer to ZTE's 2024 CDP Corporate Questionnaire.

Risk Analysis

Climate Scenario Analysis for Transition Risks: ZTE has conducted an analysis of its operations and value chain based on the SSP1-1.9 scenario and IEA's Net Zero Emissions by 2050 Scenario (NZE Scenario).

According to the analysis results, under a business-as-usual scenario without transformative changes, ZTE would fail to meet the Paris Agreement's 1.5°C target. In response to identified risks, ZTE has developed a comprehensive emission reduction plan by referring to the forward-looking trends in energy and energy efficiency under the SSP1-1.9 and NZE scenarios. Based on this plan, the company has progressively implemented risk response actions across all aspects of its business activities, including corporate operations, supply chain management, and product R&D and manufacturing. The analysis indicates that ZTE can achieve its 1.5°C and long-term net-zero targets under the SBTi through proactive measures and reasonable investments.

Climate Scenario Analysis for Physical Risks: ZTE conducted a physical climate risk analysis based on the SSP2-4.5 and SSP5-8.5 scenarios (representing intermediate and extreme conditions, respectively). The analysis assessed the likelihood of significant losses, such as asset damage, production disruptions, and supply chain interruptions, while evaluating the severity of impacts and corporate resilience. Data on the intensity and geographic distribution of extreme climate events, including heatwaves, typhoons, and floods, were primarily sourced from the IPCC AR6 database and other research on future climate impacts. The findings indicate that physical risks will have a limited impact on ZTE in the short to medium term (before 2030), and we demonstrate strong resilience to such risks. However, the analysis also reveals that the supply chain and other operational areas may face significantly higher risks in the long term (post-2050). To mitigate the impact of environmental factors on production and business activities, ZTE has planned to implement targeted response measures.

Risk Type	Description		Financial Impact	Time Horizon	Likelihood of Impact	Value Chain Affected	Mitigation Measures
Physical Risk	Acute Risk	Earthquake	**Direct cost increase↑**	Long-term	High	Upstream Value Chain	Implement safety stock, multiple sourcing, and inventory reallocation
		Tropical Cyclone Activity (e.g., Typhoons) (Suppliers in parts of Southeast Asia and South Asia are prone to typhoon impacts, leading to supply chain disruptions and material shortages)					
		Flood					
		Heavy Rain					
	Chronic Risk	Rising Sea Levels (Some suppliers' sites in Southeast Asia and South Asia, as well as coastal operational sites, are prone to seawater intrusion)	**Direct/indirect cost increase↑**	Long-term	Medium	Upstream Value Chain The Company's Own Operations	Introduce climate-related environmental impact assessments in the selection of new branches.
		Water Scarcity (Operational sites in the northwest region are prone to water scarcity risks)	**Direct cost increase↑**	Long-term	Medium	The Company's Own Operations	Regularly track and assess changes in water resources and public services.
Transition Risk	Policy	Affected by carbon emission trading policies, if some ZTE operational	**Direct cost increase↑**	Medium-term	High	The Company's Own Operations	Implement energy-saving and emission-reduction measures.

		sites exceed emission limits, they will need to purchase carbon emission rights, potentially increasing operational costs. Carbon prices are also volatile, depending on the intensity of carbon emissions.					
	Technology	The use of renewable materials poses high technological requirements, for example, replacing existing materials while ensuring unchanged or improved product performance.	**R&D cost increase ↑**	Medium to long-term	High	The Company's Own Operations	Conduct feasibility analysis on material usage.
	Market	Product market access is affected by climate change trends. Climate change has led to shifts in market preferences, such as stricter carbon footprint requirements. If our products fail to meet customer/market demands for green and low-carbon products, it will lead to reduced product sales and competitiveness.	**Reduced product and service demand causing direct revenue (cash flow) decrease ↓**	Long-term	Medium	Downstream Value Chain	Implement product decarbonization by improving energy efficiency from multiple angles including components, principles, algorithms, and architecture to reduce carbon footprint.
	Reputation	Products with high-carbon footprints may trigger public opinion crises and damage brand image.	**Reduced product and service demand causing direct revenue (cash flow) decrease ↓**	Medium-term	Low	Downstream Value Chain	Implement product decarbonization.

Opportunity Analysis

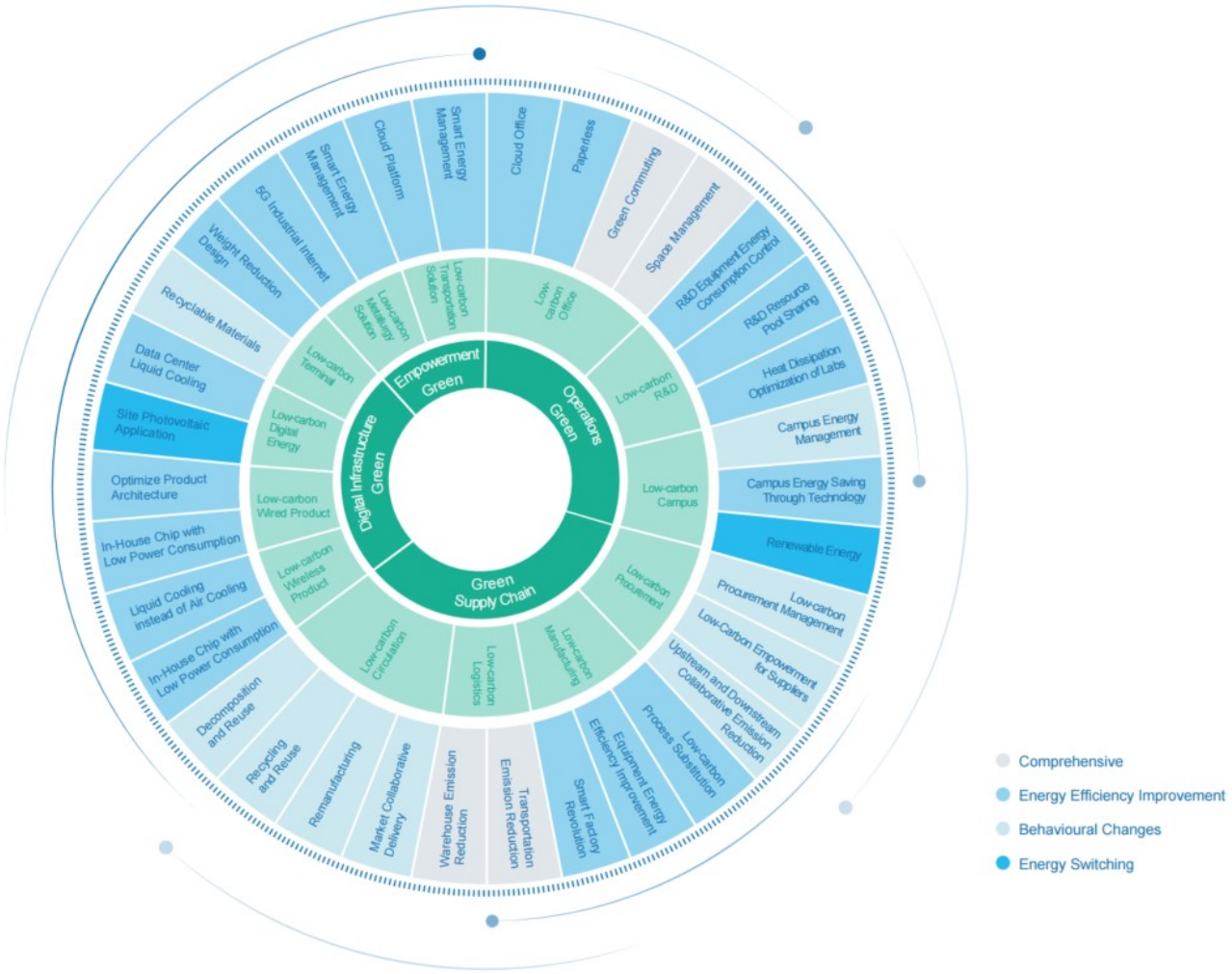
Climate change also presents opportunities for ZTE. By identifying and anticipating transition risks, developing corresponding action plans, and proactively advancing product R&D and technological breakthroughs, we expect that these proactive measures will create new business opportunities, particularly through innovative products and service solutions. For example, the global energy transition wave has created favorable conditions for the expansion of ZTE's digital energy business. The demand for intelligent energy solutions is growing rapidly, and ZTE leverages its existing business strengths and cutting-edge energy technologies to provide customers with green, low-carbon, and high-performance digital energy services and products. Additionally, the increasing frequency of global natural disasters has heightened the need for high-capacity, wide-coverage emergency communications systems. In response to emergency communication and rescue scenarios, the company utilizes advanced ICT to develop emergency solutions, enhancing emergency communications and ensuring communication security in disaster response scenarios.

Opportunity Factor	Scenario	Financial Impact	Time Horizon	Likelihood of Impact	Scope of Impact
Product and Service (Transition Opportunity)	The company 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 transformation across sectors and increase the commercial value of these solutions.	**Increased direct revenue from new/developing markets↑**	Long-term	High	Downstream Value Chain
Energy Substitution (Transition Opportunity)	The company builds its own photovoltaic facilities and conduct energy-saving technological upgrades to optimize energy structure and efficiency, achieving stable long-term power supply and energy-saving benefits.	**Reduced direct costs↓** **Increased direct revenue↑**	Long-term	Medium	The Company's Own Operations
Capital Flow and Financing (Transition Opportunity)	The company engages in industry cooperation and external exchanges, collaborating with leading ESG practitioners to develop sustainability-linked financing products, and obtaining favorable financing terms through excellent environmental performance scores.	**Reduced interest expenses↓**	Short-term	Medium	Downstream Value Chain

Annual Progress

At the beginning of each year, ZTE establishes overall targets for the dual-carbon projects and specific goals for each sub-project team, approves project budgets, and issues APs. These APs are tracked and feedback is provided through the internal system. The progress of the dual-carbon projects is reported to the Chief Strategy Officer of ZTE at least once every two months. Any significant risks or key issues pending decision-making that arise during project implementation are promptly reported to the Chairman of ZTE and the Operation Management Committee (which consists of the CEO, EVPs, CFO, etc.) for discussion and decision-making.

Each sub-team and department involved in the dual-carbon projects identifies and implements specific emission reduction measures annually to uncover potential for emission reductions and ensure that the targets are met.



ZTE's Structural Actions for Emission Reduction

■ Green Corporate Operations

In 2024, ZTE implemented various energy-saving and emission-reduction initiatives, achieving absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year.

Technology for Energy Saving

- The energy-saving retrofit using variable frequency technology for the air handling units in the Shenzhen Xili Base and the energy conservation renovation of the central air conditioning system in the Heyuan Base yielded significant results, saving a total of 7.75 million kWh of electricity.
- The five major manufacturing bases of ZTE reduced electricity consumption by 10.83 million kWh through measures such as the introduction of low-temperature solder paste and optimization of high-temperature processes achieving a year-on-year decrease of 4.57%.
- The installation of new ventilation systems in laboratories saved 2.32 million kWh of electricity.

Management for Energy Saving

- The "maximum energy-saving" initiative yielded remarkable results, with a 10% year-on-year decrease in total electricity consumption during holidays in 2024, saving 2.35 million kWh of electricity.

Photovoltaic Construction:

- Approximately 75% of the designed photovoltaic capacity in locations such as Shenzhen, Heyuan, and Binjiang (Nanjing) has been connected to the grid, with annual electricity generation exceeding 24 million kWh.

Digitalization for Dual-Carbon Goals

- ZTE continued to advance the construction of energy management centers, developing energy management solutions based on "IoT + IT technology" to monitor, analyze, and control energy consumption in all campuses through online operations. So far, ZTE has promoted the construction of energy management center systems in 21 campuses across 13 regions, providing real-time, multi-dimensional data support for the achievement of electricity-saving targets.
- The company's electricity visualization app is running stably, with electricity data accuracy increased to 99%.
- The carbon visualization app has an accuracy rate of 83% for Scope 1 and Scope 2 emissions; and the module of Scope 3 emissions will be launched in 2025.

System Construction and Green Factory Certification

- In 2024, ZTE's manufacturing bases in Xi'an and Changsha obtained the ISO 50001 Energy Management System certification. By the end of 2024, four of the company's manufacturing bases (Shenzhen, Heyuan, Xi'an, and Changsha) had obtained this certification.
- In 2024, ZTE's Xi'an Base, Changsha Base, and Nanjing Binjiang Base obtained provincial-level certification for green factory.

■ **Green Supply Chain**

- The company's dual-carbon strategy requirements have been integrated into supplier management IT systems, including agreement signing, on-site audits, and performance assessments. The carbon inventory data calculated via the BOM-based emission factor method for purchased materials has been visualized on IT systems.
- Based on the "SMART Model for Dual-Carbon Governance" and the "Eight Steps for Dual-Carbon Governance of Suppliers," in 2024, ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures.
- In January 2024, the company organized online training for 64 suppliers in the interpretation of the EU's Carbon Border Adjustment Mechanism (CBAM).
- In June 2024, 40 suppliers attended the company's online training in the CDP's updates on the disclosure process and questionnaire for 2024"; in November 2024, ZTE arranged for 51 suppliers to participate in an online seminar on "CDP Scope 3 Emissions Management."
- Based on EU's Carbon Border Adjustment Mechanism (CBAM), ZTE developed the "Guidelines for Metal Product Manufacturers to Comply with the EU Carbon Border Adjustment Mechanism (CBAM)" and the "Simplified Communication Template for Metal Product Manufacturers on the EU Carbon Border Adjustment Mechanism (CBAM)." In 2024, ZTE guided 31 metal product manufacturers in conducting carbon emission accounting in accordance with CBAM requirements and applied the resulting data in related emission declarations.

Case: Collaboration with Supplier on Product Innovation for Carbon Reduction

In collaboration with a supplier, ZTE has implemented low-power design for antenna products from the source, adopting a modular integration solution featuring low insertion loss. This solution integrates high-radiation-efficiency radiating elements and low-insertion-loss feeders, minimizing internal losses within the antenna and enhancing both antenna gain and efficiency.

The solution enables larger coverage areas for base stations with the same input power, or lower input power for the same coverage area. For example, a 1 dB increase in antenna gain can reduce the transmission power of the equipment by 20%.

■ **Green Digital Structure**

- In 2024, ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase through measures such as development of innovative models, energy-saving technology innovation, development of high-density and low-power boards, improvement of energy efficiency of power products, and increased proportion of green energy at communication sites. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle, thanks to measures including the use of low-carbon materials (such as PCR), structural weight reduction design, and reduced energy consumption in transportation.

- In 2024, ZTE completed carbon footprint assessments for 53 products and collaborated with third-party organizations to complete the carbon footprint certification of 3 products. As of 2024, the company has conducted carbon footprint assessments for 154 products, covering all its product categories.
- ZTE participated in the development of five external carbon footprint accounting group standards with organizations such as the China Communications Standards Association (CCSA) and the China Electronics Energy-Saving Technology Association (CEESTA).

Case: The 2nd Product Carbon Reduction Case Competition

In 2024, ZTE held the 2nd Product Carbon Reduction Case Competition, soliciting carbon reduction cases from across the entire company. Over 50 cases were shortlisted, covering various aspects of emission reduction, including integrated solutions, chip iteration, algorithm optimization, green energy, and low-carbon materials. Thirteen projects were awarded, with the following three cases receiving first prizes:

- Thorough Energy Saving for Base Station Products: The introduction of intelligent circuit breakers enables remote switching of power circuits. The use of BBU intelligent DC units supports remote power on/off in laboratories.
- Power Sharing Application for RRU in High-Speed Rail: The 2.6G 8TR RRU supports power sharing. Compared to simply increasing the RRU channel power to 100W, this solution significantly reduces equipment planning requirements.
- Comprehensive Energy-Saving Solution for CPE Products: Through the use of self-developed chips, hardware development with power-saving design, and software-based intelligent power-saving features, a comprehensive energy-saving solution for CPE products is achieved from multiple dimensions.

- **Green Empowerment of Industries**

ZTE has actively integrated cloud and network infrastructure, the Internet of Things (IoT), big data, AI and other cutting-edge technologies with traditional industries. In this way, the company unleashes the value of data across all domains, enhances productivity throughout the entire production process, and reduces energy consumption along the entire value chain, achieving a win-win outcome of development and emission reduction.

Case: 5G-Powered Smart Energy Data Collection Facilitates Energy Conservation and Emission Reduction in Electrolytic Aluminum Plant

Leveraging ZTE Digital Nebula, the company integrated 5G communication, IoT, and big data technologies to drive the digital transformation and intelligent energy analysis of Ningdong Aluminium Branch of State Power Investment Qingtongxia Aluminum Co., Ltd (Ningdong Aluminium Branch). These efforts have enabled online energy monitoring, intelligent analysis of power consumption data, and timely alerts for abnormal energy usage, effectively preventing energy wastage issues such as leaks and overflows, supporting Ningdong Aluminium Branch in creating an "innovative, intelligent, and green" smelting enterprise. As a result, Ningdong Aluminium Branch has achieved an annual electricity saving of 2.1 million kWh and a reduction of approximately 1,800 tons of carbon emissions.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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 4.2% year-on-year. ■ Reduce power consumption per unit of product performance by 5%. ■ Engage 100 top suppliers in carbon inventory.	Targets achieved: ✓ Scope 1 & 2 (Operational Emissions): A year-on-year reduction of 13.4% in carbon emissions in 2024. ✓ Scope 3 (Upstream and Downstream Emissions): An 8.39% reduction physical emissions intensity during the use and maintenance phase of telecom products; a year-on-year reduction of 5.02% in absolute emissions across the full lifecycle of terminal products. ✓ Promoted carbon accounting among 100 top-level suppliers.

Advancing Circular Economy

Governance

The Environmental Working Group under ZTE's Sustainability Working Group is responsible for overseeing the company's circular economy initiatives. The Quality Management Dept. of Operations Management is responsible for collecting, researching, and communicating laws, regulations, and standards related to

environmental protection and circular economy, formulating internal environmental protection standards and processes, assisting in completing recycling and registrations of Waste Electrical and Electronic Equipment (WEEE). Product R&D departments are responsible for designing products in accordance with requirements of the company, customers, and projects, using recyclable materials in the design, and meeting the required recycling rate. The reverse logistics department is dedicated to building an optimal reverse logistics network. By leveraging business model innovation and digital intelligence tools, the company strives to make its reverse logistics processes standardized, intelligent, and efficient, thereby enhancing recycling rates, maximizing the reuse of materials, and contributing to value creation.

Strategy and Management Mechanisms

ZTE is committed to establishing a "dual-circulation" model that integrates internal and external circulation, aiming to reduce resource consumption, increase product recycling and reuse rates, minimize pollutant emissions, and lower incineration and landfill rates.

In 2024, ZTE updated the *Regulations on the Management of Green Products* to further embed the principles of reduction, reuse, and recycling into product design, in compliance with global circular economy regulations (e.g., the EU's *Ecodesign for Sustainable Products Regulation*) and the requirements of key stakeholders such as customers. While meeting technical, security, functional, and market demands, our product design prioritized ease of disassembly, simplicity, practicality, easy recycling of materials, reuse of components, and extended product lifespan. Meanwhile, the company also ensured that its product design and recycling rate comply with the EU's WEEE Directive and other relevant regulations.

Additionally, ZTE has developed the *Structure Design Specifications* series, which stipulated the standardization requirements for structural components to maximize the use of standard and universal parts, and modular design is adopted to support diverse product types and specifications. The *Requirement of Formulating Recycling Manual* specified the recycling and reuse rate targets for different product categories, as well as guidelines for compiling product recycling manuals, including material recycling information and methods. Furthermore, documents such as the *Management Regulations on Reverse Handling of System Products* and the *Regulations on Reverse Logistics Compliance Management* define reverse processing workflows, solutions, and compliance requirements for various scenarios, further enhancing the company's circular economy management system.

Risk and Opportunity Management

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.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	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	Low	Medium	• Conduct a detailed analysis of recycling risks in various

	resources or failure to meet local laws and regulations (e.g., environmental protection, tax, import/export policies) may result in costs or fines.			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

■ **Reduction in Resource Consumption**

- Lean Design and Component-Based Development: ZTE has advanced lean design and component-based development to reduce the number of parts, increase reusability and interchangeability of components. For example, a new architecture has been adopted for a certain FMM die-casting product, reducing the overall weight of the device by 20% compared to the previous generation. The structural casing was lightened by approximately 2.7 kg, while the antenna module has increased the reflector strength and reduced the substrate thickness, resulting in a weight reduction of about 0.85 kg.

- Terminal Product Optimization: While maintaining product quality, ZTE has reduced product weight through structural design, digitized paper materials, eliminated unnecessary materials, and downsized packaging boxes to increase packaging capacity. This has led to more efficient resource use and optimal structural strength for a given weight. For instance, the shell thickness of structural components in some MBB products was reduced by over 25%, and heat sinks were optimized through structural design and the use of aluminum extrusion, resulting in an average weight reduction of over 50%.

- Improved PCB Current Carrying Design: This increased the current-carrying capacity of a single board by 30%. The number of layers in the main boards of system products can be reduced by 20%, and the average copper usage is saved by 20%.

■ **Supplier Collaboration**

- Cable Product Improvement: In collaboration with a cable supplier, ZTE improved the insulation material and structure of the CAT5e 4-core Ethernet cables. This resulted in a 20% reduction in insulation material for 20AWG cables and a 9% reduction for 22AWG cables.

- PCB Material Optimization: Working with a PCB supplier, ZTE optimized software design to improve PCB panelization. This increased the material utilization rate of single/double-sided boards from 83% to 83.5% and that of multi-layer boards from 80% to 80.5%, saving approximately 6% of the material.

■ **Lightweight Packaging**

- Slot-Based Packaging: ZTE implemented slot-based packaging for some fixed-network terminal products. By replacing individual packaging with paper card slots, the amount of packaging material and the packaging volume per product were significantly reduced. For each product, this led to a 50% reduction in

packaging costs and a 25% reduction in volume, saving 25% in transportation resources. The solution has completed the reliability test and applied to pre-terminated products.

- Material Optimization in CPE Products: A CPE product line achieved a 60% reduction in material use for the sheet metal products through optimized paper card design. Based on an annual shipment volume of 10 million units, this improvement saved a total of 100 tons of raw materials.

■ Plastic-Free, Plastic Reduction, and Plastic Substitution

ZTE continues to promote the use of Post-Consumer Recycled (PCR) materials in products, as well as plastic-free packaging, plastic reduction, and plastic substitution to achieve resource recycling.

- Plastic-Free Packaging: In 2024, ZTE expanded the application scope of plastic-free packaging to heavier and more complex devices, achieving technological breakthroughs and quickly applying this solution to other home terminal products for mass shipping. The solutions include replacing plastic bags with paper cards, paper trays, and paper bags, and eliminating sealing tape from interlocking paper boxes, thus saving 20 tons of plastic packaging materials annually.
- PCR Material Use: ZTE continues to advance the use of PCR materials in CPE products. For system terminal products, we have piloted the use of 95% PCR materials in certain products, following the existing 85% application. For mobile terminal products, some plastic structural components have achieved 100% PCR material use.
- Ban on Non-Environmentally-Friendly Plastics: All foam-based cushioning materials have been replaced with environmentally-friendly EPE and EPP materials, eliminating the use of non-environmentally-friendly EPS materials.
- Packaging Recycling and Reuse: ZTE has designed multi-purpose packaging (e.g., packaging that can be used as a bookshelf after removal) to extend the life cycle of packaging materials. Additionally, the company has intensified the recycling of pallets, recovering over 20,000 pallets annually (with the recycling rate reaching 50%), each of which weighs approximately 9 kg. As such, over 180 tons of packaging materials are saved annually.

Case: Use of PCR Materials

One of ZTE's router features a casing structure made from 95% PCR materials and has obtained the Green Product Mark from TÜV Rheinland. Additionally, the company has achieved the use of 100% PCR materials in the plastic structural components of some CPE products.

■ Internal and External Circulation

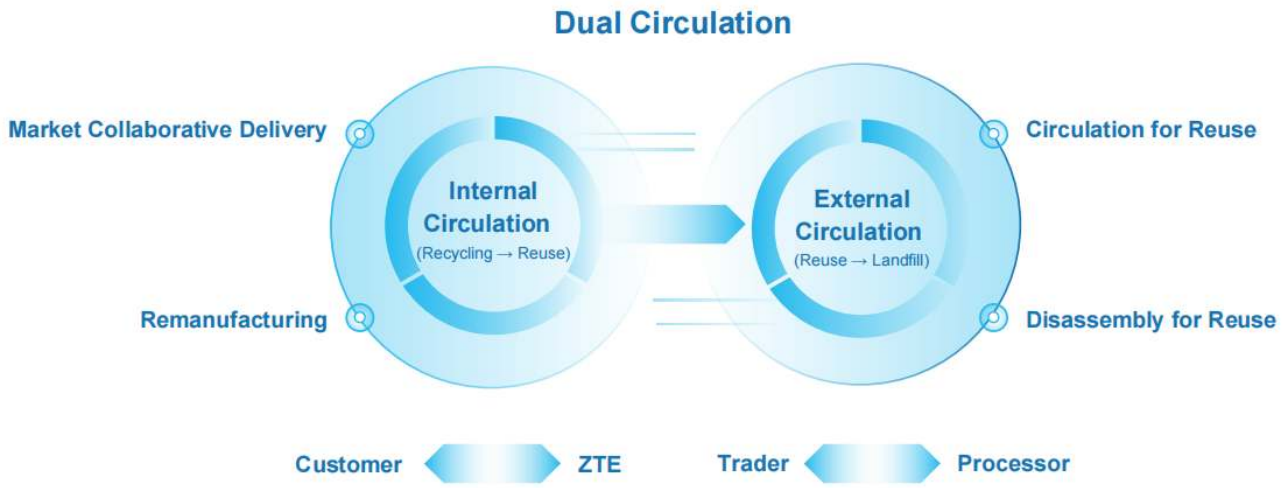
ZTE's internal circulation focuses on the comprehensive use of various methods, such as disassembly and reassembly, and rework and repair, to achieve internal consumption of recycled materials in finished and semi-finished products. This approach aims to reduce scrap rates while meeting quality and compliance requirements. In 2024, the company continued to optimize its internal circulation processes, advancing digital transformation and intelligent manufacturing technologies, so as to reduce returns, extend product lifecycles, and lower waste ratios.

The external circulation focuses on collaborating with downstream recyclers to build a global green recycling network. By combining new recycling technologies with compliant and environmentally-friendly practices, ZTE has engaged in metal extraction and the recycling of organic plastics, thereby increasing the secondary utilization rate and residual value of scrap materials and reducing the ratio of end-of-life treatments including incineration and landfill.

- Building an Information Sharing Platform: Excess products in the market are included in a shared resource pool to maximize product utilization. In 2024, the volume of product returns was reduced by 25%.

- Remanufacturing: ZTE has incorporated returned materials as resources into the material requirements, reducing the purchase of new materials. Leveraging intelligent manufacturing technologies, we restored the functionality of the returned materials, disassembled them down to components and raw materials for reuse, and resold them in accordance with quality, compliance, and customer requirements. Returned materials were also used as spare parts, for repairs, and in exhibitions to extend product lifecycles. In 2024, we achieved an annual reduction of 264 tons of carbon emissions.
- Collaboration with Operators for 4G Equipment Upgrades: ZTE has collaborated with operators to upgrade 4G equipment, extending product lifecycles. In 2024, over 2,000 units of equipment were upgraded, extending their lifespans by 5 to 10 years.

In 2024, ZTE partnered with 89 recycling organizations globally. Throughout the year, 660 tons of metals and 70 tons of organic plastics from scrap materials were reused.



ZTE's Dual-Circulation Model

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Circular Economy	Gradually increase the rate of internal compliant recycling and reuse of returned system products	Rate of compliant recycling and reuse of returned system products reaching 78%	Achieved a rate of 78.2% for compliant recycling and reuse of returned system products

Environmental Impact Management

Governance

The Environmental Working Group under the Sustainability Working Group 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 and Management Mechanism

In accordance with the requirements of the ISO 14001 standards, ZTE has established an environmental management system, and continuously improved the system to ensure its effectiveness. To strengthen environmental management, we have developed a series of regulations and standards, including but not limited to the *Environmental Policy*, *Management Regulations on Environmental Factor Identification and Evaluation*, *Regulations on the Control of Air Pollution*, *Regulations for Noise Prevention and Control Management*, *Regulations on the Control of Water Pollution*, *Waste Management Process*, and *Regulations on Emergency Preparedness and Response Management*. By installing monitoring equipment, regularly conducting monitoring activities, and commissioning third-party organizations to conduct monitoring, ZTE ensures that all environmental indicators comply with national laws and regulations and internal standards. The company also strictly monitors and controls important environmental factors, as well as emissions such as wastewater, exhaust gases, solid waste, and noise, to ensure environmental compliance.

In 2024, ZTE did not experience any administrative penalties due to environmental issues.

Risk and Opportunity Management

Based on the overall risk management framework and the *Management Regulations on Environmental Factor Identification and Evaluation*, ZTE regularly identifies and evaluates environmental factors that arise from its 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 (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	Failure to implement effective water-saving measures may lead to water waste and increased operating costs.	Low	Low	Conduct water balance testing to fully understand current water usage and take corresponding measures (e.g., installing water-saving devices), strengthen water-saving publicity and educational activities for employees, and promote water conservation and rational use.
	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	Medium	Medium	Implement various measures to reduce environmental impact, including enhancing

	management, the company can reduce operating costs, enhance market competitiveness, and promote green development in the industry.			employee environmental awareness and expanding the scope of environmental management system certification.

Annual Progress

System Certification

In 2024, ZTE's Changsha Base obtained the ISO 14001 Environmental Management System certification. With this achievement, all five of ZTE's major manufacturing bases (Shenzhen, Xi'an, Heyuan, Nanjing, and Changsha) have obtained the ISO 14001 certification.

Water Resource Management

ZTE's water resources for production and living purposes are supplied by the municipal water network. Our business activities do not involve large-scale water consumption, and therefore the risk of facing water resource stress in daily operations is relatively low.

Meanwhile, ZTE has implemented several measures to save water, for example, installing water-efficient sanitary fixtures, recycling and reusing water resources, using smart water meters with remote reading systems to analyze leakages in water consumption units and take corresponding measures in a timely manner, collecting rainwater for landscaping irrigation and road cleaning, conducting water-saving publicity and educational activities among employees, and organizing water-saving training to enhance employees' awareness of water conservation.

Case: Water Balance Testing at ZTE Nanjing Base

In 2024, ZTE Nanjing Base conducted a water balance test. The test report showed the following:

Item	Parameter	Data	Standard Requirement
1	Reuse Rate (%)	97.4	≧60
2	Indirect Cooling Water Recirculation Rate (%)	98.9%	≧95
3	Compliant Discharge Rate (%)	100	100
4	Installation Rate of Water-Efficient Sanitary Fixtures (%)	100	100

Pollutant Emissions

Exhaust Gas

The primary sources of exhaust gas at ZTE come from daily operational activities, such as cooking fumes from canteens, 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.

- Exhaust Emission Control: ZTE conducts annual inspections on its vehicles to ensure that exhaust emissions meet national standards. Strict operating procedures and maintenance systems are enforced for equipment and facilities that may generate pollution. Exhaust gases are channeled through designated ducting systems to emission scrubbing towers before discharge, thereby ensuring compliance with regulatory requirements.
- Exhaust Monitoring: ZTE arranges for qualified third-party organizations to conduct annual inspections on exhaust emissions in accordance with regulatory requirements. The 2024 inspection report shows that all tested items meet the emission standards.

Wastewater

ZTE's main source of wastewater is domestic sewage, including water discharge from canteens, dormitories, and offices. Domestic sewage and canteen wastewater are pre-treated 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*.

The 2024 inspection report shows that all tested items in ZTE's discharged wastewater comply with the emission standards.

Noise

Noise at ZTE mainly originates from certain equipment and facilities. The company regularly maintains these equipment and facilities, including the installation of soundproof enclosures and other devices, to ensure that noise emissions comply with national standards. The 2024 inspection report shows that the company's noise emissions are in full compliance with the emission standards.

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*, the *National Catalogue of Hazardous Wastes*, and other laws and regulations, the company formulated the *ZTE Waste Sorting and Disposal Criteria*, *Waste Management Process*, and other regulations to standardize the categorization, collection, storage, and disposal of wastes, and set up ledgers for waste control.

- General Waste: ZTE 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 wastes are recycled or reused accordingly.
- Hazardous Waste: It mainly includes hazardous wastes generated during production, such as solvent-containing solutions, batteries, and circuit boards, as well as items such as ink cartridges and toners from daily operations. Such wastes are stored in designated areas and handed over to qualified professional institutions for disposal.

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

Case: ZTE's "Clean Plate Campaign"

In September 2024, ZTE launched the "Clean Plate Campaign" again for all employees through online meal-tracking and on-site interactive activities. Employees who maintained full participation throughout September and ranked among the top 100 on the "ZTE Clean Plate Campaign" received commemorative awards from ZTE.
According to data from the "Meal Tracking" mini-program, by the end of 2024, over 6,000 ZTE employees participated in the campaign, with a total of 64,000 instances of food waste reduction recorded, saving approximately 2.45 tons of food and reducing carbon emissions by more than 9 metric tons.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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	■ All five major manufacturing bases (Shenzhen, Xi'an, Heyuan, Nanjing, Changsha) obtain the ISO 14001 certification	ZTE Changsha Base obtained the certification; and all five manufacturing bases have been certified.

Social

Empowering Industries Through Innovation and Building the Foundation of Digital Economy

Development Fueled by Technology Innovation

Governance

Sticking to seek steady growth and break new ground, ZTE has established the Technical Expert Committee to formulate technology plans and supervise their implementation, thereby ensuring that innovation can be effectively promoted and aligned with market demands and technological trends. The Technology Planning Dept. is responsible for conducting various tasks related to technology innovation, and facilitating technology planning, R&D, cooperation, and applications, so as to ensure the smooth and continuous implementation of innovative measures. The Technical Expert Committee consists of the Standing Committee, Technical Committee, Expert Team, and Secretary Team. Members of the Standing Committee include the Chief Scientist, heads of R&D institutes, and heads/experts of relevant fields.

Strategy and Management Mechanism

ZTE has adopted a series of measures to maintain technological competitiveness and sustainable development capabilities:

- Regularly analyze, identify, and gain insights into the development trends of industries and technologies to improve our technology roadmap and formulate technology plans, thus enhancing technology innovation and product competitiveness.
- Develop and apply key technologies based on technology plans, to secure our leadership in product competitiveness.
- Focus on disruptive technologies and potential new industry technologies, eliminate potential technological risks, and promote technology innovation, collaboration, sharing, and convergence to support model innovation and ecosystem building.
- Provide technical support for the company's strategic planning, major resource allocation, and the implementation of major initiatives.
- Gain insights into major policies and technological trends, and provide suggestions to avoid risks, and offer strategic support for future technology/product evolution.

Risk and Opportunity Management

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 manages the potential uncertainties in key processes and control points, and incorporates risk management measures into the key steps of technology innovation and advancement.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	During the implementation of technology innovations, compatibility issues with existing systems may occur, potentially increasing the difficulty of applying new technologies	Medium	Medium	Strengthen internal collaboration, and conduct technical feasibility analysis and system compatibility testing in advance, to ensure that new technologies can be

	and affecting the smooth progress of projects.			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

■ AI Engineering

ZTE enhances R&D efficiency through continuous investment in software and hardware engineering. In 2024, with a focus on new paradigms of AI-powered R&D, we identified high-frequency and high-value application scenarios in fields such as requirements, design, development, testing, continuous integration, and continuous delivery, and built three major intelligent centers for requirements, development, and testing respectively, as well as an R&D knowledge engineering system, thus driving the efficiency improvement of all processes through AI.

■ Promotion of 5G-A International Standards

As a major driver of global 5G technology research and standards formulation, ZTE actively participates in over 200 key international standardization organizations, industry alliances, science associations, and open source communities, including ITU, 3GPP, ETSI, IEEE, CCSA, GSMA, and the Linux Foundation. By 2024, ZTE submitted more than 100,000 standardization proposals and research papers in China and abroad. In these organizations, ZTE experts held more than 150 important positions, including chairman and rapporteur, and secured over 500 editor positions with the authority to draft international standards.

■ Breakthroughs in 6G Technology

Adhering to the philosophy of "aligning actions with words, and facilitating co-construction and sharing", ZTE actively promotes ecosystem building. We pioneered an ecosystem alliance for 6G potential key technologies, the RIS TECH Alliance. As a global technology alliance with 136 members, the RIS TECH Alliance is advancing the development of Reconfigurable Intelligent Surface (RIS) technology.

[Case] ZTE Hosted the 3rd RIS Tech Forum

On November 9, 2024, together with China Unicom, China Mobile, and China Telecom, ZTE hosted the 3rd RIS Tech Forum in Xi'an. The forum focused on in-depth discussions about RIS application in high-value scenarios, and RIS core technologies, standardization, and industry applications, aiming to explore effective measures for RIS deployment. During the forum, ZTE released two research outcomes, the *Global Collaboration Initiative: Jointly Promote 6G RIS Technologies Research and Standardization* and the *Reconfigurable Intelligent Surface White Paper: A Channel Modeling Perspective*.

■ Steady Progress in Industry-University-Institute Cooperation

ZTE highly values collaborative innovation with industries, universities, and institutes. In 2024, ZTE collaborated with universities and research institutes on hundreds of industry-university-institute projects, covering over ten technical fields, including wireless communications, networking and optical transmission, large models, chips, databases, and energy, promoting efficient research commercialization.

The *ZTE Technologies* and *ZTE Communications* serve as platforms for academic exchanges, exploration into industry trends, and release of research outcomes. In 2024, these journals published papers on the latest ICT theories and technologies, covering large AI models for networks, 6G multi-antenna technology, integration of network and multi-media technologies, and Integrated Sensing and Communications (ISAC). These papers have attracted widespread attention in various sectors.

ZTE Technologies was for the first time rated as level A in the academic journal evaluation hosted by Research Center for Chinese Science Evaluation (RCCSE), after it was listed in A Guide to the Core Journals of China and the China Science and Technology Paper and Citation Database (CSTPCD). Meanwhile, ZTE Communications was accepted in the renowned international database Scopus, becoming a well-known international journal.

[Case] Joint Laboratory for Intelligent Broadband Connectivity Technology

In November 2024, ZTE and the University of Electronic Science and Technology of China (UESTC) officially established the Joint Laboratory for Intelligent Broadband Connectivity Technology and held an opening ceremony at the Qingshuihe Campus of UESTC. This laboratory serves as a platform for both parties to carry out joint research on key technologies such as radio frequency, communications system architecture, algorithms, chips, and components. The laboratory is committed to achieving breakthroughs in communications technology innovation in the 5G-A/6G era and maintaining China's leading position in communications technology.

- **Intellectual Property (IP) Protection and Management**

ZTE has established a comprehensive IP compliance management system and obtained the certification of the GB/T 29490-2023 Enterprise Intellectual Property Compliance Management System.

In terms of IP management, ZTE adopts a full lifecycle management model, integrating quality control into the entire process of IP generation.

Regarding risk management, ZTE has developed a systematic mechanism for R&D and IP risk management, and possesses extensive experience in global IP risk management and dispute resolution. Therefore, we are able to handle IP disputes effectively, and conduct early-stage IP risk management aligned with business development needs through risk identification, assessment, control, and response, to protect the commercial value of customers' products. Moreover, ZTE has built a high-quality patent portfolio to provide continuous and strong support for technology innovation, developed a global patent portfolio to ensure continuous innovation returns and competitive advantages in China and abroad, and implemented global strategic deployment to consistently deliver the most innovative products and premium services to customers, to create value for them.

As of December 31, 2024, ZTE had filed 93,000 global patent applications, with over 48,000 patents granted. Specifically, in the field of chips, we had filed about 5,500 patent applications, with over 2,000 granted. In the field of AI, we had filed more than 5,000 patent applications, with nearly half of them already granted.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Technology Innovation	R&D innovation	■ Continuously strengthen R&D innovation capabilities.	■ The proportion of R&D expenses to operating revenue reached 19.81%.
IP	Innovation protection	■ Increase the number of patent applications and granted patents to protect our core technologies.	■ Over 2,000 patent applications were filed in China; ■ Over 1,000 patents were granted in China; ■ Over 1,500 PCT international patent applications were filed.

Stronger Governance of Science and Technology Ethics

Governance

In December 2024, ZTE established the Science and Technology Ethics Committee to prevent and control risks in science and technology (sci-tech) ethics, promote responsible innovation and tech for good, and enhance the standardized management of sci-tech ethics. The committee is composed of a director, several deputy directors, and a few expert members, which include 1 legal expert, several peer experts in or outside the company, and 1 position expert. The company's Chief Technology Officer (CTO) serves as the director of the committee.

The Science and Technology Ethics Committee formulates and improves the sci-tech ethics management regulations, provides guidance on and supervises the ethics review and assessment of sci-tech activities, organizes training in sci-tech ethics, handles disputes related to sci-tech ethics, and tracks the entire process of technology project implementation. The committee holds two plenary meetings every year to review relevant matters, among which major issues are escalated to the Operation Management Committee for decision-making.

Also in 2024, the AI Management Working Group was established under the Cyber Security Committee (CSC), which took on the responsibility of AI management to ensure the safety and responsible use of AI. For more details, please refer to the section "Assurance of Cybersecurity in All Aspects".

Strategy and Management Mechanism

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, including the scope of the management system, main business processes, organizational structure, documentation system, and the Plan-Do-Check-Act (PDCA) cycle. The Compliance Management Regulations on AI, another document released by the company, stipulates the compliance management principles for data compliance, IP, and regulatory cooperation, as well as specific requirements for the implementation of these principles in product R&D, service deployment, and O&M processes. In addition, documents such as the Regulations on Artificial Intelligence Governance Requirements and the Regulations on Artificial Intelligence Security Assessment provide detailed requirements for AI governance and safety/security assessment activities throughout the AI system lifecycle.

Risk and Opportunity Management

In accordance with the requirements in AI-related laws and regulations, and the characteristics of AI, as well as the company's risk management framework, ZTE issued the *Regulations on Artificial Intelligence Risk Management* to provide guidance for all employees on effective identification, assessment, response, and management of various risks in the field of AI.

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	If the wide application of AI technologies is not effectively managed, potential ethical and safety/security issues may arise, causing risks such as regulatory penalties, and damage to market trust and brand reputation.	High	High	Establish the Science and Technology Ethics Committee and the AI management system to control ethical risks related to AI.

Annual Progress

In 2024, ZTE officially established the Science and Technology Ethics Committee and formulated specific regulations and operating mechanism.

In the same year, the AI Management Working Group was established under the CSC, and a series of AI management regulations were released.

In 2024, to enhance the legal awareness of personnel involved in AI governance, improve their professional skills, and promote innovative thinking, we conducted a series of training sessions related to AI, covering basic knowledge, industry trends, policies and regulations, the company's requirements, and case studies.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Science and Technology Ethics	Prevention and control of risks in sci-tech ethics, and promotion of responsible innovation and tech for good.	■ Establish the Science and Technology Ethics Committee. ■ Establish the AI Management Working Group under the CSC.	The Science and Technology Ethics Committee. and the AI Management Working Group were established.

Commitment to Empowering Tech for Good

Closing the Digital Divide

Based on local development stages, resource conditions, and application scenarios, ZTE leverages its technological strengths to provide different countries with the best solutions and networks, which balance both affordability and cutting-edge technologies. In this way, we contribute to global digitalization and socio-economic development.

[Case] A Network that Bridges the "Great Divide" in Liberia

In 2024, ZTE and Orange jointly launched the "Enhance Rural Area" project to provide brand-new communications infrastructure for rural areas in Liberia. A total of 128 communications sites were built, enabling over 580,000 rural households in remote areas to access 2G and 4G network services. This project improved basic services in local agriculture, education, and healthcare, bridging the digital divide with technology and expanding the reach of inclusive development.

The project solution provides wireless base stations with lower power consumption and wider coverage, which can better meet the needs in remote areas and address the challenge of scarce transmission resources. The base stations are entirely powered by solar energy and equipped with intelligent lithium-ion batteries for flexible energy storage. In this way, this solution not only ensures the power supply for the base stations but also meets the power supply needs of local residents, providing power for household appliances.

Local villagers has built fences to protect the Rural EcoSite in Liberia.

Empowering the Digital and Intelligent Transformation of Various Industries

In the wave of digital transformation, ZTE collaborates with industry partners to drive the digital and intelligent transformation across various sectors. To meet the needs in different scenarios, innovative transformation solutions have been tailored for various industries, including government affairs, transportation, large enterprises, electric power, mining, metallurgy and steel, and finance. These solutions drive the development of more advanced, intelligent, efficient, safe, and environmentally friendly industries.

■ Government Affairs

Focusing on urban renewal and building resilient and safe cities, ZTE has made great efforts to develop solutions for urban lifeline construction, national emergency management, and digital twin–based flood prevention and mitigation.

- Based on IoT sensing of multi-source data, the urban lifeline construction solution is centered around the big data, AI, and integrated platforms of Digital Nebula. It ensures the safe operation and efficient supervision of municipal infrastructure, thereby enhancing urban security.
- The national emergency management system is built on comprehensive sensing technology, and supported by fully connected networks and holistic data aggregation. Through the Digital Nebula platform, the system enables early warning and rapid response, thereby strengthening the capabilities to deal with various types of disasters.

- By developing new sensing devices and researching platform technologies, we have developed products for more application scenarios of the digital twin-based flood prevention and mitigation solution. For example, we have launched the integrated rainfall monitoring equipment, radar facilities for precipitation measurement, and reservoir safety monitoring devices. This solution significantly improves the quality and efficiency of flood prevention and mitigation.

[Case] Trial Run of Kunshan Urban Lifeline Safety Supervision Platform

In November 2024, the Kunshan Urban Lifeline Safety Supervision Platform, jointly built by ZTE and the Kunshan Housing and Urban-Rural Development Bureau, successfully started its trial run. To build a platform featuring "comprehensive supervision + intelligent monitoring", we focused on 9 risk scenarios, including gas, water supply, rainfall, sewage, roads, bridges, electricity, construction, and underground pipeline intersections, and established 1 center, 1 set of standards, 1 digital platform, 9 specialized application systems, and 1 operational mechanism.

Based on the urban lifeline data governance system, multiple "data + model" products were launched, and AI algorithms were applied to analyze urban safety incidents such as gas leaks and urban waterlogging, enabling accurate judgment, early warning, and coordinated response.

ZTE's S60 Pro satellite terminal can be connected to various mobile phones via Bluetooth to enable voice calling. Once connected to S60 Pro, any mobile phone can access satellite calling and voice calling services, and transfer data in areas without terrestrial network coverage. S60 Pro provides reliable communications support for outdoor activities (such as hiking), emergency response, and disaster recovery.

[Case] ZTE S60 Pro Ensured Smooth and Reliable Communications

In September 2024, Hainan province was hit by Typhoon "Yagi". In response to the disaster, ZTE delivered hundreds of ZTE S60 Pro terminals to China Telecom Hainan in batches and provided support throughout the process to ensure that the satellite terminals were available and effective during emergency times. ZTE's S60 Pro satellite terminals greatly supported emergency communications at the disaster-stricken areas in Wenchang, Haikou, Chengmai, Ding'an, and other counties and cities. By connecting their phones to a satellite, thousands of people were able to contacted with their families, friends, or colleagues.

■ Transportation

Leveraging its core capabilities in networks, cloud, data, and intelligence, ZTE has built a transportation computing system centered around cloud platforms and Digital Nebula 3.0, and created a digital and intelligent foundation based on large AI models, empowering the new quality productive forces of smart transportation. In terms of industry applications, ZTE:

- Supported Qingdao Metro in developing an intelligent O&M system, which has become an exemplary industry practice;
- Participated in demonstration projects for integrated vehicle-road-cloud systems in cities such as Jinan, Nanjing, and Changsha, as well as in the digital transformation of highways in several provinces, including Henan and Liaoning;
- Supported the construction of intelligent high-speed rails for multiple railway bureaus in China;
- Completed the top-level design for the digital transformation of Nanjing Port in Jiangsu province and deployed a big data platform for Qinhuangdao Port, enhancing data management and safety production at the ports.

[Case] First Anniversary of Lijiang-Shangri-La Railway: Facilitating Communications on the Plateau and Boosting Regional Economic Development

On November 26, 2024, the Lijiang-Shangri-La Railway celebrated its first anniversary of official operation. Despite the challenges posed by high altitude, low temperature, and complex terrain, ZTE and China Unicom Yunnan worked closely together to efficiently achieve full 4G and 5G signal coverage along the Lijiang-Shangri-La Railway, ensuring smooth communications for passengers.

Over the past year, the railway has transported more than 3.17 million passengers. The high-speed networks built by China Unicom Yunnan and ZTE have not only boosted the IT construction of Yunnan province, but also significantly promoted the development of regional resources such as tourism, hydropower, and minerals, as well as the growth of the tourism industry.

■ Large Enterprises

ZTE continuously focuses on key industries such as oil and gas chemicals, automotive manufacturing, and photovoltaic and lithium-ion battery manufacturing. Meanwhile, the company has strengthened comprehensive cooperation with large state-owned enterprises and industry-leading companies in various fields, including digital transformation, computing power, and industry-specific large models. Based on the Digital Nebula

platform, innovative industry solutions have been launched to facilitate high-quality development for industry users.

In 2024, ZTE Nanjing Binjiang Base, an intelligent 5G factory, was awarded the first five-star 5G factory in China by the TL Certification Center of the China Academy of Information and Communications Technology (CAICT).

[Case] Intelligent Terminal Supervision and Standardized Operations Ensured Safety Production for China Resources Building Materials Technology Holdings Limited (CR Bldg Materials Tech)

Starting with the 5G-powered industrial Internet project, ZTE has signed a strategic cooperation agreement with CR Bldg Materials Tech and established a 5G-powered smart building materials joint innovation lab. The lab engages in researching digital transformation of the cement industry and advancing research commercialization. In April, 2024, ZTE undertook the project to build a 5G intelligent terminal management platform. Based on the "5G + Digital Nebula" architecture and guided by safety-first and user-centric principles, we customized 5G intelligent terminals and platform to enable functions such as person positioning, electronic fences, alarm notifications, and audio-video calls. The platform ensures personnel safety and standardized operations, reduces task difficulty, and enhances process efficiency.

■ Electric Power

ZTE focuses on the construction of digital power grids and power generation stations. By leveraging hyper-converged edge computing and Digital Nebula, the company has created digital solutions for the daily O&M and remote inspection of power stations. In collaboration with State Grid Corporation of China (SGCC), we have supported the construction of digital HVDC converter stations, including the ±320 kV converter station in Xiamen and the ±500 kV converter station in Yichang. Together with China Southern Power Grid, we have launched digital station projects in several provinces, including Guizhou, Yunnan, and Hainan. Also, partnering with leading power generation companies such as State Power Investment Corporation (SPIC), China Huadian Corporation, and Beijing Energy Holding Co., Ltd, ZTE has identified smart O&M scenarios for photovoltaic, wind, thermal, and hydroelectric power stations, and successfully implemented 5G and AI-powered smart power plant projects in regions such as Liaoning, Anhui, Yunnan, and Guangxi provinces.

[Case] ZTE Supported SGCC in Building Unattended Digital Converter Stations

In 2024, to meet the needs of intelligent monitoring and control, personnel safety management, and intelligent inspection in power stations such as converter stations and substations, ZTE cooperated with the partners to develop remote intelligent O&M of power stations, significantly enhancing the safety management and comprehensive O&M capabilities of substations, step-up substations, and power distribution rooms.

■ Mining

ZTE continues to strengthen its core capabilities in connectivity and intelligent computing, promoting the continuous evolution of intelligent mining solutions and fully supporting the digital and intelligent transformation of mining enterprises. To this end, we have launched various products and solutions, including:

- 2.6G base station with intrinsic security for underground mining: It pioneers the integration of Ultra-Wideband (UWB) positioning and 5G base stations and therefore reduces users' construction and maintenance costs.
- All-in-one communication system solution for mining: It fully integrates various communications systems, such as emergency communications networks, real-time video conferencing, and further enhances the efficiency of routine communications scheduling in mines and improves the communications support for special needs like emergency rescue, thereby ensuring production safety in mines.

Based on the Digital Nebula platform and large AI models for mining, ZTE collaborates with ecosystem partners to create digital and intelligent applications, so as to strengthen intelligent data utilization, intelligent management, and decision-making capabilities in mining, and unlock the value of intelligent and digital mining.

[Case] 5G-A (RedCap) Empowered Intelligent Production at Shaanxi Investment Group's Zhaoshipan Coal Mine

In 2024, ZTE worked with China Mobile and Beijing Huayu Engineering of China Coal Technology & Engineering Group to achieve the large-scale application of 5G RedCap technology in mining at the Zhaoshipan Coal Mine for the first time. Through the deployment of wireless networks and multifunctional base stations, this solution effectively addressed problems including complex layouts, heavy maintenance workloads, and low flexibility of wired networks. It also helped reduce network construction costs and equipment loss, while achieving the goals of energy conservation, and safe and green production. Moreover, persons required for underground inspections per shift were reduced, bringing down labor costs, workloads, and safety risks.

Thanks to the successful implementation of the Zhaoshipan Coal Mine project, ZTE's "5G-A IoT Application in Underground Distributed Collection and Control Systems for Coal Mines" was selected as one of the first coal science and technology innovation commercialization projects by the China National Coal Association (CNCA) in 2024.

■ Metallurgy and Steel

In the field of metallurgy and steel, ZTE has collaborated with industry partners to create a fully connected factory solution enabled by an industrial field network and Digital Nebula. This solution is developed based on a "1+4+1" architecture, namely, one 5G industrial field network + four subsystems (centralized production control, energy conservation and environmental protection, safety production, and digital mobile O&M) + one AI intelligent application. It improves the production value chain of process manufacturing and the agility of discrete manufacturing, thus building ubiquitous industrial intelligence.

[Case] Henan Sunho Group's Production Safety Information Management Platform

With the Digital Nebula, ZTE helped Henan Sunho Group build a production safety information management platform. Leveraging an intelligent and digital safety system, video AI, and person positioning technology, this platform achieves visualized, intelligent safety management and control for the enterprise, and enables the identification and early warning of major risk sources and violations, safety monitoring of high-risk operations, a digital and standard dual prevention system, and comprehensive management of all production safety elements. Additionally, the platform is also connected to the enterprise's security, access control, fire protection systems, thereby enhancing the enterprise's safety management capabilities. Based on the safety information management platform, Sunho has established a multi-layered digital protection mechanism to achieve intrinsically safe production.

■ Finance

ZTE has rolled out GoldenDB, a financial-class distributed database, to offer efficient, stable, secure, reliable, and environmentally friendly service solutions for the banking industry. GoldenDB has been deployed in over 100 financial institutions, including banks, securities firms, and insurance companies. This solution ensures data security and privacy through advanced encryption and access control technologies. Meanwhile, resource allocation is adjusted dynamically based on business needs, thereby improving resource utilization and reducing waste. By optimizing data processing and storage mechanisms, GoldenDB minimizes unnecessary computing and storage costs as well as energy consumption.

As of 2024, with GoldenDB, ZTE has contributed to 15 financial industry topics and white papers, 12 national industry standards for financial transactional databases, and 9 industry testing specifications, covering the technical architecture, security requirements, and disaster recovery requirements regarding distributed database applications in finance, as well as database service capability maturity models. ZTE has also established a three-level certification system targeting database professionals, including GDCA, GDCP, and GDCM, and provided certification training for over 12,000 individuals across industries such as finance, telecommunications, transportation, and government affairs. GoldenDB has been rated as a best solution in IT application innovation for 4 consecutive years by the Ministry of Industry and Information Technology of China. Within 2 years, 6 of GoldenDB cases have been selected as the excellent solutions for financial IT application innovation.

Biodiversity Protection

The Chinese white dolphin, often referred to as the "panda of the sea", serves an indicator species for evaluating the health of the marine ecosystem. However, the waters around Xiamen Bay, which are home to the Chinese White Dolphin, are increasingly impacted by marine engineering activities and water pollution. It highlights the urgent need for enhanced monitoring and regulation of the Xiamen State-Level Marine Nature Reserve for Rare Marine Species.

In collaboration with China Mobile and industry partners, ZTE has launched a Catalyst project "Wildlife guardian: AI + 5G advanced sustainable application". This project applies AI and 5G-A integrated sensing and communication technology, successfully overcoming the limitations of traditional maritime monitoring, which can be easily affected by natural factors such as lighting and climate. By incorporating radar sensing capabilities into 5G communications equipment, this solution ensures continuous communications in low-altitude, ground, and marine environments, while enabling 24/7 real-time tracking of vessel trajectories in the marine area, so as to achieve accurate sensing without blind spots. In addition, leveraging key data from various sources, including sensing, meteorology, hydrology, and marine engineering operations, electronic fences were built to analyze, identify, and give early warnings to abnormal activities within the nature reserve. Through all these efforts, we have established a comprehensive, all-weather, and multi-dimensional sensing network for the Chinese white dolphin conservation, significantly enhancing the regulatory efficiency and emergency response capabilities.

Moreover, ZTE has launched RAIS, an innovative mobile app. By integrating multiple application scenarios into a single platform, the app greatly facilitating maritime authorities and other management departments in obtaining real-time information about various vessels within the nature reserve. Meanwhile, RAIS also enables

real-time data transmission and collaboration between maritime vessels and shore stations, significantly accelerating the closed-loop management of law enforcement, with law enforcement efficiency up by more than 40%.

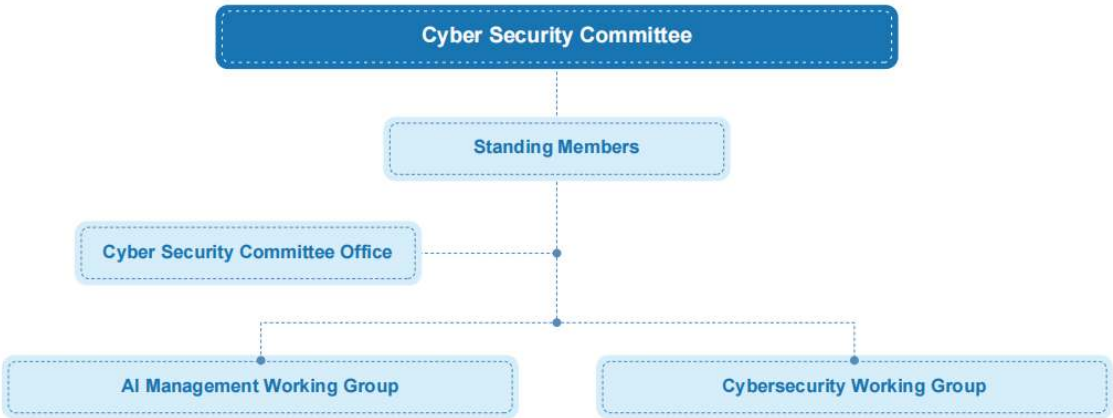
In 2024, the project was honored with the Outstanding Catalyst-Tech For Good Award by the TM Forum (a global telecom management forum).

Staying Open and Transparent to Win Customer Trust

Assurance of Cybersecurity in All Aspects

Governance

Prioritizing security in product R&D and delivery, ZTE has established a security governance system that covers the entire product lifecycle. To promote the healthy development and standardized application of AI technologies, further strengthen the systematic planning of the AI management, in 2024, we set up the AI Management Working Group under the CSC, and built an AI governance system in accordance with the ISO 42001 AI Management Systems.



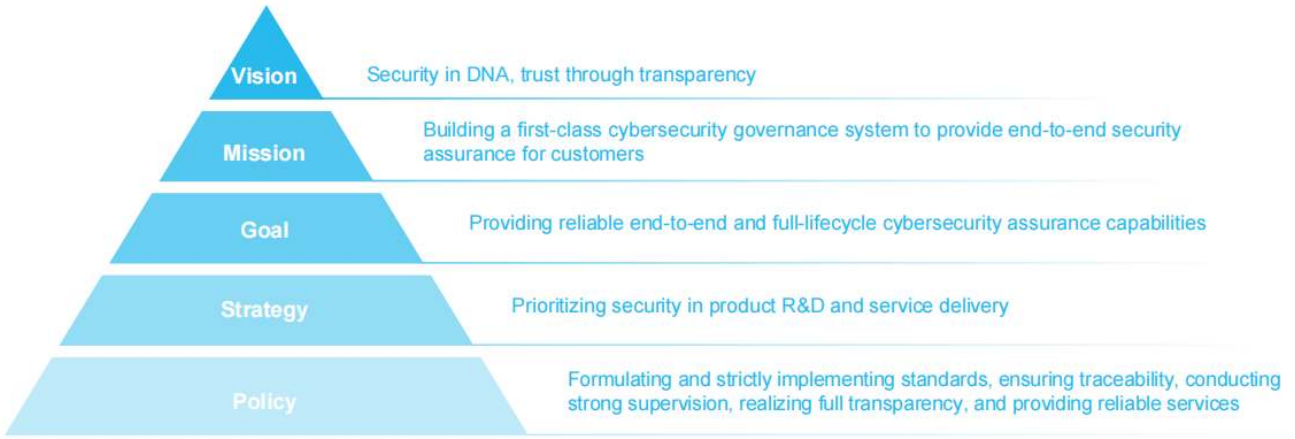
Organizational Structure of ZTE's CSC

The CSC aims to establish a framework for cybersecurity and AI management, and build an end-to-end management system that covers all business fields and processes, so as to improve the security level of products and services, reduce security and compliance risks, and ensure coordinated development of both technology and management. The standing members of the CSC include the CEO, CTO, and leaders in key fields such as system products, engineering services, supply chain, and terminals.

The CSC holds regular meetings every year to discuss and review the progress and plans of AI management and cybersecurity work. Any major issues or matters on which the CSC fails to decide shall be submitted to the Operation Management Committee for decision-making.

Strategy and Management Mechanism

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.



The Vision and Mission of ZTE Cybersecurity

ZTE ensures cybersecurity from three dimensions:

- Organization: ZTE has adopted a security 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.
- Process: In accordance with relevant laws and regulations, industry standards, best practices, and customer security requirements, ZTE has formulated a series of cybersecurity rules, covering hardware, software, data, personnel, processes, facilities, and materials. These cybersecurity requirements are embedded in every stage of the supply chain, R&D, and delivery processes, including supplier certification, introduction of new materials, and production, as well as processes of product requirements, design, development, testing, and delivery, so as to deliver secure and trustworthy products and services.
- Technology: ZTE introduces Secure-by-Design and Secure-by-Default principles early in the product development lifecycle, conducts threat analysis and risk assessment in the product design phase, and establishes security protection guidelines and security baselines for different products. For cybersecurity governance, we have built a digital support system for cybersecurity that covers the frontline business fields, and used a DevSecOps toolchain to check products and services to ensure compliance with security requirements.

In addition, we regularly publish the ZTE Cybersecurity White Paper to share our practices in cybersecurity assurance. For more details, please refer to the latest ZTE Cybersecurity White Paper.

Risk and Opportunity Management

In accordance with the laws and regulations for cybersecurity and AI, our cybersecurity strategy, and stakeholders' needs, ZTE regularly identifies and manages cybersecurity risks and opportunities based on the internal control and risk management framework.

Risk and Opportunity List

Category	Description	Probability (High-Medium-Low)	Impact Level (High/Medium/Low)	Measure
Risk	The global regulatory environment is becoming increasingly stringent, especially in the field of AI. If ZTE's cybersecurity practices fail to meet the requirements,	High	High	To strengthen cybersecurity and AI management, ZTE has established the AI Management Working Group, which takes the lead in building an end-to-end management system, establishes an AI management structure that meets regulatory requirements, reduces specific regulatory and safety risks, and promotes the healthy

	we may face regulatory penalties and damage to market trust and brand reputation.			development and standardized application of AI technologies.
Opportunity	Our industry-leading cybersecurity practices not only help us gain a competitive edge in the international market, but also meet the global customers' demands for high-end secure products. Through high-standard practices, ZTE translates strengths in cybersecurity into basis for global digital trust and define the next-generation communications security paradigms.	High	High	■ Comply with regulatory requirements, including the *Radio Equipment Directive Delegated Act* (RED DA), the *Cyber Resilience Act* (CRA), and the *Network and Information Systems Directive 2* (NIS2) of the EU, while ensuring that ZTE's main products pass authoritative security assessments and certifications in China and abroad. ■ Continuously communicate with stakeholders about security requirements, and share security practices with them, to enhance transparency and build trust. ■ Conduct global security technology training and forums, to exchange with industry partners and continuously improve cybersecurity.

Annual Progress

ZTE enhances cybersecurity from four aspects: system building, supervision of implementation, empowerment and efficiency improvement, and external trust building:

■ **System Building: Improving Cybersecurity Management System and Optimizing Cybersecurity Technical Requirements**

- Closely monitor the updates on important external laws and regulations and implement cybersecurity requirements; conduct pilot certifications for each product line in accordance with the EU RED DA; gradually incorporate the requirements of the EU CRA into the entire product lifecycle from development to maintenance; and enhance cybersecurity governance and control of products in accordance with the EU NIS2.
- Continuously optimize the technical requirements for cybersecurity based on the principles of Secure-by-Design and Secure-by-Default. In 2024, ZTE enhanced a series of key technical standards for cybersecurity, covering image security, network security, encryption algorithms, and digital certificates. Our products have always complied with technical standards for cybersecurity, and a total of 32 company-level technical standards for cybersecurity have been released.

■ **Supervision of Implementation: Assessing the Effectiveness of Cybersecurity Requirements Implementation**

- First line—self-assessments by business units: In accordance with our High Performance Product Development (HPPD) process, product development teams conduct a series of activities, including manual and tool-based inspections of source code, compliance scanning of open-source components, vulnerability scanning, penetration testing, protocol robustness testing, virus scanning, and security compliance testing. These efforts ensure that all released versions meet ZTE's security requirements effectively.

- Second line—independent security assessments: ZTE has established 3 security labs in Nanjing (China), Rome (Italy), and Dusseldorf (Germany). In 2024, the lab in Nanjing conducted independent or joint security assessments for 22 products. The labs in Italy and Germany continued to provide independent security testing for customers and third parties, completing a total of 14 independent security testing projects throughout the year.
- Third line—cybersecurity certification and third-party security assessments: In 2024, our main products passed the Common Criteria (CC) Certification, EU RED DA security certification, and GSMA Network Equipment Security Assurance Scheme (NESAS) security assessment. Our 5G wireless base station software obtained the CC EAL4+ security certification; wired data communications products received the CC EAL3+ security certification; multiple products, including wireless base stations, home gateways, smartphones, mobile broadband, and communications power supplies, gained the EU RED DA cybersecurity certification; and wireless products passed the GSMA NESAS 2.3 process audit.

■ **Empowerment and Efficiency Improvement: Enhancing Personnel Security Capabilities and Contributing to Industry Development**

- Cultivate employees' cybersecurity capabilities: ZTE employees are now holding over 230 individual cybersecurity certificates, covering fields such as information security, web security, security audit, and ethical hacking. In 2024, ZTE continued to strengthen security empowerment by conducting 60 security skill training sessions covering 24 topics.
- Actively empower industry partners: In 2024, ZTE delivered over 10 keynote speeches at security conferences and forums in China and abroad, sharing security technologies and management experience with local regulators, customers, industry organizations, and university students. In China, our project titled "Intelligence and Security—Pioneering Project for AI-Empowered Product Safety" won the Gold Award and the Best AI Empowerment Project Award at the 9th Enterprise Learning Design Competition hosted by the Chinese Society for Talent Development (CSTD).

■ **External Trust Building: Improving Openness and Transparency to Enhance Customer Satisfaction**

- Maintain close communication with customers: In 2024, our overseas security labs hosted over 30 customer visits for experience sharing and exchanges in cybersecurity governance.
- Support third-party security assessment: Our security laboratory in Italy collaborates with the National Inter-University Consortium for Telecommunications (CNIT) to provide customers with reliable security verification services. The security laboratory in Germany focuses on security certification requirements, and assists customers in third-party cybersecurity assessments strictly in compliance with industry standards.
- Continuously disclose Common Vulnerabilities and Exposures (CVEs): As a CVE Numbering Authority (CNA), ZTE disclosed a total of 8 CVE vulnerabilities in 2024.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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.

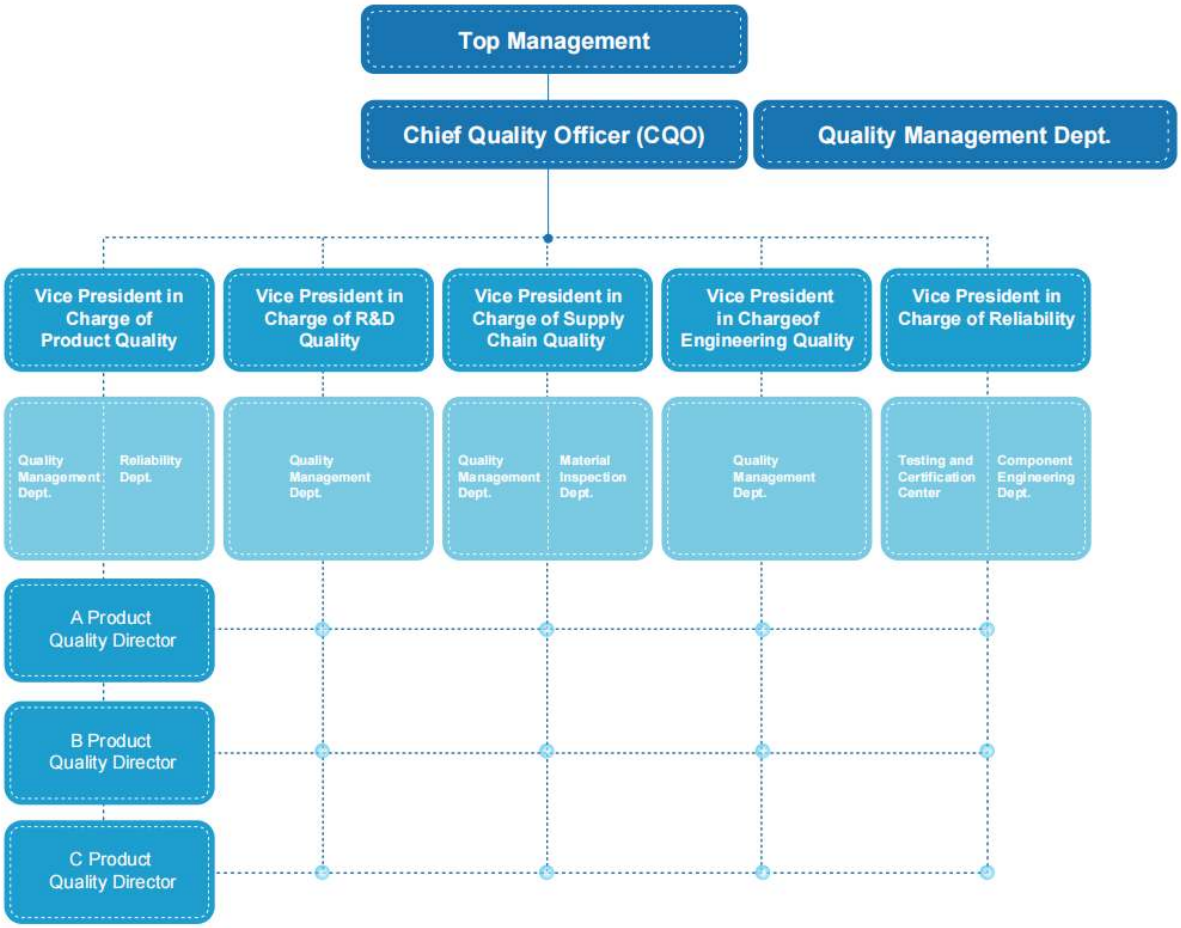
Promotion of Efficient Quality Management

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.

Under the leadership and with the authorization of the top 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. In 2024, our CQO was honored with the title of "Shenzhen Outstanding Corporate Chief Quality Officer".

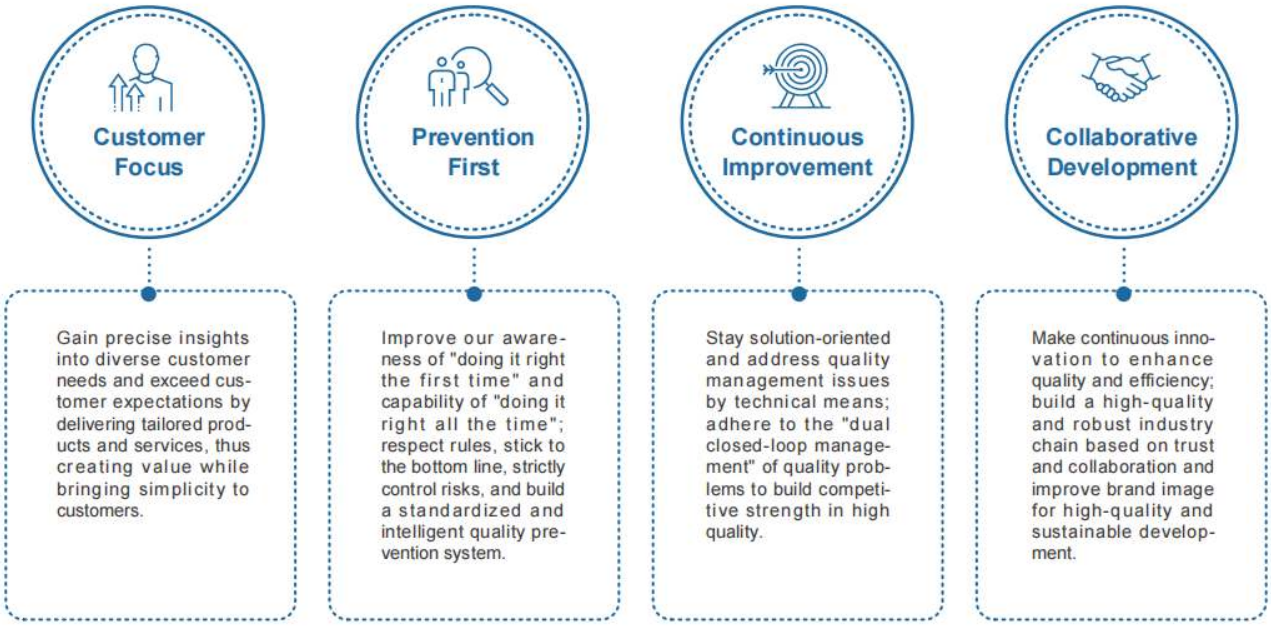


ZTE Quality Management Organizational Structure

Strategy and Management Mechanism

Adhering to the four major management principles of "Customer Focus, Prevention First, Continuous Improvement, Collaborative Development", ZTE has established the quality strategy of "Focus on customers, and create value for customers with digital, intelligent, and simplified quality management". To achieve the strategic goal of improving customer satisfaction, we break down and assign strategic goals to different levels of business units, which support and coordinate with other key technical indicators, to ensure the effective implementation of the quality strategy.

To fulfill these strategic goals and quality improvement tasks, ZTE continuously improves its management system architecture, and builds an integrated quality management system centered around standards such as ISO9001, TL9000, QC080000, ESD, ISO45001, ISO14001, and ISO22301. This quality management system is applied for the quality management of major office, production, and R&D sites, as well as main product categories. Furthermore, quality awards and monthly quality performance appraisals are in place to advance the fulfillment of quality strategic goals. Meanwhile, continuous improvements are made across multiple dimensions, including product quality performance, quality competitiveness, quality improvement, Cost of Poor Quality (COPQ), process quality performance, and customer satisfaction.



ZTE Quality Management Policy

Risk and Opportunity Management

ZTE continuously strengthens quality risk management. We have formulated and released the Regulations on Quality Risk Management to specify the responsibilities of quality risk management units at all levels and the overall requirements for quality risk assessment activities, including risk rating criteria, risk control by level, and monitoring of risk control status. This regulation aims to improve the identification, evaluation, and early-warning management of quality risks. To address risks of different levels, ZTE has designed early warning and response processes, from company-level to project-level, to ensure the rapid early warning and effective handling of quality risks of all levels within the window of opportunity.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	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 management, and promote the application of unified O&M tools as well as the development of end-to-end fault delimitation and location tools.
	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	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.

	new quality requirements and changes.			
Opportunity	The cost and efficiency of quality control throughout the entire product lifecycle are changed due to AI-driven quality paradigm revolution, and large 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 models.

Annual Progress

Management Mechanism

In 2024, to achieve the goal of timely reporting of quality risks, efficient execution of quality improvement, and effective prevention of quality problems, we established a systematic quality risk management mechanism to promote the standardized operation of quality risk management, and created a quality risk case library to strengthen management of risks by level. Additionally, we piloted the quality risk management in new product development, and facilitated the development and online operation of the quality risk IT system, further enhancing the awareness of proactive risk disclosure at all levels.

ZTE has formulated the Regulations on Quality Performance Management to specify the management requirements for quality indicators, ensuring the systematic and standardized quality management. Through metrics-driven improvement, we regularly conduct metrics analysis to identify weak points in quality management and issue improvement tasks, and ensure the closed-loop management of improvement tasks. Meanwhile, with performance appraisal and other incentive measures, ZTE effectively promotes the implementation of various improvement tasks, providing strong support for the continuous enhancement of quality management capabilities.

[Case] Building a Digital Quality Management System

ZTE has launched the iQMS, a one-stop quality workstation, to integrate all quality management functions and a variety of quality management ecosystem applications. The iQMS has a "1+5+N" framework.

- 1: one platform
- 5: five functions including diverse quality audits, end-to-end automatic data analysis and early warning, and one-stop solution for the closed-loop management of problems
- N: multiple quality management ecosystem applications

The innovative design of iQMS has significantly improved management efficiency and provided strong support for the continuous optimization and efficient operation of quality management.

Improvement of Preventive Quality Management Capabilities in Critical Processes

ZTE actively enhances preventive quality management capabilities in processes. Through project-based operations, internal quality has been improved from the customer perspective. By identifying critical processes as well as the related quality control points and quality metrics, we have built a tiered process quality control system to optimize processes. Moreover, we keep strengthening our basic quality capabilities, and systematically assess and improve the quality management maturity of units, product lines, and projects.

In process management, ZTE has introduced a "whistleblowing" early-warning mechanism to monitor the process quality status in real time, transitioning from corrective to preventive actions. To enhance quality management maturity, ZTE focuses on process standardization, process quality measurement, digital transformation of quality management, and performance of quality personnel, so as to optimize the planning, execution, and control of quality in key processes. Meanwhile, through "Dual Closed-Loop Management",

customer issues are reviewed, and corrective and preventive measures are implemented to reduce process quality risks and form a complete PDCA cycle for continuously improvement of quality management baselines and maturity.

Continuous Fostering of the Quality Culture

ZTE continues to foster the quality culture and strengthen quality capabilities. Under the theme of "Do It Right the First Time, Do it Right All the Time", diverse activities have been carried out 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.

- **Training by Management Members:** The CQO and level-3 quality management members conducted training about key quality knowledge and cases for all employees, and up to 81% senior experts of the company provided training for employees.
- **Messages on ZTE Quality Month:** Messages on ZTE Quality Month were released through multiple channels, including the **Share** public account on iCenter (an internal one-stop collaboration platform), the public email of the Quality Dept., and TV platforms in the company's global operating locations. The total views exceeded 80,000.
- **"Quality" in the Eyes of ZTErs:** Quality-related discussions involving all employees were released through various channels, with a total of over 20,000 views.
- **Development of High-Quality Video Courses:** In 2024, 56 high-quality video courses were developed, winning awards in the high-quality video course competition hosted by the ZTE Global Learning & Development Center.
- **Risk Prevention and Organizational Resilience Enhancement:** Exchange activities were organized, where external experts were invited to give lectures on risk management and systems engineering. The lectures were attended by company leaders, and received high recognition from attendees.
- **AI-Powered Quality Management:** AI knowledge training was offered, and all units were encouraged to develop courses and operate knowledge by using AI applications, such as Q-Brain, iGPT-IQA, and AI assistants for wireless products and material inspections.

Product Reliability

In accordance with product safety standards, ZTE identifies six major hazardous energy sources of its products, including electrical energy hazards, power energy hazards (such as electrical fire and flame spread), chemical energy hazards (such as electrolytes and poisoning), mechanical energy hazards (such as hazards caused by a moving machine or its moving parts), thermal hazards (such as thermal burns to the human body), and radiation (such as electromagnetic, optical, and acoustic energy).

Adhering to the principle of incorporating Secure-by-Design at the early stages of product development to prevent potential hazards, ZTE has launched targeted design methods for different hazardous energy sources to prevent potential safety risks. These design methods include keeping sufficient safety distances, using materials or enclosures with higher fire resistance levels, rounding off edges and corners, applying safety interlocks, and controlling product surface temperatures.

In 2024, ZTE products achieved zero major safety accident at customers' sites. The annual pass rate of tests conducted by the ZTE Global Certification and Testing Center reached 100%. Moreover, ZTE products complied with the latest Chinese safety standards such as GB 4943.1-2022 and international standards such as IEC/EN 62368-1. We completed many product certification projects throughout the year, such as IECEE CB certifications for optical modules, 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.

Product Replacement Mechanism

The product replacement mechanism mainly deals with product replacements or rectifications caused by quality problems. Products will be replaced if customer safety is threatened by factors such as raw materials quality problems, quality defects in the production process, operational errors, or design flaws. If the conditions for product replacement are triggered, the relevant departments must report the issues in accordance with the

early-warning mechanism and take response measures based on the severity of the issues, ensuring that risks are eliminated at the source and customer safety is ensured.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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.	Launch of a one-stop work platform for digital and intelligent quality management.	iQMS was launched with the "1+5+N" framework.
	Improve quality personnel skills.	Throughout the year, the skills assessments cover over 97% quality positions, and 95% of the capability enhancement plans are completed.	The skills assessments throughout the year covered 99% quality positions. The completion rate of capability enhancement plans was100%.

Green and Eco-Friendly Products

Governance

To develop green and eco-friendly products, ZTE implements management of hazardous substances, incorporates environmental protection requirements into the quality management system, and ensures compliance with relevant laws and regulations related to environmental protection and hazardous substances, as well as the fulfillment of stakeholders' requirements.

Strategy and Management Mechanism

ZTE has conducted a comprehensive analysis of global environmental protection regulations, identified environmental protection compliance risks in its business operations across various countries and regions, and formulated a map of global environmental protection laws and regulations that are applicable to ZTE. Moreover, we have obtained the QC 080000 certification in Shenzhen, Shanghai, and Xi'an. Based on the requirements of the QC 080000 Hazardous Substance Process Management System, a green product management system has been established, consisting of 1 manual, 1 regulation, and 45 specifications. Through regular internal and external audits, ZTE continues to optimize this system to ensure effective implementation of environmental protection requirements in business processes in an end-to-end manner, including market research, R&D, production, and aftersales services.

Our *Regulations on the Management of Green Products* specifies the environmental protection requirements throughout the entire process from product design, material selection, procurement, distribution, manufacturing, to supply chain management. The *Requirements for Banned and Restricted Hazardous Substances* provides detailed descriptions about the list of prohibited and restricted substances in products, including 33 primary hazardous substances, which meets global regulatory requirements, including the *EU Restriction of Hazardous Substances (RoHS) Directive*. The *Environmental Risk Identification Criteria and Guidance for Materials* stipulates rules for assessing the risk levels of hazardous substances in raw materials and components, ensuring effective control of material inspection, production, and shipping. Following the *Regulations on Environmental Risk Assessment and Management Regarding Suppliers' Products,* we analyze suppliers' environmental risk factors, assess their risk levels, and employ differentiated control measures to reduce suppliers' environmental risks. The *Management Process for Hazardous Substances in the Production of Green Products* specifies the monitoring scope, basis, and frequency of hazardous substances in production for different welding processes. The *Requirements for Eco-Labels* clarifies the use and requirements for eco-labels of products and raw materials, ensuring environmental protection throughout the product lifecycle.

Risk and Opportunity Management

ZTE strictly adheres to the risk management mechanisms and requirements of global environmental protection laws and regulations and the QC080000 standard. Based on the overall risk management framework, as well as its *Environmental Risk Identification Criteria and Guidance for Materials* and *Regulations on Environmental Risk Assessment and Management Regarding Suppliers' Products*, ZTE regularly conducts identification, assessment, and control of hazardous substance risks.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	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

ZTE actively participates in hazardous substance management and testing research and exchanges organized by international standardization organizations (such as ITU and IEC), Chinese standardization organizations, and industry associations, and continuously promotes the eco-design of products. By collaborating closely with relevant parties, we continuously reduce, eliminate, or replace hazardous substances in raw materials and the manufacturing process. Meanwhile, the company also updates its standards for hazardous substance management, optimizes its green supply chain system, ensures full compliance with environmental protection laws and regulations in related countries and regions, and actively promotes the certification of green products.

■ Hazardous Substance Control in Conformity with Standards

ZTE continues to strengthen its capability to track and respond to the changes in global regulations on the management of hazardous substances in electronic products. Through comprehensive analysis of regulations, internal discussions have been organized to assess the impacts of the regulations on our business, and develop corresponding strategies, so as to ensure product compliance. In 2024, we updated our map of global environmental protection laws and regulations, and released the latest interpretations and compliance guidelines regarding the new requirements for environmental protection.

To ensure the standardization and effectiveness of the hazardous substance management system, we revised and issued four related standards in 2024: the *Regulations on the Management of Green Products*, the *Requirements for Banned and Restricted Hazardous Substances*, the *Regulations on Environmental Risk Assessment and Management Regarding Suppliers' Products*, and the *Guidelines for the Inspection of Eco-*

Friendly Materials. These documents are also aimed to ensure that the relevant standards of the hazardous substance management system comply with applicable laws and regulations.

■ Introduction of Intelligent Management System

In 2024, ZTE launched an intelligent Green Product Management (GPM) system to better cope with changes in environmental protection regulations and enhance the management of environmental data. By full substance labeling and general labeling in a tiered manner, and incorporating a standard database and the automatic regulatory compliance check function into the system, we can check whether the materials are compliant with environmental protection requirements in an intuitive way. Additionally, a carbon footprint database has been built within the GPM system, enabling the generation of product LCA (Life Cycle Assessment) reports. In this way, we can achieve systematic management of environmental protection regulations and visualize the compliance status of materials and products.

■ Increasing Investment in Testing Resources

ZTE continues to increase its investment in the detection of hazardous substances. We have deployed new X-ray fluorescence spectrometers, and upgraded Inductively Coupled Plasma Atomic Emission Spectrometers (ICP-AES) and UV-Vis spectrophotometers, so as to further enhance the automation level and capabilities of the environmental protection testing. In 2024, we successfully passed the re-evaluation by the China National Accreditation Service for Conformity Assessment (CNAS), demonstrating our laboratories' consistent compliance with the ISO 17025 requirements.

Meanwhile, the laboratories have strengthened the spot checks on finished products. By collaborating with third-party testing institutions, we have purchased products for environmental protection testing to comprehensively verify the compliance of our products. To control the risks of hazardous substances in suppliers' products and materials, we have increased the frequency of spot checks on high-risk materials and conducted first piece inspections and routine sampling inspections as always.

■ Personnel Capability Improvement

Through video courses, promotional posters, and offline training, ZTE improves the environmental protection capabilities of suppliers, material managers, and production and certification personnel. In 2024, 321 internal auditors took video courses and passed exams, improving their professional capabilities.

In 2024, we organized an environmental protection skill competition to assess the capabilities of environmental testing personnel in different regions, and conducted Phthalic Acid Esters (PAEs) testing of different laboratories to continuously improve testing capabilities. These efforts provided strong support for the building of a comprehensive environmental protection management system. In the same year, at the third "QiangGuo Cup" environmental protection technical skill competition of the electrical and electronic industry, hosted by the Education and Examination Center of the Ministry of Industry and Information Technology, ZTE won the first place in the group competition, and several employees also earned second prizes and excellence awards in the individual contests.

■ Environmental Audit and Empowerment in the Supply Chain

To improve the environmental protection management capabilities of supply chain partners, ZTE has formed an audit mechanism of "risk identification > risk confirmation > risk reduction > risk elimination" for environmental protection risk assessments of all suppliers. In 2024, we completed environmental audits on 234 suppliers.

At the same time, to enhance suppliers' awareness in and capabilities of environmental compliance, in 2024, ZTE conducted 7 training sessions for suppliers, including a new supplier training camp, sharing of environmental protection practices, and training on the use of the GPM system.

■ Contribution to Industry Progress

ZTE actively promotes the building of a green ecosystem and the improvement of industry management. Through the SC3 working group of TC297 (an environmental protection standardization committee in China), ZTE has participated in the formulation of industry and group standards in China and abroad. In 2024, ZTE participated in the drafting of 6 national standards, such as GB/T 33352 *General Rules of Screening Application of Restricted Substances in Electrical and Electronic Products–X-Ray fluorescence spectrometry* and GB/T 39560.12 *Simultaneous Determination of Polybrominated Biphenyls, Polybrominated Diphenyl Ethers and Phthalates in Polymers by Gas Chromatography-Mass Spectrometry*. In the field of international standards, in November 2024, the company played a key role in the proposal for "GC-MS Testing of UV Absorbers" standard,

which was successfully launched as a new standard in the IEC 62321-XX series.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Hazardous Substance Management	No external complaint related to hazardous substances.	No external complaint.	No external complaint.
	Complete the transition to the GPM system.	The system transition is completed and the new system is launched.	The GPM system was officially launched.

Rapid Response to Customer Demands

Improvement of the Global Service System

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.

To efficiently meet customer demands, ZTE has established a Global Customer Support Center, along with 3 sub-centers, 5 regional customer support centers, and 40 local customer support centers. These have formed a three-level service cloud platform, covering global operations and providing customers with technical support services around the clock in multiple languages.

In addition, ZTE has 1 global repair center, 3 repair sub-centers, 14 local repair centers, 2 central spare parts warehouses, 3 regional spare parts warehouses, and over 400 local spare parts warehouses, providing customers with comprehensive and fast hardware support services.

In terms of delivery, ZTE has built an end-to-end engineering service system based on our extensive experience in project management, to provide network planning, construction, optimization, maintenance, and operation services for customers. In collaboration with over 500 operators in more than 160 countries and regions, we have delivered high-quality networks and efficient services for more than 2 billion users worldwide. The company has built a professional network service team of over 10,000 persons. As of 2024, ZTE had delivered over 230,000 projects globally, deployed more than 6 million wireless stations, and provided 32 million users with access to fiber broadband network.

Indicator Related to Complaints and Customer Satisfaction	Unit	2024
Total complaints	/	81
Valid complaints	/	18
Invalid complaints	/	63
Feedback received by the Global Customer Service Center from Chinese users	Piece	172
Feedback received by the Global Customer Service Center from international users	Piece	38
Percentage of promptly-handled and closed-on-schedule complaints - China	%	99.12
Percentage of promptly-handled and closed-on-schedule complaints - international	%	99.09
Rate of customer satisfaction with aftersales services - China	%	99.81
Rate of customer satisfaction with aftersales services - international	%	99.05

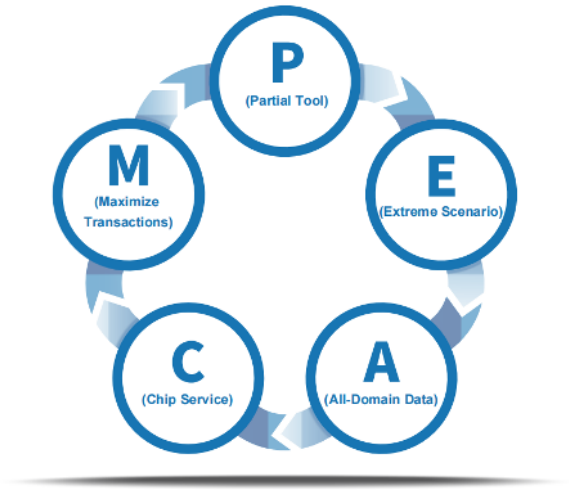
Continuous Improvement of Service Quality

In 2024, ZTE continued to enhance global service quality, ensuring that engineering delivery, technical support, and O&M services meet the high standards of our customers. We developed a map of internal control risks for global services, to identify and control risks in project delivery, ensuring the safe, compliant, and sustainable operation of projects.

In terms of customer services, we launched a variety of services, including quality inspections, on-site technical training, and network optimization, to meet the diverse needs of our global customers. Regarding customer follow-up and complaint handling, ZTE comprehensively optimized the handling mechanism, and introduced an intelligent system to improve follow-up coverage and efficiency. For major faults, customer follow-ups were

conducted by employees, while other issues were addressed through the intelligent system, significantly enhancing the efficiency of collecting and handling customer feedback.

To meet the demands for agile, efficient, low-cost, and high-quality delivery of communications network projects, ZTE independently developed the digital delivery platform iEPMS. Based on the "PEACM" digitalization methodology, digital transformation has been promoted through iEPMS in the entire business processes across fields, such as contract management, supply chain, procurement, engineering, services, and finance. In this way, we have built a smart, collaborative, agile, and efficient ecosystem together with customers and partners. Currently, iEPMS has been widely applied in over 130,000 projects globally, contributing to the automated, intelligent, and digital transformation of network deployment, and helping customers unleash the potential of their networks and enhance network value.



ZTE "PEACM" Digitalization Methodology

Continuous Enhancement of Customer Capabilities

In 2024, ZTE continued to promote the improvement of customer capabilities, providing comprehensive support for the digital transformation and high-quality development of global customers.

■ Chinese Operators

For more than 1,000 middle and senior managers of Chinese operator groups and their provincial branches, we systematically enhanced their management and innovation capabilities by providing training in industry trends, such as new-quality productive forces, AI computing, and low-altitude economy.

Through group-level technical training and competitions regarding cutting-edge technologies such as 5G-A, 6G, and computing networks, we cultivated more than 3,000 technical experts to promote the technological innovation and professional development of operators.

■ Government and Enterprise Customers in China

ZTE continuously empowered customers in industries including energy, electric power, transportation, government affairs, and education. In 2024, we provided training sessions for over 2,000 trainees.

Additionally, through nearly 60 high-quality "Connecting with ZTE" events, ZTE attracted more than 2,500 participants from various enterprises and industry organizations to learn about our company, driving business expansion and ecosystem building.

■ International Operators and Government and Enterprise Customers

In 2024, over 6,000 customers from more than 60 countries participated in the company's training in main products and technologies, industry trends, and project management. The training met diverse needs of customers and enhanced their technical competitiveness in their industries.

Remaining Human-Centric and Supporting Employee Development

Talent is always the greatest asset for ZTE. We regard talent as one of our strategic cornerstones. Committed to "respecting each other", one of our core values, we take comprehensive actions to enhance employees' sense of security, belonging, achievement, and honor. Specifically, we provide employees with equal career opportunities, protect employees' mental and physical health through various measures, create a friendly, transparent, and honest communication environment for better employee experience, and build an open, inclusive, and harmonious atmosphere that accommodates diverse needs. In addition, we keep strengthening talent development and offer employees different career paths to help them grow and realize value.

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 home and abroad, especially in multiple fields such as R&D, engineering services, and sales.

Strategy and Management Mechanism

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.

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. Each responsible person organizes quarterly risk identification and assessment and real-time control. The human resources expert team for risk assessment identifies and assesses a list of significant human resources risks annually. For major and significant risks, progress on risk control is reported monthly, and if necessary, the special situations should be reported to top management of the company.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	Non-compliant recruitment processes or hiring employees who	Low	High	■ Adopt a diversified and composite recruitment model,

	do not meet legal requirements may impact our reputation and lead to labor and legal compliance risks.			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	Medium	Medium	■ Provide equal employment opportunities and take various measures to ensure

	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.			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. ■ Strengthen talent development and offer competitive growth opportunities.

Annual Progress

Promoting Diverse and Equal Recruitment

The company makes consistent efforts to improve processes and regulations on recruitment and admission management, such as the *Onboarding Management Process for Employees from Social Recruitment* and the *Management Regulations for the Campus Recruitment*, which cover different positions and stipulate that equal opportunities for interviews are provided for all applicants, regardless of race, gender, religion, disability, or sexual orientation. Also, the *Recruiter and Interview Management Process* is established and job interviewers are trained to ensure professionalism, fairness, and standardization in the job interview process.

ZTE has a comprehensive and diversified recruitment system, including campus recruitment, social recruitment, and overseas recruitment, to attract outstanding talent through multiple channels. We conduct campus recruitment in China and 18 overseas countries such as Germany, Indonesia, Turkey, Brazil, and Mexico, as well as collaborate with local renowned universities on relevant majors and jointly cultivate talent with universities. The company has fostered a talent acquisition ecosystem covering potential candidates, customers, and partners. The continuous introduction and retention of talent from around the world have significantly contributed to the company's high-quality growth.

Case: ZTE Career Coaching Class

For graduates, obtaining a satisfactory job offer requires some "soft" skills. In 2024, to help "Xinghua Student Aid Program" recipients better transition from campus to the workplace, ZTE held the first "ZTE Pioneer" career development training camp for college students in Lanzhou. Students from 17 universities participated in this training camp. Through resume guidance workshops, interview skills workshops, face-to-face sessions with workplace seniors, and visits to offices to understand work processes, we enhanced students' vocational skills and supported their high-quality employment.

In 2024, ZTE actively promoted the application of AI in recruitment. Through the optimization of digital platforms, we achieved data visualization, smooth processes, and efficient recruitment management, providing one-stop recruitment services. We not only realized precise and efficient resume matching but also enhanced the transparency of the recruitment process by publicly displaying resume review progress online, ensuring fairness in recruitment.

The company supports the employment of persons with disabilities by providing suitable jobs or providing various forms of support for them in places including ZTE Changsha Base and other offices in China, Japan, France, South Africa, and Spain.

- 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 South Africa, ZTE sponsors 6-12 individuals with disabilities annually for re-employment training and provides them with a monthly living allowance. Through training, these individuals have all returned to the workforce.

- In Spain, ZTE ESPANA SL works closely with the Adecco Group Foundation on the employment of persons with disabilities. Through job training and digital schools, persons with disabilities acquire job skills and are able to adapt to work environments. Meanwhile, public activities are held to raise disability awareness, so as to create a more inclusive and favorable environment.

ZTE takes a series of measures to prevent child labor, including identity verification via the recruitment system and ID card reading during the admission 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 2024, no instance of child labor was 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 2024, no instance of forced labor was found in ZTE.

Employee Performance Management

To promote employees' career development and encourage them to improve work performance, ZTE has established the *Employee Performance Management Process*, which clarifies the dimensions of employee performance appraisal, the formulation of performance plans, and the performance management process.

Employee performance management follows the principles of closed-loop management, objectivity, fairness, and transparency. The dimensions of employee performance appraisal include individual performance, compliance behavior, attitude and conduct, as well as capabilities, with individual performance being the primary focus. The company organizes the formulation of the employee performance plans every half year, requiring mutual communication between management members and employees and the completion of performance plans together. The plans shall be publicized within the department.

For the performance appraisal cycle: employees in production lines are evaluated once a year, while other employees are evaluated once every six months. All employees working for over one month after the end of probationary period are included in the appraisal. 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 Department. The handling result will be provided in a timely manner. For employees who fail to get good results in appraisals, the management 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 make outstanding value contributions.

The company stuck to the principle of "value contributor-oriented", and built an incentive mechanism that prioritizes personal performance and contributions. In this way, employees are encouraged to create values, keep sharing, and shoulder responsibilities. With talent review and performance appraisals, the top value contributors are 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.

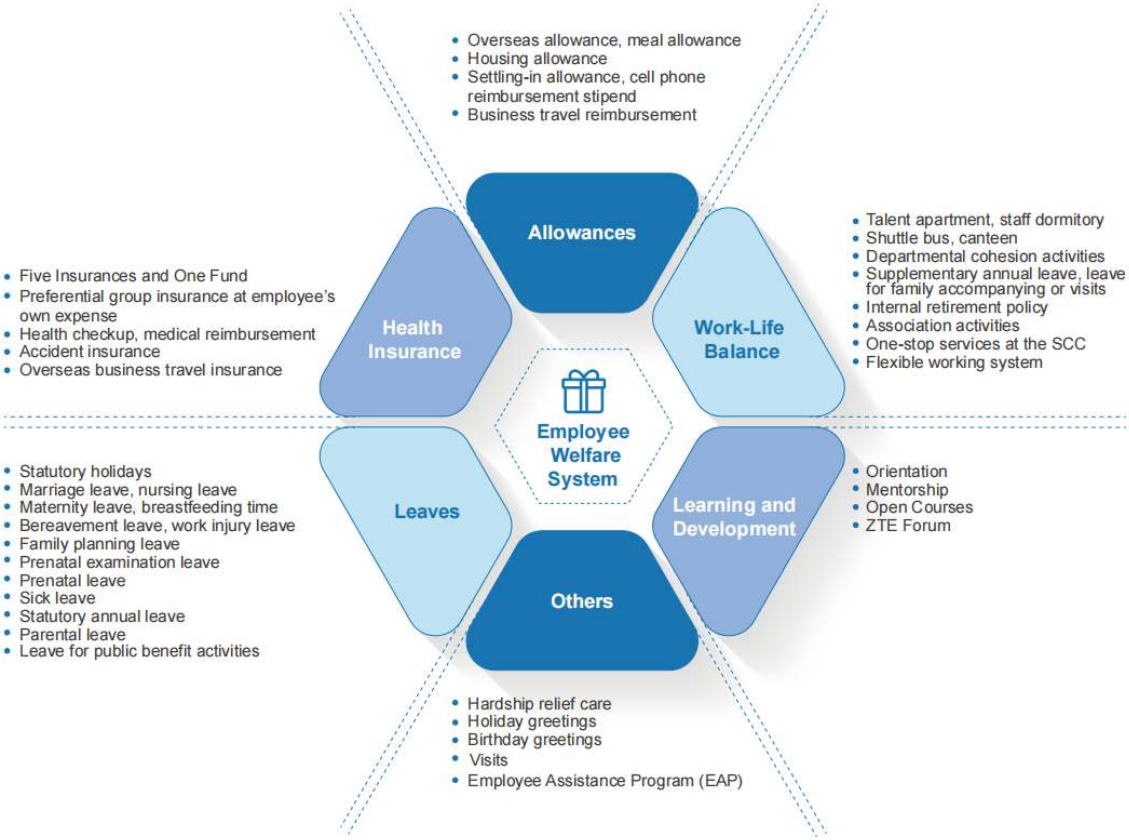
In 2024, as the specified conditions for the incentive payout were met based on the "Three-Year Incentive Plan 2022–2024", the company fulfilled the incentive rewards for the recipients. In addition, the company issued a certain number of additional shares to better motivate and retain employees with high potential and outstanding performance.

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. Among the above awards, Gold and Silver Awards, as the highest honor for role models, have a history of 16 years. To date, more than 400 employees who have made outstanding contributions, have won this award and continued to achieve further career development.

Continuously Enhancing Employee Benefits

ZTE has been upgrading its employee welfare system that covers many aspects in life and at work.



ZTE's Employee Welfare System

Case: Employee Care and Family-Friendly Policies

To help employees who are parents better balance work and family life, we offer a range of leaves and benefits:

Prenatal Period: ZTE has issued the *Regulations on Prenatal Leave,* allowing eligible female employees to apply for prenatal rest leave from the start of their pregnancy. In 2024, hundreds of female employees applied for prenatal rest leave.

Postnatal Period: ZTE legally provides female employees with statutory maternity leave and nursing leave, and offers paternity leave to male employees. We have established 32 nursing rooms in various locations for breastfeeding mothers. In 2024, the return-to-work rate for female employees after childbirth was 100%, and over a thousand male employees applied for paternity leave.

ZTE annually organizes unique activities for female employees and family-oriented events. In 2024, we launched a ten-city joint celebration for International Women's Day and a series of "Joyful Date · Colorful Children's Day" activities for Children's Day.

To address the issue of childcare for school-age children during vacations, in July 2024, we piloted our first summer Childcare Classes in Shenzhen. The Childcare Classes event offers homework tutoring, arts and sports activities, handicrafts, traditional Chinese literature recitation, intellectual children's games, and outdoor sports. Employees can drop off their kids in the morning and pick them up in the evening, proving the classes as a great help to working parents.

ZTE arranges a free health check-up for all employees annually and organizes a wide range of cultural and sports activities. In 2024, we organized 37 company-wide cultural and sports events and over 1,000 specialized theme-based and festive activities, including various sports competitions, karaoke contests, concerts, and open days for overseas employees' families. These activities enriched employees' leisure lives and enhanced their sense of cohesion.

ZTE invites employees from around the world to participate in headquarters activities organized annually. In 2024, the 5th "We Love ZTE" summer camp was held, gathering employees and their families from 30 countries in Shenzhen to strengthen the cultural connection between the headquarters and frontline offices. Overseas, representative offices in various countries or regions organized a variety of cultural activities during Christmas, Eid al-Fitr, Halloween, Thanksgiving, and traditional Chinese festivals, promoting multicultural exchange and integration.

Organizational Optimization of the Trade Union

In 2024, our Trade Union Committee completed its transition election. Employee representatives and union members, as well as trade union group leaders, were elected through a public voting system by union members. The election results were publicized and then, if there are no objections, the appointments are made. A total of 369 employee representatives and union members, and 481 trade union group leaders were elected. In 2024, the trade union member representative assembly was convened 4 times online, and the employee representative assembly was held 9 times. The employee representative assembly reviewed and approved 33 important regulations and work reports related to employees' vital interests, including the *Management Process for Allowance of Remote Hardship Areas*.

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

Effective Communication with Employees

ZTE always values the voice of employees and is committed to creating an open and honest two-way communication environment, valuing and promptly responding to employees' concerns.

On zService, all suggestions, issues, and inquiries raised by employees can be conveniently submitted, tracked, and completed in a closed loop. In 2024, zService processed over 190,000 documents, with a user base exceeding 59,000 and a satisfaction rate of 96.1%, marking improvements for three consecutive years.

In November 2024, a third-party human resources management consulting firm independently conducted an employee engagement survey for all employees. This survey serves as one of the company's important communication channels. By analyzing employees' opinions, the survey diagnosed issues and risks in various management factors affecting employee engagement within the organization. This enables the management to formulate, improve, and optimize relevant policies in a targeted manner to support the achievement of our strategic goals. The survey results are not used for any organizational or individual performance appraisal.

The management at all levels of ZTE listen to employees' voices through group discussions, lunch meetings, dinner meetings, and team-building activities, valuing the implementation of issues that are frequently raised by employees.

Case: Meetings of "Blue Sword" Members with Top Executives

ZTE's "Blue Sword" program has attracted a continuous influx of highly skilled and innovative talent making significant contributions to the company in their respective fields. Annually, ZTE organizes communication sessions between executives and members of the "Blue Sword" program. In October 2024, our CTO, who is also Executive Director and EVP, along with management members from R&D, Human Resources, and other relevant departments, engaged in discussions with over 400 "Blue Sword" members globally. They exchanged views and provided responses on topics such as corporate strategy, product positioning, business and technology directions, as well as personal growth and career development.

Smooth Career Development

ZTE has established a comprehensive career development system, allowing employees to continuously deepen their expertise or switch among three different career development paths: managerial, professional, and project management based on their own preferences.

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. The *Management Process for Employee Position Appointment* clarifies career development pathways. We organize position appointments annually, which are solely based on employees' skills and work experience. In 2024, over 23,000 employees were promoted through the position appointment process. Each department regularly organizes employee evaluations and promotions. And for employees who meet skill standards and position promotion requirements, we issue national vocational skill level certificates alongside their promotions.

In 2024, we provided more opportunities for outstanding employees to advance. The promotion mechanism was optimized, allowing high-performing employees to apply at any time and receive timely incentives. Experts with significant contributions were promptly promoted.

For employees seeking job transfers, ZTE has established an integrated information platform covering the entire process from "internal recruitment" to "internal transfer," enabling efficient talent mobility. In 2024, over a thousand employees successfully transferred to new positions through the internal platform.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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 2024, over 99.2% 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 2024 were 96.58 and 97.97 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.

As the level-zero capability center, ZTE Global Learning & Development Center is responsible for defining the overall learning and development framework and strategy, building learning platforms, sharing resources, and providing professional consulting and coaching to capability centers. We have established 26 first-level capability centers based on 26 major job categories or professional fields, with each center focusing on the learning and development of a specific professional area. These capability centers are positioned above business units so as to break administrative boundaries, strengthen professional integration, and align talent development closely with business growth, thereby enhancing organizational capabilities.

Strategy and Management Mechanism

ZTE Global Learning & Development Center keeps a keen eye on changes in the external environment and internal corporate strategies, to accelerate the knowledge renewal of employees, optimize knowledge structures, and broaden horizons.

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 of 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.

ZTE organizes quarterly and annual learning and development evaluation activities, hosts learning activities such as the Learning Festival, Xinghuo Award, Premium Video Course Competition, and Gold Trainer Competition to create a positive learning atmosphere and promote employee capability enhancement.

Risk and Opportunity Management

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.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	If there is a lack of control over capability centers, it may affect the effective implementation of capability development tasks and the building of a learning organization.	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	Our comprehensive employee learning and development and talent cultivation system can accelerate employee growth, enhance our brand and market competitiveness, and bring potential business opportunities.	Medium	High	Continuously build an agile learning organization and advocate 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

To accelerate the growth from new employees into "ZTE Youth" with "dedication, professionalism, and expertise," our new employee development program is designed in three phases: "corporate-level cultural induction," "system-level professional development," and "department-level job practice." Through six-month training and practice, the program provides comprehensive empowerment for new employees.

In 2024, ZTE launched two innovative cultural practice activities: "Culturally Positive Guidance–Role Models" and "Culture First—Public Welfare Experience." For the first activity, each learning group was assigned a corporate-level role model as a mentor and new employees were guided to follow the behavior guidelines of "cooperative, pragmatic, professional, and responsible." During the training period, we provided new employees

with opportunities to participate in public welfare activities and established the last Saturday of July each year as "ZTE Youth Public Welfare Day." This initiative called on young talent to understand the corporate cultural spirit through public welfare practice and convey our sense of social responsibility.

In 2024, international trainers still played a crucial role in employee capability enhancement in over 40 countries. We invited gold and silver medal-winning trainers and organized fun interactions between Chinese and local new employees. This enhanced the local employees' sense of pride, mission, and value, strengthened their sense of belonging and identification with Chinese employees, and helped them faster integrate into their teams.

■ **Cultivation of R&D and Technical Talent**

For the cultivation of R&D and technical talent, the company provides all-around programs, including the "Blue Sword" program, ZTE Youth Awards, training program for Young Leading Talent, and Lectures by Experts. To enhance the AI capabilities of R&D staff, we introduced 400 online AI courses, 16 AI thinking courses, and several specialized courses through internal and external collaborations. In 2024, ZTE successfully held 22 technical classes, 12 industry-research technology lectures, 5 technical conferences, and 2 practical competitions. The 9th ZTE Technology Conference was one of these activities, which introduced cutting-edge technologies, extracted best practices, and comprehensively improved the technical skills of R&D personnel.

- **"Blue Sword" program:** In 2024, the company continued to provide exclusive development channels for Blue Sword talent and included them in a special training program, which provided two mentors (one for professional capabilities and one for career development) and dedicated training sessions, and assigned challenging tasks. In this way, the talent can have exchanges with both ZTE's chief scientist and senior experts in core business fields, and also with prominent figures from the industry. For "Blue Sword" talent, ZTE also conducts ongoing training, meetings with top executives, and team building activities in various cities. With continual efforts, dozens of "Blue Sword" talent became senior experts or management members. They have published papers and patents, and won multiple awards both in and outside the company.

- **Training program for Young Leading Talent:** Focusing on fields of key technologies, the company selects 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 problems. In 2024, some of them were appointed as management members. The company encourages mentors and mentees in this program to deliver lectures, and 11 of them took the podium to share cutting-edge knowledge with employees. Meanwhile, through the Young Leading Talent Training Camp and the Second Young Leading Talent Sports Games, the talent can have more exchanges with external experts and professors. In 2024, ZTE's young leading talent made major technological breakthroughs in many projects, with some winning awards both in and outside the company.

- **Developing International Talent Teams**

Local Marketing Talent

- To further enhance the capability of local marketing employees to take on core project roles and handle critical project scenarios, in 2024, we conducted over 180 sessions of various training activities covering 100% of local marketing employees, such as online live training, regional customized training in classrooms, specialized capability boot camps, practical experience salons, and O2O learning challenges. By the end of 2024, the number of local marketing employees certified for core project roles had increased nearly fivefold compared to the end of 2023. Our learning platform for local marketing employees, Bee Global, achieved over one million clicks in 2024, providing strong support for employees to learn anytime and anywhere.

Local Engineering and Service Talent

- To continuously improve the overall capabilities of local employees and increase the localization ratio in international engineering and service businesses, we developed a capability enhancement plan. The plan included such programs as: visits to China for training, training camps, Local Expert Training (LET) camps, and global service forums. These programs covered professional areas such as engineering, technology, and service, and reached 100% of local engineering and service personnel. In 2024, through sustained efforts, the proportion of core roles undertaken by local employees in engineering and service delivery projects reached 80.6%.

Case: ZTE's First Gold Trainer Competition in Spanish

On August 30, 2024, the final round of ZTE's first Gold Trainer Competition (in Spanish) was held. The competition

attracted outstanding Spanish-speaking trainers from over 10 countries and regions worldwide. After fierce preliminary rounds, five contestants emerged as finalists. Their course topics covered cutting-edge technologies and were closely aligned with core business areas such as project management and compliance. Using diverse teaching methods such as guided instruction and case analysis, the trainers combined theory with practice, earning high praise from judges and the audience.

In this rapidly changing era of globalization, the flows of knowledge have transcended national boundaries, and cultural integration has become an unstoppable trend. To maintain high competitiveness in this age, ZTE must possess frontier knowledge with a global perspective. The inclusion of overseas local trainers in training local employees is an important step towards achieving this goal.

■ **Developing Supply Chain Talent Teams**

- **Cultivating Talent from Digitalization to Intelligent Digitalization in the AI Era:** In 2024, we systematically designed learning and practice programs for talent in the fields of 5 key intelligent technologies (large models, machine vision, machine learning, operations research, and RPA). Through project-based operations, over 300 intelligent digitalization talents were identified. After systematic training, these talents played a core role in the implementation of the supply chain's digital transformation strategy 2.0.
- **ZTE Manufacturing Technology College:** This is an internal training institution established by ZTE to cultivate professional talents in various levels of process technology. It has obtained the certification of the "Electronic Information Talent Capability Enhancement Project Training Base" from the Chinese Institute of Electronics, and its curriculum has been integrated into the continuing education system recognized by the Ministry of Human Resources and Social Security. In 2024, we restructured the college's curriculum system by setting up five majors—warehousing and distribution, electronic assembly, complete machine process, production management, and intelligent manufacturing. Over 110 hours of new courses were developed to cultivate hundreds of manufacturing technical talents, with 508 hours of internal training delivered.
- **Academic Advancement:** We have partnered with 4 vocational schools for associate's degree and 8 vocational schools for bachelor's degree to provide employees with opportunities for academic advancement. By the end of 2024, nearly 1,100 people had registered, with 95 admitted in 2024, including 21 female employees, accounting for 22.1%. In 2024, in the two key vocational schools in Guangdong province, 197 employees were participating in the academic advancement program while working for ZTE.

Case: Training in CSR

In 2024, ZTE took the following actions related to training in CSR:

- Developed the course "Supply Chain Legal Risk Scenarios and Essential Knowledge for Labor Employment", conducted training for level 3 and level 4 management members of the supply chain, and included it as a mandatory course for newly appointed supply chain management members.
- Invited a third-party professional organization to conduct a two-day CSR general knowledge training session for nearly 300 CSR-related personnel from the administration, production, quality, procurement, and other departments. The content covered environment, health and safety, human rights and labor, and management systems.
- Conducted CSR training at production bases, covering topics such as human rights and labor, health and safety, environment, and business ethics. Over 3,000 employees took the training.
- Organized EAP training for nearly 500 frontline production managers, including team leaders, on topics including "non-violent communication and self-healing" and "emotional and stress management".
- Conducted training for all security personnel (including both company-employed and outsourced security staff) based on the *Regulations on Security Service Management* and the fraud risks faced by security personnel, achieving a 100% training completion rate.

■ **Building the Management Team**

- **Leadership Program:** In 2024, the leadership training sessions for management members, themed "Forging Ahead with Entrepreneurial Spirit," were designed around three aspects: "Learning," "Reflection," and "Insight." The program integrated multiple learning models and provided customized leadership training solutions. The training courses covered ZTE's strategy, product competitiveness, organizational management, leadership enhancement, and macroeconomic trends, systematically improving the leadership and management capabilities of the trainees. Throughout 2024, a total of 17 training sessions were conducted, reaching over a thousand management members.
- **Training program for frontline managers:** This training program is designed to improve the key capabilities of frontline managers, so as to support the fulfillment of ZTE's strategic goals. In 2024, ZTE held intensive training sessions in each level-2 unit, which involved over a thousand trainees.

Metrics and Targets

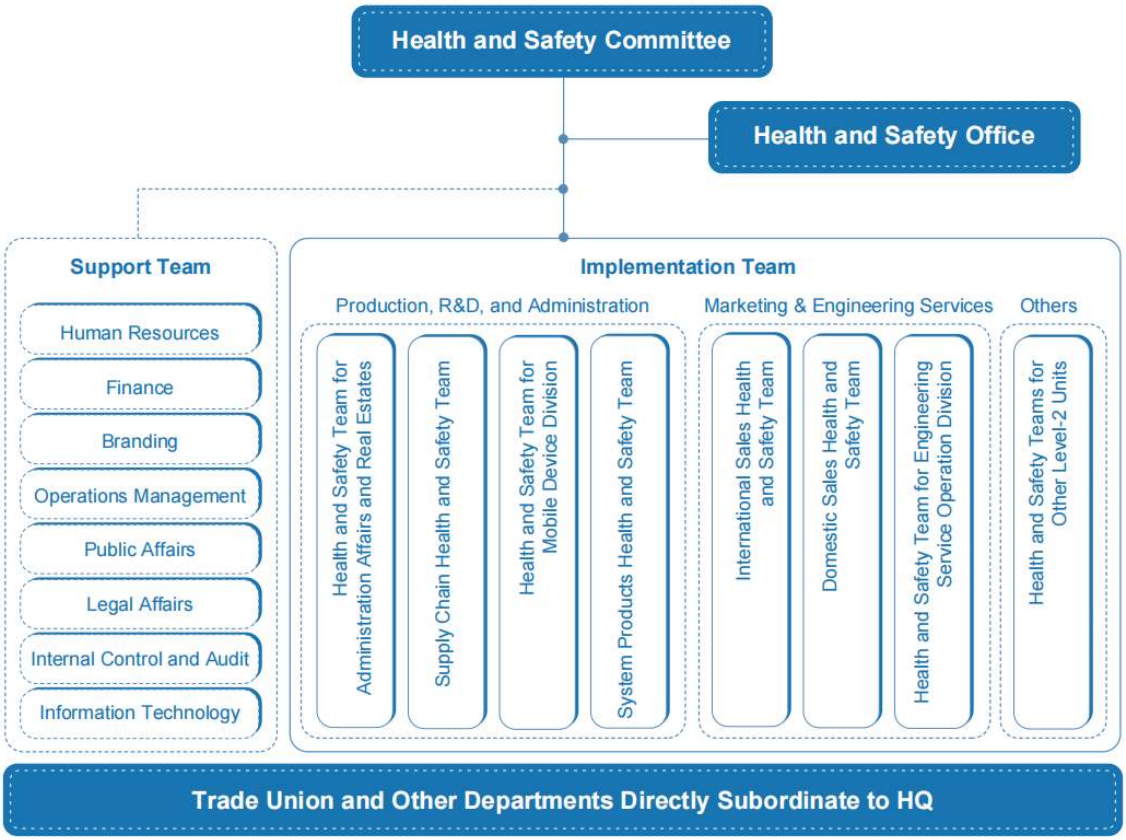
Topic	Target	Key Metric	Achievement in 2024

Employee Capability Enhancement	To 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 88.72 points. ■ Rate of senior experts giving lectures reached 70.5%.

Building a Healthy and Safe Workplace

Governance

ZTE's Health and Safety Committee is composed of the Director of the Committee, the corporate-level health and safety director, and the health and safety director of each level-2 business unit. In addition, a Health and Safety Office is established under the Committee. The Director of the Committee is held by the company's Executive Director and EVP in charge of Human Resources. The committee members include the chairman of the trade union, the general manager of the Human Resources Dept., the Chief Health and Safety Officer (Production Safety Director), the director of the Health and Safety Office, and the health and safety director of each level-2 business unit. The health and safety director of each level-2 business unit is responsible for the health and safety management in his or her respective units. A health and safety manager is assigned to each level-2, level-3, and level-4 business unit, and assists the Health and Safety Office in implementing health and safety management of each business team.



ZTE Health and Safety Management Structure

Strategy and Management Mechanism

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) which 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. All in all, we are committed to creating a positive health and safety culture, ensuring the building of a proactive health and safety management and behavior culture centered on "I want to be safe."

ZTE has formulated comprehensive health and safety policies and documents to guide departments in implementing employee health and safety management, including: *Management Regulations on the Organizational Structure and Operating Mechanism of the Health and Safety Committee*, *Regulations on the Management of Fire Protection*, *Occupational Health Management Regulations*, *Regulations on Hazard Identification and Risk Grading Management and Control*, *Management Regulations for the Inspection of Health and Safety and the Check and Governance of Potential Hazards*, *Regulations on Health and Safety Training Management*, *Regulations on Investment in Production Safety Assurance*, *Management Regulations on Ergonomic*, *Health and Safety Behavior Requirements and Rewarding and Punishment Regulations*, *Regulations on Emergency Preparedness and Response Management*, and *Process for the Reporting and Management of Occupational Health and Safety Accidents*.

In 2024, we also set down the *Regulations on Lithium Battery Safety Management* in response to business needs, specifying safety requirements for lithium batteries in procurement, transportation, storage, use, and disposal. We also revised the *Management Regulations on the Use of Sport and Recreation Sites* which specifies the daily management and safety regulations for gyms and fitness equipment.

Risk and Opportunity Management

In line with national requirements for dual prevention mechanisms in production safety and the risk management mechanism of 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. The company takes a variety of measures, such as publishing risk maps, conducting regular inspections, training employees,

carrying out emergency drills, and organizing third-party certification, to continuously improve the health and safety system and ensure employee health and safety.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	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**

- Publication of Health and Safety Risk Maps and Identification of High-Risk Areas: To address internal potential safety hazards, the company regularly updated and publicized the *ZTE Health and Safety Risk Map* and *ZTE Equipment Medium- and High-risk Map*. These maps provided essential tools for identifying and locating risks, ensuring comprehensive and precise detection of safety hazards.

- Health and Safety Inspections and Hazard Rectification: In 2024, the company completed 31 corporate-level regular inspections and spot checks, 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 164 key hazards

were identified and addressed.

- Third-Party Certification and Health and Safety Management System Construction: ZTE continued to pursue third-party certification for its health and safety management system. In 2024, we successfully achieved ISO 45001 certification 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.
- Enhancement of Safety Awareness: We leveraged our internal learning platform to release various health and safety training videos, enabling employees to access online learning at any time. Through company-wide emails and internal social media channels, ZTE regularly publicized health and safety culture initiatives, such as the "Safety Training Manual 2024" series cartoons and typical accident case studies. In 2024, training videos on warehouse and laboratory safety management were launched to enhance the practical risk control and hazard detection capabilities of relevant safety managers. Training videos on high-place operation safety management, safety management for temporary electrical installations, and hot work safety management were updated to further strengthen safety management for hazardous operations. Additionally, a video titled "interpretation of occupational safety and health laws and regulations - case edition" was released to improve the compliance awareness and capabilities of management and safety personnel.
- Health and Safety Training and Employee Capability Enhancement: Based on job requirements, ZTE regularly conducts health and safety training to ensure that employees receive "3-level safety education" before taking on their positions, equipping them with necessary safety operation and emergency response knowledge. In 2024, ZTE organized retraining for safety production management personnel and completed specialized training for the certification of national registered safety engineers, with 3 additional individuals being certified. Meanwhile, 44 employees completed the required retraining for the international first aid certification by the AHA, and 748 more employees obtained general first aid certificates.
- In June 2024, ZTE successfully held the 7th Health and Safety Forum in Changsha with the theme of "Accident Management." The forum attracted over 160 attendees, including representatives from local government, emergency management bureaus, fire brigades, the National Work Safety Association, Central South University, and safety management consulting firms, as well as management personnel from ZTE's partners in the fields of engineering services, product manufacturing, and administrative services. The forum provided a platform for in-depth discussions and exchanges on health and safety management, particularly accident management, to further improve the building of the coordinated health and safety management system and jointly promote innovation in safety management.
- 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 practices and effective responses to changes in external regulations. In 2024, in collaboration with external consulting firms, ZTE conducted a legal and regulatory compliance evaluation for Changsha Base and released monthly progress reports to ensure the implementation of corrective actions.
- In 2024, ZTE continued to strengthen emergency management for accidents, with a focus on projects such as enhancing the emergency response capabilities of rescue teams, improving employees' "Four Understandings and Four Abilities" in fire safety, personal safety management overseas, and special rectifications for electric vehicle safety.

Case: Enhancing "Four Understandings and Four Abilities" for Fire Safety

To improve safety awareness and capabilities among all employees and gradually shift the focus of a safety culture from "I need to be safe" to "I want to be safe," we launched a series of activities in 2024 to popularize fire safety knowledge. These activities included training by professional trainers, company-wide promotional videos, simulation drills, and knowledge-sharing sessions as part of the "Ankang Cup" Health and Safety Competition. Additionally, we assessed employees' understanding of fire safety knowledge through questionnaires and tests to ensure the effectiveness of these educational activities.

- In 2024, ZTE conducted a total of 506 health and safety emergency drills, including 15 comprehensive drills, 189 specialized drills, and 302 onsite response drills (at key locations). To enhance the emergency response capabilities of rescue teams, external emergency experts were invited for multiple onsite training sessions. ZTE also optimized emergency response plans, organizational structures, and emergency supplies. Emergency drills were organized across 5 major domestic platforms and 21 parks, with 468 participants. Additionally, 29 emergency drills were conducted across sales offices in China, involving 2,084

participants.

- **Mental Health Services for Employees**

ZTE has always attached great importance to employee mental health and continuously implemented the EAP psychological support program. The program provides psychological assistance to employees through various channels, including face-to-face and telephone counseling, video counseling, and external referrals. In 2024, we provided a total of 1,405 instances of psychological counseling services to employees.

In 2024, we organized 48 training sessions on mental health and emotional management, such as "Be the Master of Your Emotions," "Emotion and Stress Management," and "Non-violent Communication and Self-healing." Additionally, 13 EAP courses were launched on the iLearning platform. These initiatives aimed to enhance employees' emotional management skills and communication techniques, thereby promoting teamwork and maintaining individual mental health.

- **Health and Safety Management of Subcontractors**

ZTE's health and safety policy covers all activities of subcontractors within ZTE. The *Regulations on Health and Safety Training 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 implements strict training, assessment, introduction control, and process monitoring systems for partners engaged in construction work within ZTE premises. For hazardous operations such as high-altitude work, temporary electricity use, and hot work, subcontractor personnel must hold valid operation certificates and pass assessments in ZTE-organized health and safety training before they can officially start work. During construction, ZTE provides specialized training or retraining for partners based on changes in onsite risks and issues identified during supervision, and has developed a series of safety operation training materials for this purpose. ZTE continuously supports partners in improving their safety management capabilities through daily self-inspections, project team spot checks, remote inspections, onsite inspections, and regular/irregular meetings.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Employee Health and Safety	To achieve systematic safety management and become an industry benchmark.	■ Completion rate of special equipment registration certificates: 100% ■ Certification rate of special operation personnel: 100%	100% for both completion rate of special equipment registration certificates and certification rate of special operation personnel
		■ 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 economy is complex and full of uncertainties, and supply chains continue to face new adjustments and challenges. Guided by the SPIRE strategy, ZTE's supply chain integrates the latest insights and unique characteristics of the industry, and actively explores and practices innovation-driven capability evolution to deliver greater value for the industry alongside its partners.

Supply Chain Security

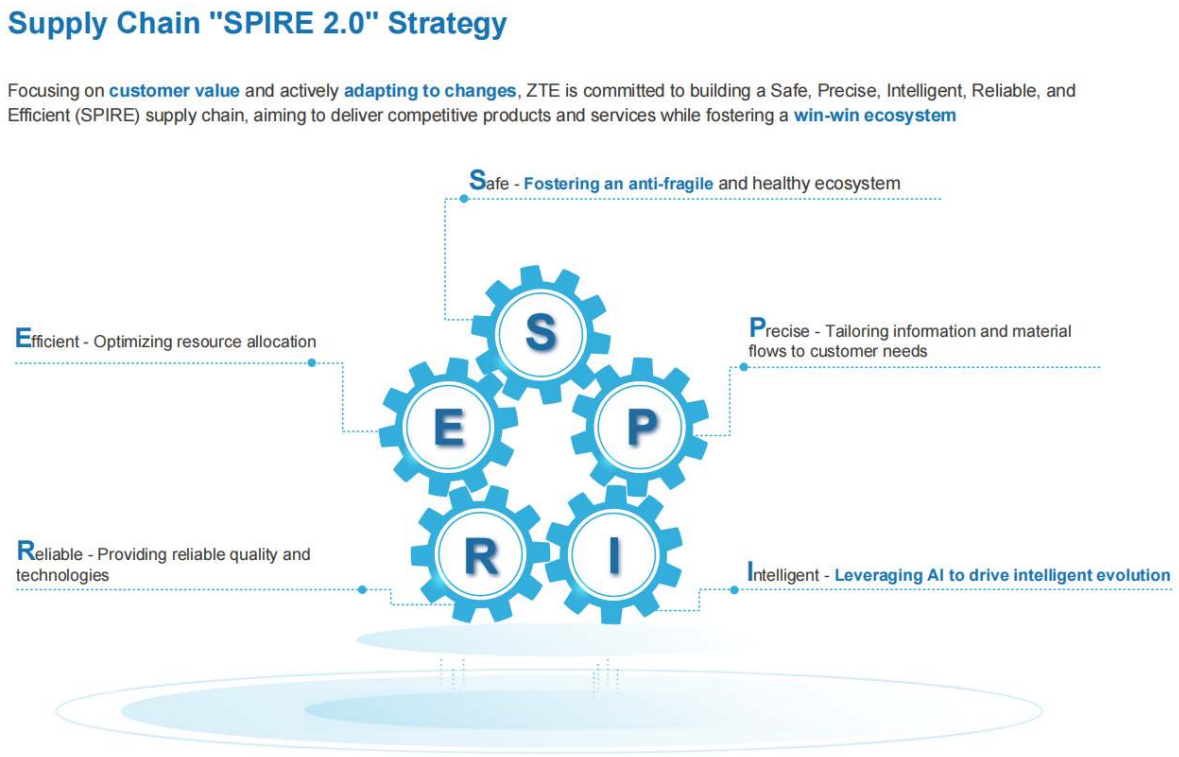
Governance

ZTE strives to strengthen the forecastability, immunity, and adaptability of its supply chain and ensure business sustainability. To this end, ZTE has established and refined its comprehensive supply chain security management system in accordance with the ISO 28000:2022 standard, based on the existing 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.

The company has set up a Supply Chain Security Committee, with sub-teams in procurement, manufacturing, delivery, and quality, working closely with physical security, information security, and environment, health, and safety teams. In this way, the committee is fully in charge of the supply chain security management system, ensuring the safety and stability of the supply chain through comprehensive collaboration. The committee is led by the company's Senior Vice President and President of Supply Chain.

Strategy and Management Mechanism

In 2024, ZTE further reinforced its SPIRE strategy for the supply chain, enhancing anti-fragility and security, optimizing internal processes, actively exploring the application of AI in high-value scenarios throughout the supply chain, and continuously advancing the application of intelligent technologies to enhance the supply chain's stability and capability of handling uncertainties.



ZTE Supply Chain "SPIRE 2.0" Strategy

In 2024, ZTE updated its supply chain security management policy, emphasizing "One step forward, swift response, proactive prevention, and effective mitigation."

- Procurement: By building a layered defense system spanning the process from product design to order delivery, ZTE has developed comprehensive and dynamic risk management strategies, including global procurement, early planning for critical materials, pre-stocking of high-risk materials, and fostering stable, long-term partnerships with suppliers to ensure supply chain security.
- Manufacturing: ZTE has established five major manufacturing bases in Shenzhen, Heyuan, Nanjing, Changsha, and Xi'an. These bases operate in a coordinated manner, enabling mutual backup for greater production flexibility and resilience.
- Delivery: The supply chain works closely with customers and marketing teams to develop tailored delivery plans based on project needs and timelines, ensuring timely delivery.

Risk and Opportunity Management

Based on the characteristics of supply chain security and the company's risk management framework, ZTE has formulated the *Regulations on Supply Chain Security Threat Identification and Risk Assessment Management*. We regularly review and update the *Summary of Supply Chain Security Threat Identification and Risk Assessment* throughout the year. So far, the identified threats and risks include those arise from physical damage, operations, natural disasters (such as earthquakes, typhoons, floods), stakeholders, and information and data management. The supply chain security team assesses the identified threats and risks, classifying and prioritizing them as high, medium, or low levels based on a risk assessment model, and develops targeted control measures for high and medium risks.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	Insufficient anti-fragility hinders effective response to supply chain security incidents.	Low	Medium	Continuously reinforce the SPIRE strategy, enhance anti-fragility and security, optimize supplier management, inventory control, production planning, and other aspects to improve supply chain stability and emergency response.
	Over-reliance on a single supplier leads to supply disruptions.	Medium	High	Promote diversity in procurement, build a robust network of resources and channels, empower suppliers, enhance anti-fragility, and continuously improve both supply chain and value chain resilience for reliable material supply.
	Manufacturing base capacity issues lead to failure in meeting delivery requirements.	Medium	Medium	The five major production bases in Shenzhen, Heyuan, Nanjing, Changsha, and Xi'an operate in a coordinated manner, enabling 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 management of supply chain, enhance information transparency, monitor the 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, promoting business development.	Medium	Medium	Take one step forward, respond swiftly, engage deeply in business, make innovative breakthroughs. Based on the company's principle of "stabilizing, strengthening, and upgrading the supply chain," build anti-fragility capabilities and continuously enhance supply chain security and resilience, ensuring uninterrupted supply chain operations and business sustainability, and safeguarding and creating value.

Annual Progress

- **Establishment of Emergency Response Mechanism**

Since the beginning of 2024, ZTE's supply chain business modules have implemented incident reporting mechanisms with defined timelines, and set up internal communication groups to ensure swift reporting and handling of emergencies. For all the global incidents reported in 2024, such as theft, typhoons, and heavy rains, the company has responded in a timely manner.

- **Digital Tools for Supply Chain Risk Management**

ZTE has leveraged digital tools to develop predictive models for typhoons, floods, and other disasters, simulating potential damage to communication equipment and preparing rescue resources in advance to accelerate disaster response. In 2024, during the emergency response to typhoon "Yagi" in Hainan province and the heavy rain in Huludao city, Liaoning province, the company put the model to test, predicting potential damage and required resources. Based on this model, ZTE prepared materials, planned freight solutions, organized support teams, and delivered disaster relief equipment swiftly, winning time and earning high recognition from customers.

- **Resource Diversification and Supplier Empowerment**

To expand resource diversity, ZTE has identified key suppliers and fostered deeper collaboration ties.

Since 2022, ZTE has included the enhancement of suppliers' Business Continuity Management (BCM) capability into its annual plans, providing training for key suppliers. In 2024, the training scope was expanded to include logistics service providers and second- and third-tier material suppliers. Additionally, ZTE continues to strengthen the BCM capabilities of property management subcontractors by collaboratively developing BCM plans and organizing joint drills. By the end of 2024, ZTE had facilitated 15 key suppliers to obtain the ISO 22301 certification.

- **Multi-Base Capacity Sharing for Production Flexibility**

ZTE has mapped out the risks and risk scenarios across its five major manufacturing bases, creating a risk roadmap to visually manage different safety risks originating from hazardous chemicals, special equipment, high temperatures, etc. This enables quick identification, accurate assessment, and effective risk management, with measures taken to reduce risks and achieve rapid capacity backup.

- **Integrated Drills for Joint Operations Across Multiple Scenarios**

In 2024, ZTE collaborated with upstream and downstream business units and stakeholders to strengthen end-to-end, multi-scenario BCM drills. Throughout the year, 10 BCM drills were organized, covering various scenarios, such as data center network interruptions, theft, and production and supply disruptions caused by heavy rain, earthquakes, and extreme weather. To ensure production continuity, the company developed coping strategies including capacity transfer, production plan adjustment, and personnel scheduling to adapt to disruptions of various lengths of time.

- **Enhancing Supply Chain Security Capabilities**

ZTE continues to improves its internal capabilities and actively engages in exchanges with external stakeholders to share best practices in supply chain security.

Internally:

- Held 4 BCM training and exchange sessions across different systems, discussing collaborative execution of BCM initiatives.
- Developed a supply chain BCM management video course titled *Building a Business Continuity Management System*.
- Invited external experts and ZTE's Chief Security Officer to provide security training for supply chain management members.

Externally:

- Delivered BCM training to over 150 participants from more than 100 suppliers.
- Actively participated in industry forums to share supply chain security practices, such as the presentation of *Digital Intelligence Empowering High-Resilience Supply Chain* at the Global Industrial Chain Supply Chain Digital Economy Conference.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
Manufacturing Security	No disruptions in the manufacturing business	Manufacturing disruptions caused by anomalies: 0	There were no cases of incomplete tasks in the company's manufacturing due to anomalies.
Business Resilience in High-Risk Scenarios	Continuously enhance business continuity in high-risk scenarios	Improve power supply and capacity guarantee strategies for high-risk scenarios such as power outages	Measures were implemented to ensure uninterrupted power supply to key locations and optimize resource-sharing plans across regions, sites, and personnel in high-risk scenarios such as power outages.

Supplier CSR Management

Governance

ZTE's Procurement Board serves as the decision-making body for procurement operations. It is responsible for guiding and making decisions on procurement strategy, policies, supplier onboarding, supplier selection, and handling of supplier violations, as well as procurement capability development. The Procurement Board 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 Procurement Board with other committees, including the Strategy and Sustainability Committee and the BCM Committee.

The Procurement Board operates through regular meetings (at least 4 meetings annually) and real-time decision-making.

ZTE has embedded the basic requirements and key actions of supplier CSR management into the company's business processes at each critical stage of the supplier's business lifecycle. The Supplier CSR Director collects information on CSR-related regulations, industry standards, best practices, and customer CSR requirements, incorporates them into supplier management processes and ensures timely updates, and plans the overall CSR management requirements for suppliers. Supplier Quality Engineers (SQEs) organize CSR audits on suppliers and follow up on their rectification of non-conformities. Certification engineers and management engineers implement specific CSR management requirements for suppliers, including collecting supplier CSR self-assessment forms, arranging for suppliers to sign CSR agreements, conducting supplier CSR risk assessments, participating in supplier CSR audits and providing guidance, and handling CSR violations by suppliers. Failure to meet supplier CSR management requirements may affect the work quality scores of procurement personnel, potentially affecting their semi-annual performance appraisals.

Strategy and Management Mechanism

Supplier CSR management is one of the key parts of the SPIRE strategy. ZTE continuously enhances supplier CSR management practices to build a healthy and green ecosystem, extending these efforts to suppliers of our suppliers.

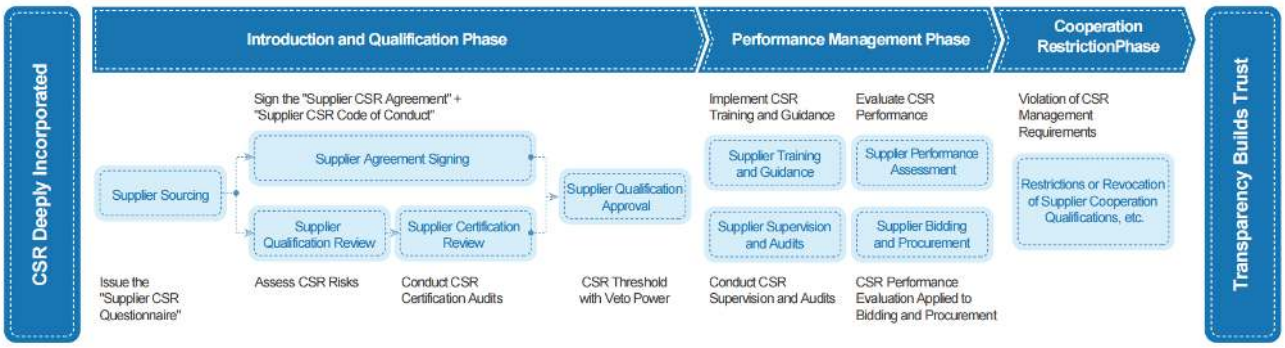
ZTE incorporates sustainability requirements into supply chain management, requiring suppliers, including their downstream suppliers, to adhere to the same standards, which cover

- Legal Compliance: Compliance with all applicable laws, regulations, and standards in the countries or regions where suppliers operate. Suppliers must adhere to all relevant laws and regulations related to anti-corruption, anti-bribery, fraud, money laundering, and unfair competition. Suppliers are strictly prohibited from engaging in bribery, corruption, fraud, money laundering, unfair competition, or supporting any illegal armed activities.
- Environmental Protection: Reducing environmental impact and pursuing green, low-carbon transformation. ZTE continues to expand the scope and proportion of green procurement by avoiding the use of any harmful substance and promoting the use of low-carbon, recyclable materials and packaging. ZTE empowers suppliers with dual-carbon governance methodologies, encouraging them to set and implement emission reduction targets and publicly disclose their progress to jointly reduce greenhouse gas emissions across the supply chain.
- Human Rights and Labor: Respecting all internationally recognized human rights, including those outlined in *The Ten Principles of the UN Global Compact*, *Universal Declaration of Human Rights*, and *ILO Declaration on Fundamental Principles and Rights at Work*. ZTE prohibits any form of child labor, forced labor, discrimination, harassment, and abuse, and ensures the physical and mental well-being of employees. The company also strives to foster an open, inclusive work environment.
- Diversity and Inclusion: Respecting and promoting diversity. ZTE provides more opportunities for women, ethnic minorities, people with disabilities, and businesses owned by these groups, supporting their capability building and sharing benefits with them.

Supplier CSR Management System

ZTE's supplier CSR management system encompasses labor rights, health and safety, environmental protection, business ethics, hazardous substance control, dual-carbon requirements, information security, and conflict minerals management. Through a digital platform, CSR management requirements and actions are embedded into key stages of the supplier's business lifecycle to ensure that CSR management is implemented in daily operations, promoting continuous improvement by suppliers and enhancing the supply chain's sustainability and competitiveness.

- Introduction and Qualification: ZTE requires suppliers to sign CSR agreements and undergo CSR certification audits. CSR is a critical onboarding threshold and holds veto power.
- Performance Management: ZTE provides CSR training and guidance annually, performs CSR supervision and audits on suppliers, and evaluates CSR performance, with results directly influencing its bidding and procurement decisions.
- Cooperation Restriction: When suppliers violate CSR requirements, ZTE imposes penalties based on the severity of the impact, such as restricting collaboration or suspending qualifications.



Supplier CSR Management System

Risk and Opportunity Management

ZTE incorporates risk assessment into the onboarding of new suppliers and the management of existing suppliers. For new suppliers, risk assessment is based on the supplier's CSR self-assessment, factory workforce size, main production activities, and CSR-related certifications. For existing suppliers, risk

assessment focuses on the scale of collaboration and the presence of negative news or records (e.g., regulatory records on the website of Institute of Public and Environmental Affairs (IPE)). For identified high-risk suppliers, ZTE implements corresponding control measures, including CSR audits on site.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	Severe CSR incidents (such as child labor, forced labor, and severe safety or environmental incidents) of suppliers may lead to supply disruptions and brand damage to the company.	Low	High	■ Establish 6 CSR redlines of ZTE, which are zero-tolerance requirements; ■ Strictly manage suppliers in accordance with the CSR management system, for example, require the signing of the ***Supplier CSR Agreement*** and conduct CSR audits on site.
Opportunity	Communicating ZTE's CSR requirements to suppliers at all levels can help improve their CSR undertaking. This includes enhancing working conditions, labor rights, and environmental impact, boosting the supply chain's sustainability and competitiveness.	Medium	Medium	Continuously empower and manage suppliers to improve the overall CSR management across the supply chain.

Annual Progress

■ Supplier Agreement

ZTE has formulated and publicly released the *Supplier CSR Code of Conduct* and the *ZTE Partner Transparent Procurement Requirements*, clearly outlining our supply chain requirements, including those related to integrity, legality, human rights, labor standards, health and safety, environmental protection, prohibited business practices, and responsible mineral procurement, as well as anti-bribery requirements for partners.

- The *Supplier CSR Code of Conduct* is attached to the *Supplier CSR Agreement*, and the *ZTE Partner Transparent Procurement Requirements* is part of the *Supplier Commitment Letter of Transparent Cooperation and Anti-Bribery Compliance*. During supplier onboarding, ZTE requires suppliers to sign both the *Supplier CSR Agreement* and the *Supplier Commitment Letter of Transparent Cooperation and Anti-Bribery Compliance*. Suppliers who refuse to sign these documents without valid reasons will be disqualified and cannot be introduced.

■ Supplier Audit

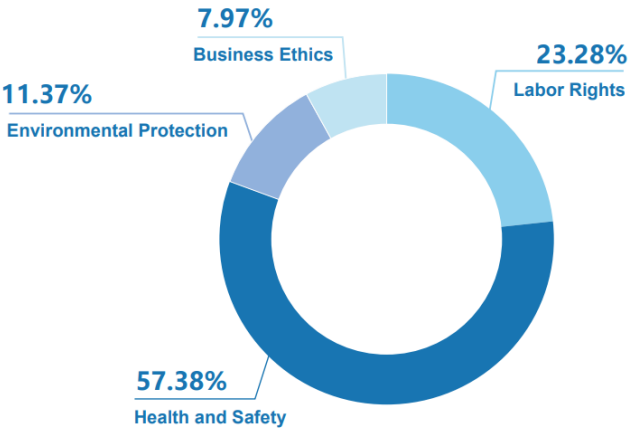
In 2024, ZTE conducted onsite CSR audits for 261 production suppliers (56 new suppliers and 205 existing suppliers, representing 86.90% of the top 90% suppliers by procurement amount). Among them, 127 were auxiliary product suppliers, and 134 were PCB component suppliers.

- Integrated Audit: Based on the *Structured On-Site Audit Evaluation Form_SDA*, CSR audit was conducted simultaneously with other audits (such as qualification and quality audits). In 2024, 56 new suppliers and 192 existing suppliers underwent integrated audits. The results showed that 90.34% of the audited suppliers had obtained the ISO 14001 and ISO 45001 certifications.

- Specialized Audit: Based on the *Supplier CSR Audit Evaluation Form* or *JAC CSR_Parameters*, specialized CSR audits were conducted to provide a comprehensive and systematic diagnosis of suppliers' CSR status. In 2024, 6 existing suppliers underwent specialized audits.

- External Audit: According to customer requirements or ZTE's own risk assessment of suppliers, specialized CSR audits were conducted by third-party institutions using customer-recognized CSR standards to gain an overall understanding of suppliers' CSR status. In 2024, 7 existing suppliers underwent external audits.

In 2024, non-conformities found in the CSR audits were primarily in health and safety, including fire safety, machinery safety, and hazardous chemical management. These non-conformities were tracked, verified, and closed through ZTE's Supply Chain Collaboration website. Failure to close non-conformities within three months impacts supplier performance scores. In 2024, the 100% of the non-conformities were tracked, and all of them were closed within three months.



Proportion of Supplier Non-Conformities in ZTE's CSR Audits

■ **Procurement Specialist Empowerment**

- In the first half of 2024, ZTE arranged for internal experts to provide a two-day supplier CSR auditor training session for 93 procurement specialists.
- In the second half of 2024, ZTE invited a third-party institution to give a two-day training session on CSR general knowledge for 46 procurement specialists.

■ **Supplier Empowerment and Support**

- In May 2024, the company held a three-day event titled "ZTE 2024 Annual Supplier Boot Camp", with training courses covering topics such as transparent procurement, anti-commercial bribery, data protection, product security, information security, compliance management, CSR, dual-carbon, green environmental protection, conflict minerals, and business continuity management. Over 120 representatives from 89 suppliers participated in the event.

Case: ZTE Global Partners Day 2025

On November 12, 2024, ZTE Corporation held the Global Partners Day 2025 in Shenzhen under the theme "Leading an Intelligent Future Together." The event was attended by approximately 200 global strategic partners and key suppliers from around the world.

In his opening remarks, CEO Xu Ziyang highlighted ZTE's commitments, goals, and practices in the area of green and low-carbon development, as well as compliance governance requirements. Regarding suppliers, he emphasized, "ZTE remains committed to transparent procurement and strives to foster a fair, transparent, and healthy procurement environment. We enforce a zero-tolerance policy towards corruption and bribery, and we will take legal actions against any violation. Any partner crossing ZTE's redlines on transparent procurement will be permanently excluded from partnership. We provide multiple anonymous whistleblowing channels, including websites, emails, and hotlines. We welcome and encourage our partners to supervise all ZTE employees and our management. We promise

that once any corruption or unethical behavior is found, serious action will be taken against it."
ZTE's Senior Vice President and President of Supply Chain, Yang Jianming, delivered a keynote speech, where he put forward clearer and more specific requirements for compliance in operations, green supply chain, and transparent procurement.

- In December 2024, ZTE organized 121 representatives from 32 suppliers to participate in the "Promoting Women's Career Development Program," jointly initiated by the Social Responsibility Committee of the China Electronics Standardization Association and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). This program aims to enhance gender equality awareness and management capabilities across enterprises and industries.

Case: Supporting the Development of SME Suppliers in South Africa

Since its establishment, ZTE CORPORATION SOUTH AFRICA has been actively promoting localization. The subsidiary makes donations annually to support supplier development, small business growth, and socio-economic development programs, in proportion to its after-tax net profit.
In 2024, the subsidiary donated cash to support a local SME, provided equipment to a local SME supplier, and donated mobile phones and cash to a local non-profit organization to boost local development.
From 2022 to 2024, this subsidiary of ZTE has been awarded level 1 BEE status (the highest level) in the Black Economic Empowerment (BEE) program of South Africa for three consecutive years.

■ Supplier Assessment

ZTE has formulated the *Regulations on the Management of Material Supplier Performance Appraisal*, and conducted monthly performance appraisals of suppliers. The appraisal results are used for supplier grading, procurement tender, supplier elimination, and as a reference for evaluating outstanding suppliers.

For top-performing suppliers, the company will recognize their performance and prioritize them for future collaboration and strategic partnerships. For suppliers who are consistently underperforming, ZTE will conduct internal reviews to determine whether to suspend collaboration or revoke supplier qualifications.

The supplier's CRS performance is included as the "E" (Sustainable Development) component of the TQDCE performance appraisal, accounting for 5% of the total appraisal score. In 2024, the "Best Comprehensive Performance Award" and "Global Best Partner Award" were given based on supplier appraisal scores.

In 2024, ZTE took measures against 6 suppliers that violated the "Transparent Procurement" requirements, including discussions with senior supplier management to communicate the transparent procurement policy and issuing warning letters.

■ Fair Treatment to SMEs

ZTE pays all suppliers, including SMEs, in accordance with the contract terms upon maturity. At the end of the reporting period, ZTE's total accounts payable (including notes payable) amounted to CNY33.33 billion, accounting for 16.08% of its total assets.

We are committed to fostering good partnerships with all enterprises, including SMEs, maintaining financial accountability and sound asset management to ensure fair treatment for all partners.

■ Supplier Communication and Appeals

In addition to internal audit and compliance investigation channels, ZTE has set up a dedicated whistleblowing channel for the Procurement Audit Team under the Procurement Management Dept. The whistleblowing channels and scope have been published on ZTE's Supply Chain Collaboration website.

For any reports concerning supplier violations or transparent procurement issues, ZTE always tracks and ensures that they are resolved based on the principle of "permanent confidentiality and minimal disclosure." In 2024, the report resolution rate was 100%.

Metrics and Targets

Topic	Key Metric	Target	2022	2023	2024
Supplier CSR Management	Percentage of suppliers/subcontractors that have signed the *Supplier CSR Agreement* (including the *Supplier Code of Conduct*)	≥ 90%	93.48%	93.53%	93.65 %
	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%	86.89%	86.97%	86.90 %
	Percentage of audited 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%	92.33%	92.41%	93.24 %
	Number of child labor and forced labor instances found among suppliers/subcontractors	0	0	0	0

Conflict Minerals Management

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.

We require all relevant suppliers (including component suppliers, parts suppliers, or those providing materials containing tin, tantalum, tungsten, gold, cobalt, or mica) to commit to environmentally and socially responsible sourcing. Each newly qualified supplier must submit a Conflict Minerals Reporting Template (CMRT) and an Extended Mineral Reporting Template (EMRT) during onboarding. All qualified suppliers are required to sign the *Conflict Minerals Compliance Management Declaration* and undergo annual conflict minerals surveys.

In 2024:

- ZTE completed surveys of all suppliers involved in conflict minerals procurement, achieving a coverage rate of 100%. Based on the survey results, suppliers were categorized into high, medium, and low risk levels. For high-risk suppliers, the company conducted specialized audits and required them to provide credible risk assessments and management policies. Suppliers unable to provide valid evidence were required to undergo third-party audits, and partnership will be terminated for those refusing to improve or cooperate.
- ZTE collaborated with industry organizations such as the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters to host a "Seminar on Responsible Management of New Energy Mineral Supply Chains," facilitating experience sharing on conflict minerals management among upstream and downstream enterprises.
- To enhance suppliers' awareness and capabilities of conflict minerals management, ZTE organized a training camp, which was attended by over 120 supplier representatives
- Currently, 96.90% of the smelters and refiners used by ZTE's conflict minerals suppliers are included in the Responsible Minerals Initiative (RMI) conformant facility list.

Since 2020, ZTE has annually published the *Conflict Minerals Report*, disclosing the latest progress on its conflict minerals management efforts. For more details, see the Conflict Minerals Report.

Shouldering CSR to Contribute to the Global Community

Governance

ZTE Foundation was established in October 2012 by ZTE Corporation with 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 projects.

Strategy and Management Mechanism

ZTE Foundation focuses on public welfare areas such as educational assistance and medical aid, while also engaging in broader causes including support for the vulnerable, low-carbon environmental protection, and rural revitalization. It endeavors to make philanthropy an important part of the company's sustainable development strategy and is committed to creating profound and positive impacts on society.

To ensure the effective execution of its mission, ZTE has established regulations such as the *Management Process for Approval of Public Charitable Donation*, *Regulation on Anti-Bribery Compliance in Charitable Donation*, and *Project Management Regulations*. These frameworks enable full-cycle, closed-loop management of charitable donation activities, ensuring that the content and methods of donations are science-based and rational, with clear objectives, standardized implementation, transparent funding, and measurable outcomes. Additionally, the company has introduced public welfare leave as institutional support to encourage employees to engage in charitable activities and serve society. Such measures ensure the standardized operation of public welfare initiatives, effective implementation of CSR goals, and sustained positive influence of ZTE's projects.

Moreover, ZTE Foundation is committed to transparency. In accordance with the *Charitable Organization Information Disclosure Guidelines*, ZTE Foundation regularly discloses information on its operations, including annual reports, financial statements, projects details, relevant transactions, and donation records. This information is shared through platforms such as the Ministry of Civil Affairs' relevant website, ZTE Foundation's official website, and WeChat official accounts. For seven consecutive years, the foundation has achieved a full score in the China Foundation Transparency Index (FTI).

Risk and Opportunity Management

ZTE Foundation operates in strict accordance with legal requirements and internal regulations. It has established detailed processes for managing public welfare projects, from research to project initiation, implementation, and closure. Through methods such as self-checks and self-correction, business audits, onsite follow-up visits, document analysis, financial audits, and information disclosures, the foundation runs a robust risk monitoring mechanism to identify and address potential risks effectively.

Risk and Opportunity List

Category	Description	Probability (High/Medium/Low)	Impact Level (High/Medium/Low)	Measure
Risk	Inadequate information disclosure, insufficient supervision over fund flows, or non-compliance with international charitable organization standards during the execution of public welfare projects could lead to public distrust, compliance disputes, and reputational damage.	Low	Medium	Establish and implement comprehensive supervision and evaluation mechanism for welfare projects. Disclose detailed information in a timely manner, including donation records, through various online channels such as websites and WeChat official accounts, to ensure transparency and compliance.
Opportunity	By implementing CSR initiatives, the company can have a positive impact on communities and beneficiaries, enhance their development	Low	Medium	While focusing on public welfare areas such as education and medical aid, create public service

	capabilities, foster employee pride, and inspire broader public participation in welfare activities, spreading goodwill and creating value across society.			opportunities for company employees and the public through activities such as volunteer services.

Annual Progress

■ Volunteer Services Lighting Up Hope

In 2024, ZTE organized employee volunteers to actively engage in 310 regular public welfare activities, including elderly care, support for people with disability, and poverty alleviation. The number of registered volunteers reached 15,305, with a total onsite service time of 36,750.9 hours. With the support of the employee volunteer team, the company focused on thematic activities to effectively match social needs with charitable efforts, deepening the impact of public welfare initiatives.

Case: "Caring for Her" Campaign on March 8

On Women's Day, ZTE Foundation, in collaboration with the System Product Division, launched a campaign to promote care for women's health. The "Caring for Her" campaign received enthusiastic support from employees, with donations exceeding CNY100,000 within a week. All funds were used to distribute hygiene kits to women in Qinghai province. Additionally, ZTE's employee volunteers formed the Qinghai Health Education Volunteer Team, traveling to Qinghai province to give health education workshops and care for local women.

Case: ZTE Class for Remote Students

Since September 2023, ZTE Foundation has been supporting left-behind children in remote mountainous areas. Under the theme "Tutoring After Work," the foundation has organized a series of online remote science education sessions. These efforts aimed to broaden children's horizons, increase their knowledge, and contribute to improving the educational environment in mountainous areas while promoting educational equity. By December 2024, the "ZTE Class" had been launched in Yunnan, Inner Mongolia, and other regions, and 124 science lessons were delivered to 421 students from 14 classes in 5 rural primary schools. A total of 64 employee volunteers participated in teaching and assisting, with colleagues stationed outside China also joining in to bring warmth across time zones.

Case: Global Public Welfare Culture Week

The fifth ZTE Public Welfare Culture Week, themed "United Hearts, Shared Dreams," was held in over 30 regions across the globe. ZTE Foundation adopted a "Public Welfare + X" approach, successfully engaging over 2,000 company employees and their families, as well as more than 30 social welfare organizations and external partners. Centered around three main activities—"Good Run," "Good Photos," and "Good Shops"—the event raised tens of thousands of yuan for children in need, benefiting a total of 1,099 rural and disadvantaged children.

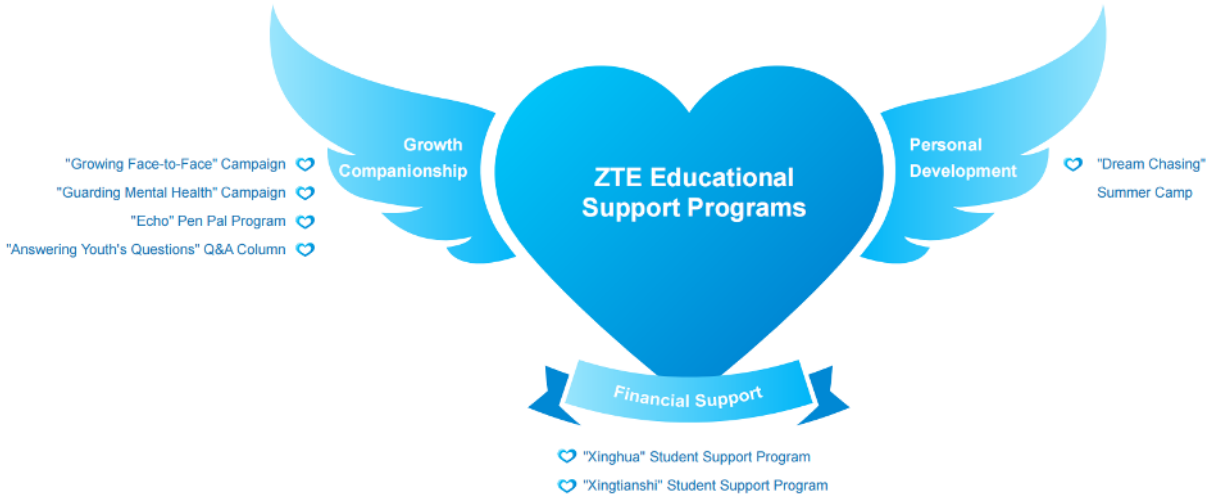
Case: Good Run

To fully implement the "Sports + Public Welfare" initiative, ZTE Foundation launched the "Good Run" mini-program on WeChat. Within just three months of its launch, this platform attracted 4,928 employees, raising tens of thousands of yuan in donations. During this time, multiple departments within the company collaborated to organize various themed running events, further fueling employees' passion for public welfare and advancing the company's philanthropic efforts.

During the National Day holiday in 2024, the company's charitable running events attracted 1,772 employees, raising tens of thousands of yuan. All donations were sent to a specific school to purchase 778 pieces of sports equipment, enabling children to better engage in physical activities.

■ Steady Progress in Educational Support Program

In 2024, ZTE Foundation further strengthened its educational support system, integrating financial aid, personal growth support, and psychological counseling, and operating two established educational programs, "Xinghua Student Support Program" and "Xingtianshi Student Support Program." The financial aid covered 29 counties, 23 cities, and 15 provinces and autonomous regions, including Gansu, Qinghai, Guangxi, Guizhou, Jiangxi, Anhui, and Tibet, directly supporting 1,960 students in need. Through over 30 on-campus seminars, interactive sessions, and lectures, as well as the "Echo" pen pal program and a series of camp activities, the foundation served more than 15,000 students. At the same time, the foundation adopted a strategy of "steady progress with a focus on companionship," placing greater emphasis on students' holistic growth and development, and offering continuous support and care.



ZTE's Educational Support System

- **Scholarship Programs:** ZTE Foundation actively leveraged its platform to bridge employees with society, encouraging employee contributions to student support initiatives. The "Xingtianshi" student support program, launched at the end of 2021, has gained widespread recognition from company leaders and employees. It has raised millions of yuan in donations, supporting 812 aspiring high school students in Tibet, Shaanxi, Guizhou, Guangxi, Jiangxi, Anhui, and other regions, helping them pursue brighter futures.
- **Career Enlightenment:** The ZTE student support team implemented a dual-track approach of "in-depth case studies + comprehensive coverage" through campus visits and class activities. Volunteers visited 44 impoverished families to provide targeted support and organized over 30 career development lectures and science classes in rural high schools across 29 counties in 15 provinces, offering guidance on growth planning to approximately 15,000 high school students. By sharing entrepreneurs' stories, analyzing industry trends, and using career aptitude assessment tools, the team systematically built students' career awareness, helping them break through geographical limitations and chart their life paths.
- **Psychological Counseling:** ZTE Foundation initiated the "Echo" pen pal program, mobilizing employee volunteers to provide letter companionship to students in Gansu province and other regions. Over 6,000 letters have been hand-written to respond to students' adolescent concerns, offering heartfelt companionship despite the distance. Additionally, through live mental health lectures, the foundation also addressed students' psychological well-being, providing guidance and support for students, parents, and teachers.
- **Camp Services:** Through years of practice, the foundation has established a comprehensive camp system that includes urban study tours, rural science camps, subject teaching camps, and career development camps, helping disadvantaged students broaden their horizons and grow through experiential learning. In 2024, the foundation successfully held a "Dream Chasing " summer camp in Shenzhen, where students from 17 counties across 7 provinces gathered for an 8-day urban study tour. Through visits to ZTE headquarters, technology exploration, and university tours, the camp expanded the horizons of rural high school students. In Jiangxi, the foundation held a "Dream Chasing" science camp in collaboration with the Shenzhen Institute of Advanced Technology at University of Electronic Science and Technology of China. The 5-day science camp at Ruijin No. 1 Middle School in Jiangxi focused on programming and embedded software development, enhancing students' literacy in computer science.

■ **Medical Assistance, Targeted Support**

Medical assistance is crucial for the basic livelihood and well-being of people in need. ZTE Foundation actively leverages its strengths to carry out various aid activities to alleviate urgent difficulties for patients.

In 2024, ZTE's public welfare initiatives integrated the management of difficult-to-treat kidney diseases, primary immunodeficiency diseases, retinopathy of prematurity (ROP), and the Vcare Space. Partnering with multiple designated hospitals, the foundation provided financial assistance to a total of 153 children in 54 counties across 30 cities in 10 provinces in China as well as overseas. Additionally, through the "ZTE·Vcare Space" at Shenzhen

Children's Hospital, the foundation provided palliative services to 6,805 families of pediatric patients throughout the year, turning this space into an important public welfare practice venue for new ZTE employees.

Case: Lighting up the Future for "Rourou", the Nation's Youngest Premature Baby

Through the "Bright Baby" ROP aid project launched at Shenzhen Eye Hospital, ZTE Foundation funded the ROP surgery for the nation's youngest premature baby (born at 21 weeks and 4 days), named "Rourou." The timely financial support not only alleviated the family's financial burden but also successfully saved the baby's eyesight, setting a precedent for the youngest ROP surgery in China.

■ Low-Carbon Environmental Protection

ZTE Foundation launched a low-carbon environmental protection initiative in 2022. Partnering with the China Green Carbon Fund, through forest management and afforestation in barren mountains, the foundation has planted over 170,000 trees since then, including Korean pine, red pine, and Scots pine, in the Xiaoxing'anling and North China regions. This effort has greened approximately 2,000 mu (about 133 hectares) of land and engaged nearly 1,000 ZTE employees in the cause of environmental protection.

At the 16th Conference of the Parties (COP16) to the *United Nations Convention on Biological Diversity* in 2024, the Chinese delegation highlighted ZTE's public welfare case and showed a short film on "Tree Planting in Xiaoxing'anling," demonstrating ZTE's philanthropic efforts and achievements in the dual-carbon field to the international community.

■ Caring for Veterans and Inheritance from Heroes

In early August 2024, ZTE Foundation successfully organized the 19th annual visit to care for veterans in west Yunnan province. During the event, 5 employee families (including adults and children) traveled to Western Yunnan to visit 11 surviving veterans in person. Each veteran received several thousand yuan as financial support and heartfelt paintings made by the children, expressing deep gratitude and warmth. During the post-event reflection, volunteers engaged in in-depth discussions on two themes: "The Weight of Peace" and "A Letter to the Soldiers of Songshan in 1944." The children gained a deeper understanding of the country, peace, and the heroes who defended their homeland. Participants all listened respectfully and were deeply moved by the sharing.

■ Advancing Philanthropy to Extend Warmth Overseas

In 2024, ZTE carried out donation projects in multiple overseas countries, including Colombia, Indonesia, South Africa, Mongolia, and India, covering areas such as education, poverty alleviation, environmental protection, and disaster relief.

Case: Supporting Digital Education in Nigeria

In December 2024, the company donated dozens of computer devices to the Obafemi Awolowo University Staff School in Nigeria, helping the school set up a modern computer lab to drive the development of digital education and enhance students' IT skills.

Supporting Rural Revitalization

The company has integrated rural revitalization into the operational scope of its Strategy and Sustainability Committee. Based on the actual needs of rural areas, ZTE is committed to serving rural development and adheres to the principle of "adapting measures to local conditions" to help achieve the overall goal of the rural revitalization strategy, which is to build rural areas with "thriving businesses, pleasant living environments, social etiquette and civility, effective governance, and prosperity."

(1) Building Rural Infrastructure

Improving rural infrastructure is a cornerstone for promoting rural economic growth and enhancing residents' quality of life. It is also a key driver of urban-rural integration. In 2024, ZTE donated millions of CNY to upgrade rural facilities and support infrastructure construction projects, such as:

- Funding the construction of a coal mine road bridge in Qinghai province, to improve transportation for farmers and herders.
- Funding the road construction projects in two villages in Heilongjiang province, to enhance daily travel and production conditions for local residents.

(2) Supporting Rural Industries

Industrial revitalization is a vital pillar of the rural revitalization strategy and a key factor in enhancing the economic self-sufficiency of rural areas and promoting sustainable development. In 2024, ZTE donated over 1 million CNY to provide targeted support for developing distinctive local industries, such as:

- Supporting livestock farming for three consecutive years in Inner Mongolia Autonomous Region, to scale up agricultural production and sales, create new income streams, and boost rural tourism.
- Funding the construction of eight modern greenhouses in a village in Gansu province, to support the scaled agricultural production and rural tourism.
- Sponsoring a mountain tea oil base project for four consecutive years in Zhejiang province, to overcome the bottleneck of narrow mountain roads and promote diversified rural economic development.

(3) Revitalizing Rural Culture

As the spiritual pillar of rural revitalization, cultural revitalization plays a foundational and influential role. In 2024, ZTE donated millions of CNY to invest in rural cultural projects, such as:

- Supporting the construction of the Tianlin County Museum in Guangxi province, to address the lack of a permanent museum venue, preserving and passing on local cultural heritage.
- Assisting the Tangyuan County Archives in a digitalization project in Heilongjiang province, to better preserve and utilize historical materials, exploring a new path for the digital dissemination of rural culture.
- Supporting the construction of the Yanyuan County Science Museum in Sichuan province, to spark rural youth's interest in science and promote technological innovation and cultural development.

(4) Implementing Consumption-Based Assistance

Consumption-based assistance is an effective approach to promoting the sustainable rural economic development and marks a critical step in consolidating the achievements in poverty alleviation. In 2024, ZTE continued to implement a model of "procurement + donation" to achieve both short-term and long-term impacts,

and purchased high-quality agricultural products worth hundreds of thousands of CNY from rural areas in provinces such as Sichuan and Heilongjiang. The company then donated the agricultural products to vulnerable groups such as the elderly without family support or in nursing homes. This initiative not only boosted the sale of local agricultural products and helped farmers increase their income but also showed care for the recipients, building a bridge of love between urban and rural areas.

(5) Protecting Rural Ecology

Guided by the principle that "lucid waters and lush mountains are invaluable assets," ZTE has been committed to its CSR in rural ecological protection. In 2024, the company donated hundreds of thousands of CNY to support the construction of an air quality monitoring network in Baisha county, Hainan province, and added 11 micro monitoring stations to expand monitoring coverage. This effort laid a solid foundation for optimizing local environmental quality and improving residents' living conditions through an intelligent and efficient early warning system.

ZTE has also actively supported rural education and healthcare initiatives, channeling funds for talent development, teaching facilities, and medical staff training programs. These efforts contribute to the sustained growth of education and improve the quality of life in rural areas across the country.

Metrics and Targets

Topic	Target	Key Metric	Achievement in 2024
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	■ Invested CNY34.04 million in public welfare activities (including domestic donations, overseas donations, and donations from operating subsidiaries); ■ Conducted 87 public welfare projects globally, benefiting over 100,000 people; ■ Registered volunteers: 15,305; cumulative on-site service hours: 36,750.9 hours; volunteer service activities conducted throughout the year: 310; ■ Consistently received a full score in the China FTI.

Appendix

Statement of the Board of Directors

To all stakeholders:

Sustainable development is a long-term goal that we steadfastly pursue, and it serves as a crucial guarantee for our continuous breakthroughs in innovation and creation of exceptional value. Since 2009, we have proactively released the annual sustainability/CSR report for 17 consecutive years. Through these reports, we communicate to our stakeholders our strategic plans, implementation measures, and progresses in areas such as green innovation, community contribution, and corporate governance. This ongoing effort reinforces the trust that all parties place in ZTE.

The Board of Directors is the supreme decision-making body of the company's sustainable development 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 audits the company's sustainable development strategy and work priorities, to ensure efficient allocation of resources and unified actions of all employees.

Sustainability is a systemic and comprehensive program that permeates various functions and business processes within the company. To better advance the implementation of the sustainability strategy, ZTE has established the Strategy and Sustainability Committee by integrating the functions of the Strategy Committee and the work related to sustainable development. This committee, composed of the company's Chairman, CEO, heads of level-2 business units, and Chief Scientist, makes plans and supports decision-making for the company's strategic and sustainability issues. Under the guidance of the Board, the committee leads the building of ZTE'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 indicators, the company has engaged TÜV Rheinland (Shanghai) Co., Ltd. to conduct an independent assurance review of the content of the *ZTE Corporation Sustainability Report 2024* 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.

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

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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 ZTE's 2024 Sustainability Report (hereafter, the "Report"). The sustainability information disclosed in the report was for the financial year ended December 31, 2024.

Responsibilities

ZTE's responsibility is not only responsible for the preparation of sustainability reports and the collection and submission of sustainability information in accordance with applicable reporting standards, but also the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity compliance and conflict of interest. Therefore, our assurance services are guided by the principles of independence and impartiality. We are not involved in the writing and preparation of ZTE's reports. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance engagement agreement and the agreed scope of the assurance work and to make independent and impartial judgements.

Assurance Standard

The assurance work was undertaken in accordance with the AccountAbility AA1000 Assurance Standard (AA1000AS v3), Type 1 and Moderate level for the sustainability information disclosed in the report.

Assurance Objectives

The purpose of the assurance engagement was to provide an independent verification perspective for ZTE's management and stakeholders concerned about ZTE's sustainability information and performance on whether the report adhered to the AA1000AP (2018) AccountAbility Principles, including Inclusivity, Materiality, Responsiveness and Impact, as well as the verification of sustainability information disclosure.

Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Appendix C2: Code on Environmental, Social and Governance Reporting to the Securities Listing Rules of The Stock Exchange of Hong Kong Limited
- 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)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.

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- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data 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 topic of sustainability.

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 2024 Sustainability Report and performance information are in adherence to the AA1000AP AccountAbility Principles and align with the information disclosure requirements of Appendix C2: Code on Environmental, Social and Governance Reporting to the Securities Listing Rules of The Stock Exchange of Hong Kong Limited, and 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, and GRI Standards.
- ZTE has implemented processes to collect and aggregate performance information related to materiality issues within the reporting boundary, and management practices have shown that the company conducts dual-materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report have been assessed and supported by documentary evidence.

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 identified key stakeholders, such as shareholders and investors, regulators, customers, employees, suppliers, etc., as well as communities that are greatly affected by greenhouse gas emissions, in accordance with relevant procedures, including the evaluation of stakeholders' needs and expectations. Evidence shows that ZTE's various business units have diversified communication mechanisms with key stakeholders. In 2024, the company has also conducted internal and external stakeholder surveys on topics such as climate change (e.g., greenhouse gas emissions). This survey provided a reference for the analysis of dual-material issues and the adjustment and decision-making of the company's sustainable development strategy.

Materiality

Evidence indicates that ZTE has implemented a dual materiality assessment process to identify and evaluate the materiality of issues from two dimensions: impact materiality and financial materiality, in which the specific results of stakeholder participation (such as the conclusion of the questionnaire analysis) and feedback were applied to the impact materiality assessment of the issue, and the team of business and financial experts evaluated and analysed the financial materiality of the issue, and forms a topic matrix. The issue matrix chart shows the key issues of the year (such as product quality and safety, innovation driven, climate change and energy utilization, data security and privacy protection, anti-commercial bribery and anti-corruption, etc.). The Corporate Strategy & Sustainability Committee reviewed and approved the materiality matrix.

Responsiveness

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ZTE's communication channels with various stakeholders include but are not limited to regular information disclosure, customer service, employee complaint hotline, supplier audit and training, and community public welfare. Evidence indicates that in 2024, the company have actively participated in stakeholder events (e.g., sustainability forums and roundtables, global partner conferences, etc.) to focus on sustainability issues, initiatives and hot issues.

The report uses a four-element disclosure framework of governance, strategy, risk and opportunity management, and indicators and goals to analyse and disclose material topics in detail. The report also disclosed data related to key performance indicators (e.g. greenhouse gas emissions (including Scope 1, 2 and 3 emissions), energy, employee training, workplace injuries, supplier CSR management, anti-corruption, etc.) to comply with the requirements of Code on Environmental, Social and Governance Reporting to the Securities Listing Rules of The Stock Exchange of Hong Kong Limited. The report disclosed indicators and goals for materiality issues, as well as progress and results for the year, in response to stakeholder concerns.

Impact

In 2024, ZTE has upgraded its governance system, set up a Strategy and Sustainable Development Committee, and established a Science and Technology Ethics Committee. ZTE has integrated sustainability risk management (including environment and climate, energy use, supply chain resilience, technological innovation, product security, data security and privacy protection, and technology ethics) into the enterprise's risk management (ERM) process. Each functional department analysed the impact, risks and opportunities of material issues, and combined risk management and internal control systems to manage risks related to its own operations and value chain business. The company has set and managed specific targets related to the issue (e.g. SBTi emission reduction targets). The company conducted due diligence in the field of sustainable development (e.g., anti-bribery and anti-corruption, conflict minerals, etc.).

The report disclosed the results of the analysis of the impact, risks and opportunities of material topics, including the scope of impact, the level of impact, etc. Evidence shows that in 2024, ZTE's dual carbon team has been upgraded to the environmental group, and by considering the needs of stakeholders and the upstream and downstream value chains, as well as adopting climate scenario analysis methods, it identified and predicted climate physical risks and transition risks, and took countermeasures to reduce the impact of its own operations and value chain, including actively promoting the dual carbon governance of suppliers. The report disclosed the structured portfolio of emission reduction actions, as well as emission reduction projects, emission reduction targets, emission reduction measures and emission reduction results.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, February 20, 2025

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2024 Sustainability Performance

Sustainability Indicator		Unit	Data[1]
A Environment			
A1.1	Type of emissions and respective emissions data[2]		
	NOx	Tonne	4.93
	SOx	Tonne	0.13
	PM	Tonne	0.36
A1.2	Greenhouse gas emissions		
	Direct emissions [Category 1]	Tonne of CO2e	43,102.16
	Indirect emissions from imported energy [Category 2]	Tonne of CO2e	393,636.08
	Indirect emissions from transportation [Category 3]	Tonne of CO2e	439,736.90
	Indirect emissions from products used by an organization [Category 4]	Tonne of CO2e	1,564,679.97
	Indirect emissions associated with the use of the organization's products [Category 5]	Tonne of CO2e	48,696,820.19
	Indirect emissions from other sources [Category 6]	Tonne of CO2e	0
	Total emissions quantified	Tonne of CO2e	51,137,975.29
	Direct emissions intensity [Category 1]	Tonne of CO2e/Million of operating revenue	0.36
	Indirect emissions intensity from imported energy [Category 2]	Tonne of CO2e/Million of operating revenue	3.25
	Indirect emissions intensity from transportation [Category 3]	Tonne of CO2e/Million of operating revenue	3.63
	Indirect emissions intensity from products used by an organization [Category 4]	Tonne of CO2e/Million of operating revenue	12.90
	Indirect emissions intensity associated with the use of the organization's products [Category 5]	Tonne of CO2e/Million of operating revenue	401.46
	Indirect emissions intensity from other sources [Category 6]	Tonne of CO2e/Million of operating revenue	0
	Total emissions quantified intensity	Tonne of CO2e/Million of operating revenue	421.59
A1.3	Total hazardous wastes	Tonne	1,391.97
	Density of hazardous wastes	Tonne/Million of operating revenue	0.01
A1.4	Total non-hazardous wastes	Tonne	4,776.31
	Density of non-hazardous wastes	Tonne/Million of operating revenue	0.04
A2.1	Energy consumption		
	Diesel	Liter	2,279,419.32
	Petrol	Liter	6,089,122.30
	Natural gas	10,000 m3	658.59
	Liquefied petroleum gas	kg	53,362.86
	Direct energy consumption	kWh	133,977,669.10
	Direct energy density	kWh/Million of operating revenue	1,104.53
	Solar power generation	kWh	29,702,700
	Purchased electricity	kWh	725,861,688.64
	Indirect energy consumption of other types	kWh	32,209,464.55
	Total indirect energy consumption	kWh	787,773,853.19
	Indirect energy intensity	kWh/Million of operating revenue	6,494.49
	Total electricity consumption	kWh	755,564,388.64
A2.2	Total water consumption	Tonne	4,662,752.74

[1] Unless otherwise specified, the scope of GHG emissions data covers ZTE Corporation and its global operations; the scope of water, waste, and other environmental indicators covers Shenzhen, Heyuan, Sanya, Nanjing, Shanghai, Xi'an, and Changsha.

[2] Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Particulate Emissions (PM) come from the consumption of self-owned vehicles. Among them, NOx and PM are calculated based on China's domestic automobile gasoline consumption, namely, 12L/100 kilometers estimate; gasoline is calculated based on gasoline carbon emissions, namely, gasoline usage (L) × 0.747 × 2.9251 = carbon emissions (t); SOx emissions coefficients are cited from *Appendix 2: Reporting Guidance on Environmental KPIs* of the *How to Prepare an ESG Report released by the Hong Kong Stock Exchange*, namely, 0.0161 g/L for diesel and 0.0147 g/L for gasoline.

Sustainability Indicator		Unit	Data[1]
	Density of water consumption	Tonne/Million of operating revenue	38.44
A2.5	Total weight of packaging materials	Tonne	44,033.21
	Density of packaging materials	Tonne/Million of operating revenue	0.36
	Consumption of purchased packaging materials for telecom products	Tonne	39,733.21
	Plastic packaging materials	Tonne	1,204.30
	Paper packaging materials	Tonne	27,378.73
	Metal packaging materials	Tonne	3,461.04
	Other packaging materials	Tonne	7,689.14
	Consumption of purchased packaging materials for terminal products	Tonne	4,300
	Plastic packaging materials	Tonne	409
	Paper packaging materials	Tonne	3,164
	Other packaging materials	Tonne	727
B Social			
Employment			
B1.1	Workforce by gender, position, age group, education degree, and geographical region		
	Total workforce	Person	68,375
	By gender		
	Male	Person	52,014
	Female	Person	16,361
	Percentage of males	%	76.07
	Percentage of females	%	23.93
	By position type		
	R&D personnel	Person	33,184
	Production personnel	Person	13,904
	Administrative personnel	Person	5,567
	Marketing personnel	Person	7,852
	Customer service personnel	Person	7,868
	By position level[3]		
	Number of female employees in senior management	Person	1
	Number of male employees in senior management	Person	5
	Number of female management members (excluding the senior management)	Person	105
	Number of male management members (excluding the senior management)	Person	1,028
	By age group		
	< 35	Person	35,280
	≥ 35	Person	33,095
	By education degree		
	Doctoral degree	Person	509
	Master's degree	Person	27,789
	Undergraduate degree	Person	24,230
	Other degrees	Person	15,847
	By geographical region[4]		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	Person	62,372
	Asia (excluding China)	Person	3,472
	Africa	Person	679
	Europe	Person	1,076
	North America	Person	261
	South America	Person	478
	Oceania	Person	37
	New employees by gender, geographical region, and age group		
	Total number of new employees	Person	3,532

[3]According to the *Articles of Association of ZTE Corporation*, senior management refer to the CEO, the executive vice presidents, the secretary of the Board of Directors, CFO, and persons 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.

[4] Based on the employees' permanent residence

Sustainability Indicator		Unit	Data[1]
	By geographical region[5]		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	Person	2,737
	Asia (excluding China)	Person	526
	Africa	Person	70
	Europe	Person	91
	North America	Person	19
	South America	Person	87
	Oceania	Person	2
	By age group		
	< 35	Person	3,006
	≥ 35	Person	526
	By gender		
	Male	Person	2,727
	Female	Person	805
B1.2	Average years of employment		
	Female	Year	9.1
	Male	Year	8.9
	Total employee turnover rate	%	10.1
	By gender		
	Male	%	10.05
	Female	%	10.33
	By age group		
	< 35	%	13.30
	≥ 35	%	6.5
	By geographical region[6]		
	China (the Chinese mainland, Hong Kong, Macau, and Taiwan)	%	9.3
	Asia (excluding China)	%	19.5
	Africa	%	12.7
	Europe	%	14.9
	North America	%	23.5
	South America	%	12.8
	Oceania	%	2.6
Health and Safety			
B2.1	Number of deaths caused by work-related injuries (including those deemed as work-related injuries)		
	2022	Person	0
	2023	Person	3
	2024	Person	4
	Rate of deaths caused by work-related injuries (annual number of deaths caused by work-related injuries* one million/annual employee work hours)		
	2022	%	0
	2023	%	0.03
	2024	%	0.04
B2.2	Number of workdays lost due to work-related injuries	Day	2,237
	Number of annual employee workplace accidents		103
Development and Training			
B3.1	Person-times and percentage of employees trained by gender and position		
	Total person-times	Person-time	1,347,537
	Percentage	%	100
	By gender		
	Male employees trained	Person-time	1,024,200
	Female employees trained	Person-time	323,337
	Proportion of male employees trained	%	76.01
	Proportion of female employees trained	%	23.99
	Percentage of male employees trained	%	100
	Percentage of female employees trained	%	100
	By position		
	Proportion of R&D personnel trained	%	38.97
	Percentage of R&D personnel trained	%	100

[5] Based on the employees' permanent residence
[6] Based on the employees' permanent residence

Sustainability Indicator		Unit	Data[1]
	Proportion of production personnel trained	%	26.85
	Percentage of production personnel trained	%	100
	Proportion of administrative personnel trained	%	7.85
	Percentage of administrative personnel trained	%	100
	Proportion of marketing and customer service personnel trained	%	26.32
	Percentage of marketing and customer service personnel trained	%	100
B3.2	The average training hours per employee		
	All employees	hour/person	117.9
	By gender		
	Male	hour/person	116.7
	Female	hour/person	121.7
	By position		
	R&D personnel	hour/person	112.05
	Production personnel	hour/person	92.38
	Administrative personnel	hour/person	103.59
	Marketing and customer service personnel	hour/person	163.24
	New employee training percentage	%	100
	New employee training sessions (training organized by ZTE Global Learning & Development Center)	Session	13
	Course hours (training organized by ZTE Global Learning & Development Center)	Hour	39.50
	Number of new online courses		7,477
	Total number of online courses		30,814
Supply Chain Management			
B5.1	Number of production suppliers by geographical region		
	Asia	Supplier	3,209
	Africa	Supplier	152
	Europe	Supplier	176
	North America	Supplier	84
	South America	Supplier	142
	Oceania	Supplier	3
B5.2	Number of the 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		550
	Number of suppliers not introduced due to failure to pass CSR audits	Supplier	13
	Number of new subcontractors/suppliers receiving onsite CSR assessments	Supplier	56
	Number of suppliers participating in improvement actions or capability building	Supplier	350
	Percentage of audited suppliers participating in improvement actions or capability building	%	100
	Percentage of new suppliers signing the *Anti-Bribery Commitment Letter*	%	100
	Number of new suppliers receiving onsite certification audits	Supplier	56
	Number of existing suppliers receiving cross-category collaboration certification audits	Supplier	73
	Number of existing suppliers receiving supervision audits	Supplier	132
Product Responsibility			
B6.1	Percentage of products recalled due to health and safety reasons	%	0
B6.2	Number of complaints related to products and services		
	Shipment complaints		4
	Service complaints		65
	Engineering complaints		7
	Product complaints		5
Anti-Corruption			
B7.1	Number of concluded corruption lawsuits against ZTE or its ZTE employees during the reporting period		
	Against ZTE	Case	5

Sustainability Indicator		Unit	Data[1]
	Number of ZTE employees with valid court judgments for embezzlement this year	Person	6
B7.3	Anti-corruption training for directors and employees		
	Total anti-corruption and anti-bribery training sessions for directors/executives	Session	3
	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 management personnel covered by anti-corruption and anti-bribery training	Person	1,078
	Percentage of management personnel 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	Session	27
	Total person-times of anti-corruption and anti-bribery training	Person-time	64,698
	Percentage of operational sites covered by anti-bribery compliance risk assessment	%	100
Public Welfare			
B8.2	Focus areas of resources contribution[6]		
	Funds	CNY10,000	2,270.08
	Value of item donations	CNY10,000	86.67
	Funds donated for rural revitalization	CNY10,000	1,068.11
	Number of volunteers	Person	15,305
	Volunteer service hours	Hour	8,795
	Average volunteer service hours	Hour/employee	0.57

[6] Part of the funding for the ZTE Foundation comes from the group's external charitable donations. The statistics on the value of funds and Value of item donations cover the contributions made by the ZTE Foundation.

Sustainability Standards Index

Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) Index

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 Double Materiality Assessment
	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		
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.		Promoting Green Development to Tackle Climate Change
	Article 21	Information Disclosure on Addressing Climate Change	Tackling Climate Change	Tackling 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		2024 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		
	Article 27	Greenhouse Gas Emission Reduction Practices and Achievements		Tackling 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		Tackling 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.		Promoting Green Development to Tackle Climate Change

	Article 30 (1)	Pollution Discharge Information	Pollutant Emissions	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	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	Empowering Good through Technology
	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	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		
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.		Promoting Green Development to Tackle Climate Change
	Article 35 (1)	Basic Information on Energy Use	Energy Utilization	Tackling 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	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 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

	Article 39 (2)	Rural Revitalization Support Measures		Community
	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	Development Fueled by Technology Innovation
	Article 42 (2)	Specific Situations of Technology Innovation		
	Article 42 (3)	Research and Development Progress and Achievements of Technology Innovation		
	Article 43 (1)	Scientific Ethics Norms	Technology Ethics	Stronger Governance of Science and 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
	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	Fair Treatment of SMEs	Supplier CSR 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		Remaining Human-Centric and Supporting Employee Development

		employee grievance system.		
	Article 50 (1)	Policies and Implementation in Employee Employment, Treatment, and Other Aspects	Employees	Protecting Employees' Rights and Interests
	Article 50 (2)	Basic Situation of Occupational Health and Safety		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;	Sustainability Strategy and Management
	(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	Sustainability Strategy and Management
	(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.	About This Report
	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.	
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.		Tackling Climate Change Environmental Impact Management
		KPI A1.1	The types of emissions and respective emissions data.	2024 Sustainability Performance
		KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2024 Sustainability Performance
		KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2024 Sustainability Performance
		KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Tackling 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.	Environmental Impact Management
	A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Tackling Climate Change Environmental Impact Management
		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).	2024 Sustainability Performance
		KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per	2024 Sustainability

				facility).	Performance
			KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Tackling 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.	Environmental Impact Management
			KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	2024 Sustainability Performance
	A3: The Environment and Natural Resources		General Disclosure Policies on minimizing the issuer's significant impacts on the environment and natural resources.		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.	Environmental Impact Management
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.	2024 Sustainability Performance
			KPI B1.2	Employee turnover rate by gender, age group and geographical region.	2024 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.	2024 Sustainability Performance
			KPI B2.2	Lost days due to work injury.	2024 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).	2024 Sustainability Performance
			KPI B3.2	The average training hours completed per employee by gender and employee category.	2024 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.	2024 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 CSR Management

			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 CSR 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 CSR 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		Assurance of Cybersecurity in All Aspects
			KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2024 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.	Development Fueled by Technology Innovation
			KPI B6.4	Description of quality assurance process and recall procedures.	Promotion of Efficient Quality Management
			KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Security and Privacy Protection
		B7: Anticorruption	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.	Compliance System Building
			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
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		Tackling Climate Change-Governance

		(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.		
	(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.	Tackling Climate Change-Strategy and Management Mechanisms
		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).	Tackling Climate Change-Risk and Opportunity Management
		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	Tackling Climate Change-Risk and Opportunity Management

			(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
			Financial position, financial performance and cash flows	Tackling Climate Change-Risk and Opportunity Management
		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.	Tackling Climate Change-Risk and Opportunity Management
			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.	Tackling Climate Change-Risk and Opportunity Management
		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)	Tackling Climate Change-Risk and Opportunity Management

			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; (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.	
	(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.		Tackling Climate Change-Strategy and Management Mechanisms
	(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 CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	2024 Sustainability Performance
			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	Tackling Climate Change-Metrics and Targets

			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).	
		Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	2024 CDP Corporate Survey Questionnaire.
		Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	2024 CDP Corporate Survey Questionnaire.
		Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	2024 CDP Corporate Survey Questionnaire.
		Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	2024 CDP Corporate Survey 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.	2024 CDP Corporate Survey 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.	Not Applicable
		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	Tackling Climate Change-Metrics and Targets

			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.	
			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.	Tackling Climate Change-Metrics and Targets
			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.	Tackling Climate Change-Metrics and 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).	Tackling Climate Change-Metrics and Targets

GRI 2021 Index

Statement of use	ZTE has reported the information cited in this GRI content index for the period January 1, 2024 through December 31, 2024 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	2024 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	Protecting Employees' Rights and Interests
	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	Compliance System Building, Anti-Bribery and Anti-Corruption, Protecting Employees' Rights and Interests, Supplier CSR Management
	2-24	Embedding policy commitments	Compliance System Building, Anti-Bribery and Anti-Corruption, Protecting Employees' Rights and Interests,

GRI Standards	Serial Number	Disclosure Requirement	Location
			Supplier CSR Management
	2-25	Processes to remediate negative impacts	Compliance System Building
	2-26	Mechanisms for seeking advice and raising concerns	Anti-Bribery and Anti-Corruption
	2-27	Compliance with laws and regulations	Compliance System Building
	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 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	*ZTE Corporation 2024 Annual Report*
	201-2	Financial implications and other risks and opportunities due to climate change	Tackling 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	Shouldering CSR to Contribute to the Global Community
	203-2	Significant indirect economic impacts	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 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2024 Sustainability Performance
GRI 207: Tax 2019	207-1	Approach to tax	Promoting Tax Transparency
	207-2	Tax governance, control, and risk management	Promoting Tax Transparency
	207-3	Stakeholder engagement and management of concerns related to tax	Promoting Tax Transparency
	207-4	Country-by-country reporting	/
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2024 Sustainability Performance
	301-2	Recycled input materials used	Advancing Circular Economy
	301-3	Reclaimed products and their packaging materials	Advancing Circular Economy

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 302: Energy 2016	302-1	Energy consumption within the organization	2024 Sustainability Performance
	302-2	Energy consumption outside of the organization	2024 Sustainability Performance
	302-3	Energy intensity	2024 Sustainability Performance
	302-4	Reduction of energy consumption	Tackling Climate Change
	302-5	Reductions in energy requirements of products and services	Tackling Climate Change
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental Impact Management
	303-2	Management of water discharge-related impacts	Environmental Impact Management
	303-3	Water withdrawal	2024 Sustainability Performance
	303-4	Water discharge	2024 Sustainability Performance
	303-5	Water consumption	2024 Sustainability Performance
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
	304-2	Significant impacts of activities, products and services on biodiversity	/
	304-3	Habitats protected or restored	/
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2024 Sustainability Performance
	305-2	305-2 Energy indirect (Scope 2) GHG emissions	2024 Sustainability Performance
	305-3	305-3 Other indirect (Scope 3) GHG emissions	2024 Sustainability Performance
	305-4	GHG emissions intensity	2024 Sustainability Performance
	305-5	Reduction of GHG emissions	Tackling Climate Change
	305-6	Emissions of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2024 Sustainability Performance
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Environmental Impact Management
	306-2	Management of significant waste-related impacts	Environmental Impact Management
	306-3	Waste generated	2024 Sustainability Performance
	306-4	Waste diverted from disposal	2024 Sustainability Performance
	306-5	Waste directed to disposal	2024 Sustainability Performance
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Supplier CSR Management
	308-2	Negative environmental impacts in the supply chain and actions taken	Supplier CSR Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	2024 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	402-1	Minimum notice periods regarding operational changes	/

GRI Standards	Serial Number	Disclosure Requirement	Location
Relations 2016			
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	2024 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	2024 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
	405-2	Ratio of basic salary and remuneration of women to men	2024 Sustainability Performance
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Protecting Employees' Rights and Interests
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
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Protecting Employees' Rights and Interests, Supplier CSR 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 CSR 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	Environmental Impact Management
	413-2	Operations with significant actual and potential negative impacts on local communities	Environmental Impact Management
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supplier CSR Management
	414-2	Negative social impacts in the supply chain and actions taken	Supplier CSR Management
	415-1	Political contributions	/

GRI Standards	Serial Number	Disclosure Requirement	Location
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Assurance of Cybersecurity in All Aspects
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Assurance of Cybersecurity in All Aspects
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Assurance of Cybersecurity in All Aspects, Promotion of Efficient Quality Management
	417-2	Incidents of non-compliance concerning product and service information and labeling	Assurance of Cybersecurity in All Aspects, Promotion of 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