Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

As a global leader in telecommunications and information technology, ZTE provides innovative technologies and integrated solutions for global operators, government and enterprise, and consumers. Founded in 1985 and listed on both the Hong Kong and Shenzhen Stock Exchanges, the company has been committed to providing innovative technologies and integrated solutions for global operators, government and enterprise, and consumers from over 160 countries across the globe. Serving over 1/4 of the global population, the company is dedicated to enabling connectivity and trust everywhere for a better future.
ZTE has completed end-to-end product lines and integrated solutions in the telecommunications industry. Bolstered with its all series of wireless, wireline, services, devices and professional telecommunications services, the company has great capability of flexibly satisfying the diversified requirements and pursuits for rapid innovations of global operators and government and enterprise network customers.
Currently, ZTE has fully served mainstream global operators and government and enterprise customers. With digital economy becoming the key driving force for the sustained and stable growth of the global economy, ZTE has been committed to becoming the “Driver of Digital Economy”, supporting the global digital transformation. The company continuously increases R&D investment and strengthens its core competitiveness. Up to December 2022, ZTE had filed over 85,000 patents worldwide and accumulated 43,000 patents worldwide. ZTE had filed over 4,853 chip patents with over 2,086 granted. To date, the patent technology value of ZTE has exceeded RMB 45 billion. So far, ZTE has been granted 10 Gold Awards, 2 Silver Awards and 38 Excellence Awards of China Patent Awards, ranking the first in the communications industry.
ZTE adheres to the sustainable development concept and achieves harmonious coexistence of society, environment, and stakeholders. ZTE uses communication technologies to help people in different areas enjoy equal freedom of communication. ZTE fulfills the concept of "innovation, integration, and green" throughout the entire product lifecycle, and the whole process of R&D, production, logistics, and customer services. ZTE makes unremitting efforts to achieve global energy consumption reduction and carbon emission reduction. As a member of the United Nations Global Compact and GeSI(The Global Enabling Sustainability Initiative), ZTE has, for 15 consecutive years since 2009, initiated a Corporate Social Responsibility (CSR) / Sustainability report to the community. ZTE has officially been named to Fortune China ESG Influential Listing 2022, becoming one of the leading enterprises with remarkable performances and excellent efforts in environment, society and corporate governance.

As a leader in the information and communication industry, ZTE has consistently been dedicated to reducing its operational and value chain emissions. Through continuous technological innovation, ZTE strives to enhance the energy efficiency of its products and solutions. Moreover, its Green ICT infrastructure empowers diverse industries to achieve energy savings and carbon reduction. In 2022, ZTE achieved an impressive 7.48% reduction in overall carbon emissions compared to the previous year while maintaining revenue growth. This accomplishment was made possible through the implementation of comprehensive and multidimensional energy-saving and emission reduction measures.

In May， 2023，ZTE Corporation has officially announced its participation in the Science-Based Targets Initiative (SBTi) . By aligning with the SBTi guidelines and leveraging its expertise in technological innovation, ZTE aims to make a substantial contribution to driving global economic growth towards a greener and more sustainable future. ZTE firmly believes in the power of collaboration and collective action to address climate change challenges and create a positive impact on both human society and the natural environment.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1, 2022

End date

December 31, 2022

Indicate if you are providing emissions data for past reporting years

No

C0.3

(C0.3) Select the countries/areas in which you operate.

China

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CNY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	CNE000000TK5
Yes, a Ticker symbol	Shenzhen Stock Exchange: 000063 Hongkong: 00763

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board Chair	The adjustment of ZTE's organizational structure of level-3 ZTE or above and the appointment of management members at level-3 or above shall be approved by the Chairman of ZTE Example: (1) At the end of December 2021, with the approval of the Chairman, ZTE restructured the level-2 unit: Product operation division of digital energy. Digital energy product operation division consists of two major product lines: Power and DC, and new energy. The new energy product line focuses on such fields as green power generation, intelligent energy storage and intelligent electricity consumption. ZTE's digital energy will bring into play the advantages of digital technologies and power electronics, and integrate power electronics, energy storage technologies, cloud, and AI technologies to accelerate energy digitalization and build a zero-carbon society. (2) In March 2022, the Board approved the appointment of CEO and Executive Vice President (EVP). With the approval of the Chairman, ZTE's Senior Vice President (SVP) is appointed, including the appointment of the Chief Strategy Officer, whose duty including the climate change strategy. On February 23-24, 2023, the Sustainable Development Forum under the

	background of the "Dual-Carbon" strategy was held in Wuxi, Jiangsu. Mr. Li Zixue, Chairman of ZTE, delivered a keynote speech entitled "Implementing the Green Sustainable Development Strategy," sharing ZTE's practice and thinking in green sustainable development.
Chief Executive Officer (CEO)	Important commitments related to sustainability, including climate change, should be approved and confirmed by the CEO. Changes in the organizational structure of level-4 ZTE or above related to climate change shall be approved by the CEO. 1) CEO submits statements that ZTE will continue to support the UN Global Compact, affirming ZTE's support for the UN Global Compact's ten principles, including those in the area of the environment, that are incorporated into the company's strategy, culture and daily operations, and that continue to work towards achieving the UN's goals, especially sustainability goals, such as climate action. 2) In 2022, the company restructured its Digital Energy product operation division organization with the approval of the CEO.
Director on board	The board of directors (Director on board): Reviews and approves ZTE's annual sustainable development strategy, major projects and related work plans, and regularly listens to reports from the Sustainable Development Management Committee to ensure that ZTE's sustainable development objectives are achieved. The board of directors reviews the company's annual report and the company's sustainability report. Environmental protection and carbon emissions reduction are important parts of the company's sustainability report. For example, in terms of green development and climate change, ZTE 2022's annual sustainability report covers the following contents: Sticking to the low-carbon strategy, ZTE keeps moving forward on a green path to digital economy. Guided by the dual carbon goals, we have set up a corporate-level team led by the Chief Strategy Officer to carry out 10 programs on carbon emission reduction. Moreover, the company received the Greenhouse Gas Verification Statement issued by SGS, making it the first in China's telecom industry to implement the ISO 14604-1:2018 standard. Meanwhile, the company vigorously works on green product innovation, and promotes carbon emission reduction across the product lifecycle, from design and R&D, packaging and shipment, to recycling. To build greener offices, we have developed an all-in-one cloud platform that supports video conferencing and remote work, which helps cut down 36,300 tons of carbon emissions every year. In manufacturing, dark factories have been built to reduce carbon emissions and power consumption. In 2022, the carbon emissions from production of a single 5G product decreased by 9.3%, and compared with 2021, power consumption dropped by 7.13%. To fully embrace green development, the ICT industry is obliged to empower other industries. As a leading player in this industry, ZTE not only provides integrated ICT solutions to promote the green development of operators and traditional industries, but also takes an active part in standards formulation, so as to make the world better and greener.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Reviewing and guiding the risk management process	According to Articles of Association，the Board of Directors shall be accountable to the general meeting of shareholders and shall exercise the following functions and powers: 1)to determine ZTE's business plans and investment proposals; 2)to formulate ZTE's proposed annual financial budgets and final accounts; 3)to draw up plans for any material acquisition, repurchase of ZTE's shares, merger, changing in the form, division or dissolution of ZTE; 4)to decide on the set up of ZTE's internal management structure; 5)to appoint or remove ZTE's president and the secretary to the Board of Directors; to appoint or remove senior officers, including the EVP and chief financial officer of ZTE, based on the recommendations of the president, and to decide on their remuneration as well as matters relating to rewards and penalty; 6)to formulate the basic management system of ZTE; 7)to supervise the disclosure of ZTE's information; 8)to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, provision of other guarantees, entrusted asset management and connected transactions by ZTE within the scope of authority conferred by the general meeting; These responsibilities include those related to climate change, such as: 1) The board of directors approves ZTE's annual sustainable development strategy, major projects and related work plans, and regularly listens to reports from the Sustainable Development Management Committee to ensure that ZTE's sustainable development objectives are achieved. The board of directors reviews the company's annual report and sustainability report. Environmental protection and carbon emission reduction are important contents of the company's sustainability report.

		2) On a quarterly basis, the Dual-Carbon team report to the senior leaders of the Company, such as the Chairman, CEO, CSO and other Top management, reporting the Company's dual-carbon strategy and implementation plan, including challenges, risks, opportunities and progress of climate change objectives (such as scientific carbon objectives), action plans and plans required to set objectives, and achieve the costs corresponding to the carbon emission strategies/objectives, Benefits, planning of building zero-carbon parks, and adjustment of the company's organizational structure. In 2023, ZTE officially announced its participation in the Science-Based Targets Initiative (SBTi) after approval by top management . (3) At the end of December 2021, with the approval of the Chairman, ZTE restructured the level-2 unit: Product operation division of digital energy. (4) In March 2022, the Board approved the appointment of CEO and Executive Vice President (EVP). With the approval of the Chairman, ZTE's Senior Vice President (SVP) is appointed, including the appointment of the Chief Strategy Officer, whose duty including the climate change strategy.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	1) Whether there are ICT industry experience and front-line experience 2) Whether the knowledge about climate change and its impacts is obtained. 3) Whether the risks and opportunities related to climate change in the industry are understood The Chairman of the Company and CEO, Executive Vice President (EVP) have been working in the front line of scientific research for many years. They have extensive experience in the ICT industry, and have made public speeches related to climate change and ICT industry. On a quarterly basis, the Company's dual-carbon team shall report to the top management including chairman and CEO, and as well as the CFO, COO, CTO, chief purchaser officer and Chief Strategy Officer. They shall report on the dual-carbon strategies and implementation plans of the Company, including the challenges, risks, opportunities

		and progresses of the establishment of climate change objectives (such as SBTi), action plans and plans required for the establishment of SBTi. In addition, the dual-carbon team will also provide carbon emission related knowledge training to the leaders, including the background of climate change, the requirements and progress of the core stakeholders of the company, ISO14064 standard system requirements and the progress of the company, SBTI knowledge, SBTI analysis etc.) On February 23-24, 2023, the Sustainable Development Forum under the background of the "Dual-Carbon" strategy was held in Wuxi, Jiangsu. Mr. Li Zixue, Chairman of ZTE, delivered a keynote speech entitled "Implementing the Green Sustainable Development Strategy," sharing ZTE's practice and thinking in green sustainable development.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other C-Suite Officer, please specify

CSO (the Chief Strategy Officer)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Developing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Assessing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Chief Strategy Officer
1) Formulates medium and long-term corporate strategic plans (corporate strategy including climate change and carbon emissions), promotes the implementation of corporate strategies, monitors and evaluates the implementation status, and makes timely responses and adjustments.
2) Takes charge of the daily operation of the Strategy Committee, and takes the lead in high-level discussion of major strategic issues to provide decision-making support for major strategic issues.
3) Plans and manages the company's strategic objectives, strategic tasks, and strategic resources to ensure the reasonableness of strategic objectives, the correctness of directions, and the effectiveness of resources.
4) Builds the company's strategic organizations and optimizes the strategic processes and systems to continuously improve the maturity of the company's strategic management.
5) Takes charge of strategic cooperation, ecological construction, and corporate brand improvement.
6) Plans and implements capital operation projects, such as major mergers and acquisitions, asset sales, and capital operation projects.
7) Looks for new business fields and directions for the long-term development of the company.
In May 2023, ZTE Corporation has officially announced its participation in the Science-Based Targets Initiative (SBTi) and conducted a commitment signing ceremony.
At the commitment signing ceremony, the Senior Vice President and Chief Strategy Officer of ZTE, signed the pledge to the SBTi.
https://www.zte.com.cn/global/about/news/zte-joins-the-science-based-targets-initiative.html

Position or committee

Sustainability committee

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Managing climate-related acquisitions, mergers, and divestitures
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Sustainability committee
ZTE's five strategic priorities for sustainability includes the issues of environment and climate change. The Committee has 21 senior leaders at the EVP and SVP levels or above, including COO and SVP in charge of Supply Chain. The director of the Committee is the executive director of ZTE, Executive Vice President (EVP), taking charge of Human Resources (HR).
Responsibilities :
1) Establish and continuously improve sustainable policies, strategies, objectives, architecture and operation system;
2) Ensure the effective implementation of sustainable strategy
3)Regularly conduct management review of major sustainable issues
4) Promote sustainable development to supply chain,
5)Periodically, and when necessary, report to the board on sustainable issues.
Selection rationale: Climate change is one of the key issues for ZTE's sustainable development, which is related to the overall operation of ZTE and value chain. The director of the Committee has the ultimate responsibility for ZTE's environmental and climate change performance. COO is responsible for the overall Operations Management, including the overall implementation of climate change. The SVP in charge of the supply chain, is responsible for promoting climate change in the supply chain. Hence, ZTE has established the committee consisting of above positions.

Position or committee

Other committee, please specify
Dual-Carbon Project Team

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)
Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Managing public policy engagement that may impact the climate
Managing value chain engagement on climate-related issues

Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

In 2021, ZTE set up the Dual Carbon project team. The steering committee of the team includes the executive directors, CFO, COO and CSO of the company, the SVP in charge of supply chain and the SVP in charge of administration. The general team consists of 17 vice-vice President of ZTE.
Responsibilities:
1) Plans to establish and continuously improve dual-carbon policies, strategies, objectives, architectures, and operation systems.
2) Plans, establishes, and implements SBTi.
3) Ensures the effective implementation of the dual-carbon strategy.
4) Conducts regular joint assessment and pre-decision on major dual-carbon problems.
5)Plans and applies for dual-carbon incentive measures and expenses.
6) Reports dual-carbon implementation work to the Operation Committee (senior leaders) of the company on a regular basis, and reports dual-carbon risks to the Board of Directors if necessary.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	The company offers Monetary reward and non-Monetary reward, including energy-saving products and solutions, energy-saving awareness improvement (such as offering gifts to the employees involved in energy saving and emission reduction activities), energy-saving project objective achievement rewards, dual-carbon project milestone achievement rewards, collection of climate change related gold ideas rewards to all employees, and Rational Proposals rewards for energy saving and consumption reduction.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Director on board

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

ZTE use the balanced scorecard design for the performance appraisal solution of the executive directors. The solution is measured in all dimensions, focusing on the long and short term, finance and non-finance, quantitative and qualitative, result and process. Carbon neutrality has become a common value and goal for the world and humanity as a whole, and digital and intelligent transformation is one of the key pathways to rapid low-carbon development.
In line with the philosophy of being “customer-centred and ahead of the times” in technological development, ZTE has been vigorously seizing significant opportunities presented by developments such as 5G, New Infrastructure, Digital and Intelligent Transformation, East-to-West Data Computing and Dual Carbon, persisting in its objectives and leveraging its strengths as it sought to be a “path-builder for the digital economy” that helps carriers and business partners to forge “connectivity + algorithm + capacity” as the foundation of digital and intelligent operations and speed up the process of digital and intelligent transformation and upgrade of the society as a whole. ZTE is rapidly improving the competitiveness of a full range of end-to-end ICT products and digital and intelligent solutions, and accelerating global green and low-carbon. The market share also steady grows.
The results of the above work will affect the annual performance appraisal scores of the executive directors.
For the annual rewards for executive directors, ZTE uses the annual objective rewarding

package mode. The annual performance results of executive directors directly affect their annual rewards results.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Providing a full range of end-to-end ICT products and digital and intelligent solutions to accelerate the green and low-carbon digital and intelligent transformation is the core competitiveness of ZTE, and is incorporated into ZTE's strategies and operation objectives. Whereas the achievement of ZTE's operational and strategic objectives is incorporated into the executive directors' annual performance, the achievement thereof will affect the executive directors' annual performance appraisal results and thus their annual awards. Annual incentives to the Company's executive directors help promote and accelerate ZTE's climate commitment and climate transition plan, and increase the Company's core competitiveness and market share.

Entitled to incentive

Management group

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Board approval of climate transition plan
Achievement of climate transition plan KPI
Progress towards a climate-related target
Achievement of a climate-related target
Implementation of an emissions reduction initiative
Reduction in absolute emissions
Reduction in emissions intensity
Energy efficiency improvement
Increased share of low-carbon energy in total energy consumption
Increased share of renewable energy in total energy consumption
Reduction in total energy consumption
Increased investment in low-carbon R&D
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with suppliers on climate-related issues
Increased engagement with customers on climate-related issues
Increased supplier compliance with a climate-related requirement
Increased value chain visibility (traceability, mapping, transparency)
Company performance against a climate-related sustainability index (e.g., DJSI, CDP Climate Change score etc.)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)

ZTE has established a dual-carbon project team to set up project objectives and milestones each year, and rewards are made according to the project progress and milestone completion status. For the three fields (R&D laboratory, production line, and high-energy-consuming operation facilities) where the company's own emissions account for the largest proportion, energy conservation objectives shall be set. After energy conservation objectives are achieved, a certain proportion of the amount shall be deducted as rewards for the corresponding team members.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

ZTE rewards the milestones and target implementation of the dual-carbon project team to promote the achievement of the company's dual-carbon objectives. ZTE has committed to SBTi and achieved carbon reduction targets as planned to promote the implementation of ZTE's climate commitment and climate transition plan.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Energy efficiency improvement
Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

ZTE regularly organizes various energy conservation publicity activities, and gives Monetary rewards to individuals who actively participate in and perform excellently in the activities. These activities will enhance the awareness of each employee to reduce energy use.
For example, in 2022, ZTE planned and launched a collection activity for gold idea of technology carbon reduction. In this activity, we received a total of 264 proposals, including 49 proposals for R&D, 125 for supply chain, 66 for administration, and sixteen

for other reduction activities. Some of the gold ideas were incorporated into the 2023 dual-carbon project for follow-up. And monetary rewards were given to those employees who actively participate in the project.
Most of department organizes several energy conservation and consumption reduction activities, encourages employees to participate in the topics, and issues gifts to the employees who actively participated in. The awareness of energy conservation and consumption reduction is greatly improved through these activities.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The achievement of climate goals requires the participation of all employees. Monetary rewards for all employees will help to improve the employees' awareness of climate change, and the company's climate commitment and transition plan will be better implemented.

Entitled to incentive

All employees

Type of incentive

Non-monetary reward

Incentive(s)

Internal company award
Internal team/employee of the month/quarter/year recognition

Performance indicator(s)

Implementation of employee awareness campaign or training program on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

ZTE regularly organizes various energy conservation promotion activities, and gives spiritual incentives to individuals who actively participate in the activities and perform well. These activities will raise the awareness of every employee.
Non-monetary incentives, including praising excellent individuals through the company's public mailbox.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

The achievement of climate goals requires the participation of all employees. Non-monetary rewards for all employees will help to improve the employees' awareness of climate change, and the company's climate commitment and transition plan will be better implemented.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	The short term of the company is defined as 0-3. ZTE has formulated a three-phase strategy of "recovery, development and transcendence." According to the characteristics of each strategic development phase, the company predict and identify related risks, including major climate disasters. Establish relevant process mechanisms in uncertain factors to ensure the achievement of strategic objectives.
Medium-term	3	10	The initial goals of the company's planning are to reach the " carbon peak earlier than 2030" and "carbon neutrality earlier than 2060" milestones.
Long-term	10	30	The company's long-term climate target: ZTE has established a long-term vision of net zero carbon emissions, and is expected to achieve carbon neutralization earlier than 2050.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

ZTE has formulated the Operation Guide to ZTE's Strategic Risk Management， Risk Assessment and BCM Strategy Management Process , and the ZTE Risk Management Regulations to standardize and guide the company-wide risk management process, including CSR(Corporate Social Responsibility), environmental protection and climate risk management.

Substantive impact on the company's main business refers to the greater impact on the company's strategic objectives, market share, product competitiveness, and financial losses. According to the ZTE Risk Management Regulations, the company's economic loss exceeds 50 million RMB, and its risk impact is rated as the highest level. The company will consider the impact as substantial.

Climate change will introduce risks (such as increased costs) to ZTE's operations, upstream and downstream value chains through regulations, technology, markets, reputation, natural factors, and so on, as well as corresponding opportunities (such as revenue growth from demand for products and services). These impacts have exceeded the amount of material impact defined by ZTE (more than

50 million RMB). The climate change has been incorporated into the ZTE strategy and is the overall responsibility of Chief Strategy Officer.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

ZTE has formulated the Operation Guide to ZTE's Strategic Risk Management， Risk Assessment and BCM Strategy Management Process , and the ZTE Risk Management Regulations to establish an internal control system designed for various risks, including climate-related opportunities and risks.

Climate-related risks and opportunities are Integrated into multi-disciplinary company-wide risk management process. Direct operations, downstream, and upstream has been covered in ZTE processes for identifying, assessing and responding to climate-related risks and opportunities. These risks include strategic risks, financial risks, market risks, legal risks, R&D risks, operation risks, supply chain risks, human resources risks, and engineering service risks etc. Based on the principle of "the person in charge of the business shall take charge of the risk as well", ZTE defines risk responsible department and person. ZTE's internal control capability team is responsible for establishing and improving the risk management mechanism in the managed field, promote the incorporation of risk control into business processes, identify and control risks in advance, and improve risk prevention capabilities. The risk assessment expert team of ZTE organizes risk identification, evaluation, and sorting on a regular basis or when the internal and external environments change significantly, and outputs a risk list and a risk report.
If the financial impact exceeds 50 million RMB, the internal control team shall report to the Board of Directors every six months for review.
ZTE Risk identification methods include brainstorming, structured/semi-structured

interview, questionnaire, historical loss, checklist, fish bone diagram, and business risk decomposition.
The risks to be identified include long-term risks, medium-term risks (risks in the current year), and short-term risks (including emergency risks).
ZTE's risks appraisal criteria including risk level, risk probability appraisal and risk impact degree.
The probability appraisal criteria is divided into five levels from "Very Low Probability" to "Very High Probability". For different levels, 0.1 to 5 points are assigned to each level.
The risk impact score is assigned from 0.1 to 5 according to the severity of the impact of the risk .
Risk values (risk values =probability * impact) are divided into five levels: Critical risk (risk value >16), High risk (risk value 9-16), Moderate High risk (risk value 4-9), Moderate risk (risk value 1-4), and low risk (risk value <1).
At the end of each year, the risk assessment expert team shall assess the list of Critical, High risks and Moderate High risks of the next year. Each unit shall identify and evaluate risks on a quarterly basis, review the management and control status of existing risks, and supplement the list of Critical and High risks in accordance with the evaluation result. The progress of the management and control of Critical and High risks shall be reported to the senior leaders of the company for review on a monthly basis. Emergency Critical and High risks shall be reported to senior leaders of ZTE in real time.
The dual-carbon project team of ZTE is responsible for identifying and evaluating climate-related risks and opportunities, including the identification, assessment, and response of climate risks at the company level. According to the unified requirements, the dual-carbon project team will identify climate-related risks and opportunities based on the company's operation, upstream (supply chain), and downstream (customer).
Based on the risks identified by the dual-carbon team, ZTE will formulate the corresponding control objectives, key control points (KCP), and key control activities. At the same time, the specific financial impact and strategic impact shall be assessed in accordance with the business development trend of the ZTE. The risks or opportunities with a financial impact exceeding 50 million RMB will be reported to the Board of Directors every six months.
Based on the identified opportunities and risks, since 2021, ZTE has set up the Top Ten Carbon related projects: Including the completion of ZTE's carbon inventory check and got ISO14064 certification; improving the awareness of energy saving and emission reduction for all employees; setting objectives of energy saving for business units covering offices, production and R&D laboratories; setting objectives of material recycling for related departments.
At the end of December 2021, with the approval of the Chairman, ZTE restructured the level-2 unit: Digital Energy product operation division. Digital energy product operation division consists of two major product lines: Power and DC, and new energy. The new energy product line focuses on such fields as green power generation, intelligent energy storage and intelligent electricity consumption. ZTE's digital energy will bring into play the advantages of digital technologies and power electronics, and integrate power electronics, energy storage technologies, cloud, and AI technologies to accelerate energy digitalization and build a zero-carbon society.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	China and other countries around the world have laws policies and regulations that require companies to reduce carbon emissions. In some countries or areas, it is mandatory to join the pilot emission trading scheme. ZTE has been included in emission trading scheme by the Shenzhen government. The national market for carbon trading has also been launched. According to the government requirements, it is required to disclose relevant carbon emission data. If the data is concealed or not reported, ZTE will be punished and criticized. During the carbon trading process, if ZTE's emissions exceed the quota, ZTE shall purchase quotas, and bear the due compliance costs. ZTE's annual energy cost exceeds 400 million Yuan. At present, the annual cost of the purchase carbon quota does not exceed 5 million Yuan. The current regulatory risks will not have any material impact to ZTE. However, ZTE has incorporated climate issues into its risk management and policy formulation process, and at the same time, violation of carbon trading policies may bring reputation impacts and penalties to ZTE. According to the forecast of policy development direction, the coverage and intensity of carbon trading will increase in the future around the world, which may have a material financial impact on ZTE. Therefore, although emission trading scheme at the current stage does not have a material impact, ZTE still includes this regulation into the risk assessment scope.
Emerging regulation	Relevant, always included	Since the Shenzhen government initiated the carbon trading management regulations in 2014, ZTE has been incorporated into the supervision scope of the Shenzhen government. With the launch of the national carbon trading market, other R&D or manufacturing sites of ZTE are likely to be included in the national carbon trading system, and will be required to comply with the compliance and trading rules and regulations of the national ETS. According to mandatory ETS checks, once the emission exceeds the allocated limit, the company must bear the compliance costs. Therefore, since 2019, we have invested 5 million in establishing an energy management system. Each year, we will invite a third party to evaluate the carbon emissions, evaluate the financial impact of compliance costs and the regulatory risks of violations, and evaluate the consistency between our current internal management rules for carbon transactions and the ETS rules released by the government, so as to ensure the correct response policies of the company's solutions. In addition, the approval CBAM also poses risks to ZTE. If ZTE fails to

		meet the requirements of relevant regulations, it may be required to pay a certain amount of fines. ZTE regards this as a risk, and is actively coping with the risk by increasing the use of renewable energy and implementing technical emission reduction. Since 2021, based on the identified opportunities and risks, the Company has set up the Top Ten Carbon related projects: Including the completion of the Company's carbon inventory check and got ISO14064 certification; improving the awareness of energy saving and emission reduction for all employees; setting objectives of energy saving for business units covering offices, production and R&D laboratories; setting objectives of material recycling for related departments.
Technology	Relevant, always included	ZTE Corporation is a global leader in telecommunications and information technology. With the rapid development of technologies, the technical requirements for low-carbon products are increasing. If ZTE's technologies, including low-carbon and energy-saving technologies, cannot keep up with the times and meet customer requirements, ZTE's market share will be reduced. Therefore, ZTE believes that technology is a risk for ZTE. ZTE believes in technology innovation as a core value of the company and will reduce the risk of ZTE. ZTE invests more than 10% of annual revenue in its R&D. The company has established 11 state-of-art R&D centers in China. By the end of 2022, ZTE has filed applications for more than 85,000 patents, with over 43,000 granted. and has been granted China Patent Awards 10 Gold Awards. Considering the impact of 5G technologies on energy use of customers, ZTE has designed AI-based green energy saving solutions (energy saving and emission reduction for wireless support communications equipment) and low power consumption technologies (power consumption reduction through technical optimization) to improve energy efficiency in product use and reduce energy use and carbon emissions. Energy saving through PowerPilot service navigation-based energy saving can greatly improve the energy saving ratio without affecting user experience and maintaining the current network KPIs. The field test result shows that the energy saving ratio can be twice that of the current solutions in the industry. Efficient green power supply system: Through the introduction of renewable energy, ultra-efficient power supply system and intelligent lithium battery application to achieve energy saving and emission reduction), full modular data center: Indirect evaporation cooling air conditioner/high-voltage DC power supply/intelligent O&M tool, multi-dimensional reduction PUE)
Legal	Not relevant, included	The risk of climate-related legal risk is considered to be low. But ZTE still included legal requirements in our risk assessment. As a member of

		Gesi, ZTE have established ISO14001 environment management system and ISO50001 energy management system. ZTE have developed energy conservation and emission reduction solutions every year to reduce the carbon emissions of Scope 1 & 2 &3. In addition, ZTE has developed low-carbon products and solutions to help our customers reduce their carbon footprint. The ICT industry is not currently within the focus of climate change regulations, and we do not expect to introduce such regulations in the next few years. The telecommunications industry is not an energy-intensive enterprise, and non-governmental organizations or people affected by climate change are less likely to sue for climate change on ICT companies. So far, ZTE has not suffered any major fines or non-monetary sanctions due to violation of environmental / climate change laws and regulations.
Market	Relevant, always included	As a global company, ZTE provides innovative technologies and product solutions for telecom operators and government & enterprise customers in more than 160 countries and regions around the world. Customers both at home and abroad have proposed requirements for energy saving and emission reduction of ZTE products, including disclosure of carbon data, provision of carbon footprint data of products and reduction of energy consumption of products. By 2022, most of the global leading operators had set SBTi. Major operators, such as Telenor, Orange, Verion, Telia, Tele2, Vodafone, AT&T, Bharti, Telefonica, Deutsche Telekom AG, T-Mobile, ELISA and Swisscom, put forward requirements for the Supply Chain. For example, they advised to set SBTi and provide the carbon dioxide lifecycle report (LCA) of the products. They required to fill in the energy consumption of the products and the energy saving improvement solutions from R&D to production, which will affect the company's costs, sales, and business reputation. In addition, major operators have increased the weight of carbon emissions in the bidding questionnaire. ZTE recognizes that without the development of low-carbon products, customers will be lost, and the market share and sales amount will be affected. Therefore, market risks are considered to be relevant and included in ZTE's climate risk evaluation process.
Reputation	Relevant, always included	At present, many investment institutions, such as NGOs and third-party organizations, and rating agencies in the financial market, such as DJSI, FTSE, MSCI, Sustainalytics and Hang Seng, have included environment protection, climate change and carbon emissions in the ESG / Sustainability ratings. And the weights of climate change become higher and higher. Poor performance in tackling climate change and managing carbon emissions or insufficient disclosure will affect ZTE’s scores and ratings, and further affect ZTE's reputation worldwide. Therefore, ZTE considers that reputation risks are relevant and are included in climate risk assessment.

Acute physical	Relevant, always included	Based on the ISO22301 standard, ZTE had established the BCM system covering the main business and supporting fields, and obtained the ISO22301 certification on January 13, 2020. In 2022, the management system remains effective. Extreme weather events are one of the factors that affect business continuity. When natural disasters such as earthquakes and hurricanes occur, it is possible that production in a partial area is interrupted, materials from a specific country or region are interrupted, or logistics and transportation to a specific country or region is partially interrupted. In particular, the majority of ICT components suppliers are located in Southeast Asia, e.g. Malaysia, Indonesia, Philippines, Myanmar, Viet Nam, where is exposed to floods and typhoons. the Climate-related acute physical risks are included in ZTE's risk assessment. Identify the products and services that ZTE relies on and the key activities and resources for these products and services, and carry out business impact analysis and risk assessment. ZTE will assess physical risks on a regular basis every year, formulate relevant plans, select and determine appropriate business continuity policies, and formulate business continuity plans and accident management plans. The disaster emergency and business recovery capabilities will be verified through practice to ensure the interests of customers and shareholders to the maximum extent. Reduces the company's operation risks, ensures that the organization can continuously provide products and services, and ensures business sustainability.
Chronic physical	Relevant, always included	ZTE has been always paying attention to the impact of climate on product and network operation stability, especially the high-salt and high-humidity and high-temperature climatic conditions in different areas. The high-salt and high-humidity climate in coastal areas may cause corrosion inside and outside the cabinet, affecting equipment operation stability, equipment rust, and environmental pollution. Continuous high temperature results in sea level rise. The change of rainfall may cause floods and more severe high salinity and humidity. ZTE has developed all-aluminum anti-rust cabinets, which have been under management and control since the material configuration to ensure that the cabinets are deployed in coastal areas. In areas with a high temperature and a long duration, in addition to air conditioners or a cold air system, ZTE performs preventive maintenance during the O&M process to ensure effective equipment operation and avoid equipment failure due to over-high temperature.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Company-specific description

Since the Shenzhen government initiated the carbon trading management regulations in 2014, ZTE Shenzhen has been incorporated into the trading system. For the national carbon trading system, ZTE is likely to be included, and will be required to comply with the national ETS compliance and trading regulations. As per the ETS's mandatory checks, once the emission exceeds the allocated quota, the company must bear the compliance costs and the costs of purchasing carbon quotas. At present, the annual energy cost of the whole company exceeds 400 million Yuan, and the purchase carbon trading quota and potential cost in Shenzhen area do not exceed 5 million Yuan. The promotion and implementation of the future carbon trading policy in the whole country means that ZTE may have five regions to join in the carbon trading, which may increase compliance and other operation costs, and may have materiality financial impact. Therefore, ZTE must comply with national requirements for greenhouse gas emissions to save energy and reduce emissions.

In addition, the approval of CBAM also poses risks to ZTE. If ZTE fails to meet the requirements of relevant regulations, it may be required to pay a certain amount of fines. ZTE regards this as a risk, and is actively coping with the risk by increasing the use of renewable energy , reducing carbon footprint and implementing technical emission reduction etc.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,950,000

Potential financial impact figure – maximum (currency)

20,000,000

Explanation of financial impact figure

ZTE Estimates costs based on current carbon emissions. Total carbon emissions were about 135676 tons in 2022. Compared with 2021, the carbon emissions of ZTE in 2022 were reduced by 28000 tons. It is estimated that ZTE needs to purchase less than 30000 tons of carbon quota. According to the current carbon price in Shenzhen, the highest estimated price is 65 yuan a ton, and the cost is 30000 *65=1950000 yuan. If ZTE does not purchase a carbon quota as required, the government will impose a fine three times the carbon quota. Therefore, the fine may be 6 million yuan. It is expected that in the future, ZTE will have four major production bases such as Nanjing and Xi'an, which will be included in the carbon emissions transaction. So ZTE will have up to five production locations need to buy carbon quotas and even to be fined. Due to different production scales, the Shenzhen base accounts for about 30%, so the total impact may be about 6 /30% equal to RMB 20 million.

Cost of response to risk

10,800,000

Description of response and explanation of cost calculation

ZTE faces the compliance risks and the associated risk of increased costs due to emerging regulations from the upstream of the value chain. These impacts and risks exist for long-term. ZTE must comply with global, national, and local government requirements for GHG emissions, such as carbon trading systems, which drive ZTE to take measures to save energy and reduce carbon emissions. Additionally, the approval of the CBAM poses risks to ZTE. If ZTE fails to meet the requirements, ZTE will be required to pay a certain amount of compliance fees, including fines. ZTE is actively responding to such risks by increasing the use of renewable energy, reducing the carbon footprint of its products, and implementing management and technological reduction measures.

Since 2020, ZTE has used the energy management center system to provide a series of information-based and intelligent management functions such as online monitoring, statistical analysis, efficiency evaluation, and report generation. Based on the monthly reporting of energy consumption and energy conservation progress, ZTE optimizes the power consumption structure, applies energy conservation technologies and equipment transformation, promotes energy conservation planning in the project construction phase, and implements energy management. Energy management systems have been built in Shenzhen, Nanjing, Xi'an, Shanghai, and Changsha. ZTE formulate annual measures for energy saving and emission reduction, such as updating of R&D

laboratories equipment, optimization of production lines process , energy saving of reflow ovens and SMT machines, cold storage projects, and transformation of central air conditioners.
Through the above measures, ZTE's GHG emissions (including scope 1&2&3) decreased by 7.48% in 2022 compared with 2021.
The involved risk response costs include:
Energy management center: RMB 5 million;
Reconstruction and Replacement of old high-consumption equipment: RMB 1 million
Energy-saving promotion cost : RMB 0.3 million
IT system construction: RMB 1 million
Reconstruction of laboratory equipment: RMB 2 million
Third-party greenhouse gas emissions verification, energy management system certification: RMB 0.5 million
Carbon emission calculation software: RMB 1 million
Total cost: 5+1+0.3+1+2+0.5+1 = RMB 10.8 million yuan.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical
Cyclone, hurricane, typhoon

Primary potential financial impact

Increased direct costs

Company-specific description

Among ZTE's overseas raw material suppliers, there are nearly 20% suppliers (including IC factories) located in East Asia, such as Japan, South Korea, Southeast Asia, such as the Philippines and Indonesia. These factories are sensitive to natural disasters such as tropical cyclones and earthquakes. The tropical cyclone caused by climate change is very unlikely to cause serious damage to the production facilities of these suppliers, and the impact on continuous operation is relatively controllable. Even if such a risk occurs, it will inevitably affect the security and stability of ZTE's supply chain. For example, the IC factory in Southeast Asia may be stopped production or interrupted logistics and transportation for a short time due to typhoons or earthquakes, which will affect the supply of IC materials. To avoid material shortage, ZTE will increase the material preparation capacity. As a result, the material preparation cost is increased.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

148,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The inventory of the Company in 2022 (including raw materials such as IC) is 45,235.0 million yuan. The inventory of the Company in 2021 (including raw materials such as IC) is 36,316.8 million yuan. The inventory of raw materials in 2022 is increased by 24.6% than that in 2021.Raw material inventories are increased by 8919.2 million yuan. In 2022, some chip manufacturers suspended production for more than one month due to weather conditions, accounting for 1/12 of effective production. Nearly 20% suppliers (including IC factories) are located in weather-sensitive areas. Then the financial impact 8919.2 million yuan*1/12 * 20% = 148 million yuan.

Cost of response to risk

446,000,000

Description of response and explanation of cost calculation

ZTE is managing this risk by increasing inventory of raw materials to avoid interruptions due to suppliers impacted by extreme weather events. ZTE has built three defense lines from product design, material preparation prediction, to order fulfillment. First, for wireless base station products that are easy to be exposed to extreme climatic conditions, ZTE adheres to the strategy of parallel development of core technologies and global purchase, and implements strategic cooperation with global core suppliers through front-end R&D model selection control, resource deployment. Multiple layouts of supplier resources have been adopted to eliminate exclusive supply risks . Second, improve the safety stock level of long-term key risk materials, such as limited production capacity, long procurement period, and poor supply flexibility, to prevent supply interruption. For example, for wireless products, ZTE has purchased corresponding materials in advance, such as IC.
Example: ZTE's supply chain is faced with climate risks such as earthquakes, hurricanes, and high heat. To deal with such risks, Supply Chain will formulate different safety material preparation solutions according to the risks. ZTE establishes a risk assessment model and response mechanism for the Supply Chain . During the 2022 Fukushima earthquake in Japan, within twenty-four hours, ZTE has identified the

suppliers and affected materials 200 kilometers around the epicenter of the earthquake, assessed the risks of ZTE, and made countermeasures. Compared with the 2011 Japan 311 earthquake, the affected materials were identified six days ahead of time, reducing the material preparation cost and the risks of material delivery and default, and ensuring the delivery safety of the company.
The inventory of ZTE in 2022 (including raw materials such as IC) is 45,235.0 million yuan. The inventory of ZTE in 2021 (including raw materials such as IC) is 36,316.8 million yuan. The inventory of raw materials in 2022 is increased by 24.6% than that in 2021.Raw material inventories are increased by 8919.2 million yuan. Suppose that 5% is prepared due to weather, the risk response cost is 8919.2*5% = 446 million yuan.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation
Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased access to capital

Company-specific description

Decreased access to capital is affected by multiple factors. As investors and customers gradually increase their attention to climate risks, ZTE's climate response and management are also factors that may affect the recognition of ZTE.
At present, many investment institutions and third-party organizations, such as NGOs, have rated the issues related to environmental protection, climate change, and carbon emissions, and gradually increased their weights. If ZTE does not perform well in dealing with the risks and opportunities related to climate change and managing carbon emissions, it will affect our rating and score, and further affect ZTE's reputation and business recognition among investors, customers, and society.
International major rating agencies such as DJSI, FTSE, MSCI, Sustainalytics and Hang Seng rate the company in environmental, social and corporate governance aspects. In 2022, ZTE H shares were included in the FTSE4Good Index Series. ZTE's A shares and H shares were included into Hang Seng Corporate Sustainability Index Series.
ZTE's own performance and external evaluation in the environment will affect the rating , and the investment decision made by investors based on the rating results, which will affect the access to capital .

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

114,500,000

Potential financial impact figure – maximum (currency)

1,145,000,000

Explanation of financial impact figure

Such reports may have a negative impact on the investment of shareholders. By December 31, 2022, the market value of ZTE stock was about 114.5billion yuan. Our 1% shareholders pay special attention to our sustainable development performance, including the performance of climate change and carbon emissions reduction, and have requested to communicate with the company on our sustainable development performance many times in 2022. If our rating continues to decline, such shareholders may sell our shares, resulting in a stock price decline. The financial impact may be in the range of 0.1% to 1% of the market capitalization of the Company, that is, CNY 0.1145 billion to CNY 1.145 billion.

Cost of response to risk

10,800,000

Description of response and explanation of cost calculation

At present, the large international rating agencies are rating ZTE and climate change accounts for an increasingly high proportion. ZTE need improve the ESG rating as one of the annual sustainable development objectives. In view of this goal: First, ZTE has strengthened communication with rating agencies to fully understand their rating methods and standards, including those related to climate change. For example, many agencies require ZTE to disclose carbon data. Second, a company-level dual-carbon project team is established to promote dual-carbon projects. Third, ten company-level dual-carbon projects are set, and the requirements of stakeholders, including the rating agencies, are fully incorporated into the project objectives.

Example:

At present, International major rating agencies such as DJSI, FTSE, MSCI, Sustainalytics and Hang Seng rate ZTE in ESG performance. Climate change accounts for an increasingly high proportion. In order to avoid the negative impact of the rating reduction on the investment of the ZTE's shareholders, Since 2021, ZTE started the carbon strategy planning project globally, and set up the dual-carbon team led by CSO, which is responsible for design, phased implementation and overall planning of project

in progress. The third-party organization has conducted on-site investigation at the organization level and global GHG emission check in 2022 according to ISO14064 standard , and passed the certification. The carbon data has been publicly disclosed in ZTE's annual sustainability report.
These above measures demonstrate the transparency of ZTE and enhance the trust of investors and customers. At the same time, the measures will help improve ZTE's rating and effectively avoid the negative impact of the rating reduction on the company's share price and access to capital .
The involved risk response costs include:
Energy management center: RMB 5 million;
Reconstruction and Replacement of old high-consumption equipment: RMB 1 million
Energy-saving promotion cost : RMB 0.3 million
IT system construction: RMB 1 million
Reconstruction of laboratory equipment: RMB 2 million
Third-party greenhouse gas emissions verification, energy management system certification: RMB 0.5 million
Carbon emission calculation software: RMB 1 million
Total cost: 5+1+0.3+1+2+0.5+1 = RMB 10.8 million yuan.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Digital and intelligent transformation is the dominant trend of the day. The digital economy has become one of the core pillars of qualitative economic development. In the meantime, increasing risks of uncertainty around the globe have also become a significant factor conversely obliging corporations and even the society in general to transform to digital and intelligent applications. More importantly, carbon neutrality has become a common value and goal for the world and humanity as a whole, and digital and intelligent transformation is one of the key pathways to rapid low-carbon development.

At the downstream of the value chain, the demand for new green and low-carbon products and services / solutions increases rapidly. It is a clear and long-term opportunity for ZTE, which will bring sustained revenue growth to ZTE.

In profound implementation of the green development philosophy, ZTE participated in full force the global transformation towards a decarbonised economy by building a “shaded pathway for digital economy” in four aspects, namely, green corporate operation, green supply chain, green digital infrastructure and green industry enabling: we have continued to enhance energy conservation and reduce emission, assist in the building of end-to-end low-carbon green networks by carriers, actively enable energy conservation and emission reduction in vertical industries and assist various sectors to expedite access to the green development pathway.

For example, the global climate change mitigation process has promoted the demand for digital energy, providing development opportunities for ZTE businesses in this field. In December 2021, ZTE established the Digital Energy Operation Division, focusing on green power generation, green ICT infrastructure, intelligent power distribution, and energy storage, to accelerate energy digitalization and promote the construction of a zero-carbon society.

In 2022, the carbon footprint of wireless sites, telecom equipment rooms, and data center facilities were reduced by improving product energy efficiency, introducing smart photovoltaic and lithium-ion energy storage, and other measures. In 2022, the unit energy consumption of sold products was reduced by more than 14% on a year-on-year basis. Carbon emissions generated from the production of a single 5G product are reduced by 9.3%.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

China's digital economy continued to grow in 2022. With a market worth of RMB50,000 billion, growing approximately 10%, year-on-year, and accounting for more than 41% of the nation's GDP, the digital economy has been playing an increasingly significant role as an economic growth driver.

While the slowdown in global economic growth and inflationary pressure in 2022 posed challenge for telecom carriers, persistent market demand for telecom services alleviated the impact on the industry, resulting in essentially stable telecom investment on a global basis.

In connection with new business, enterprises placed an increasing emphasis on digital transformation, fully capitalising on new-generation information technologies such as Big Data, Cloud Computing, Internet of Things and AI to optimise their business processes, enhance operating efficiency, step up with innovation and improve user experience. In 2022, global investment in digital transformation amounted to more than USD1,800 billion, which figure is estimated to exceed USD2,800 billion by 2025.

（Source: PRC Ministry of Industrial and Information Technology, CAICT, GSA (Global Mobile Suppliers Association), Statista）

Year 2022 was the opening year of the Group's strategic expansion phase. ZTE's revenue grew 7.36% year-on-year to RMB122.95 billion. Year-on-year growth in revenue was reported in both the domestic market and the international market. The innovative business segment, represented by server and storage, 5G industry application, vehicle electronics, digital energy and smart home, reported rapid growth in revenue to lay a solid foundation for the smooth commencement of our strategic expansion phase. In the digital energy segment, the Company supplied solutions such as prefabricated full-module data centre, micro-module data centre, and container data centre, as well as core systems for power distribution, heating and ventilation and management in an effort to guide the construction of innovative data centres in China and assist in the development of low-carbon green data centers.

It is estimated that by 2030, the total cumulative investment in digital energy, such as photovoltaic panel and energy storage, will exceed RMB 10 trillion. According to the distribution of the industry chain and the market competition pattern, ZTE set the market share target to about 1%, and is expected to earn a cumulative revenue of 100 billion yuan CNY （10trillion * 1%）.

Cost to realize opportunity

40,000,000,000

Strategy to realize opportunity and explanation of cost calculation

At the downstream of the value chain, the demand for new green and low-carbon products and services / solutions increases rapidly. It is a clear and long-term opportunity for ZTE, which will bring sustained revenue growth to ZTE.

ZTE has been vigorously seizing significant opportunities presented by developments such as 5G, New Infrastructure, Digital and Intelligent Transformation, East-to-West

Data Computing and Dual Carbon, Green & Low carbon products and services persisting in its objectives and leveraging its strengths as it sought to be a “path-builder for the digital economy” to speed up the process of digital and intelligent transformation and upgrade of the society as a whole.
To take advantage of this opportunity, ZTE:
1) In December 2021, ZTE established the Digital Energy Operation Division and increased its investment in digital energy for the R&D, production, and sales of new products. The division provides products and solutions for global operators and industry customers, such as green power generation, high-efficiency power conversion, intelligent energy storage, intelligent power consumption, and energy management.
2) In March 2022, ZTE released the new-generation end-to-end green solution GreenPilot for global operators. By October 2022, this solution had been put into commercial use in more than 30 networks with more than 900000 sites and data centers with 140000 cabinets, helping global operators save 2.5 billion KWH.
3) ZTE has been providing renewable energy power supply solutions for the telecommunications industry since 2002. The ZTE sPV full-scenario overlapped-light solution can increase solar energy generation by 20%. By the end of October 2022, more than 400 MW solar energy has been deployed globally, saving more than 447 million kWh/year.
It is estimated that the long-term investment and operating costs will account for about 40% of the expected revenue. The estimated revenue of ZTE increase by RMB 100 billion in 2030, so the cost investment will be 1000X40 %= 40 billion yuan by 2030.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced direct costs

Company-specific description

ZTE collaborates with upstream and downstream personnel to establish a "green supply chain". ZTE works with global value chain partners to reduce carbon emissions in the stage of manufacturing, raw material procurement, logistics and transportation etc.
The carbon footprint of wireless sites, telecom equipment rooms, and data center

facilities is reduced through measures such as improving product energy efficiency and introducing intelligent photovoltaic and lithium-ion energy storage. In 2022, the company reduced the overall emission of 1.07 million tons of raw materials through various measures. Focusing on management energy saving and technical energy saving, ZTE manufactures products in the model "5G Intelligent Manufacturing Powered by 5G" and has successfully applied more than 20 energy saving technologies. The annual production power consumption is reduced by 7.13%, the power consumption is saved by 23.22 million kWh, and the cost is saved by more than RMB 1,700 million. In terms of logistics and transportation, the company reduces 64000 tons of carbon on a year-on-year basis by improving the container loading rate and providing preferential low-carbon transportation modes. In terms of green recycling, ZTE collaborates with global environmental service providers to improve the environmental utilization of scrapped materials. In addition, 1076 tons of metal materials are recycled, 46 tons of plastics are recycled, and the recycling rate of environmental protection reaches 90%.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

181,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In 2022, through multi-level integrated transport control and optimized delivery networks based on upstream and downstream digital interaction, ZTE has optimized intelligent container loading, and increased the container loading rate by 57.5%.
Algorithm for saving amount of container loading rate: Calculate the number of saved containers according to the increase of container loading rate, and then multiply the number of saved containers by the average freight of each container. Save more than RMB 16 million.
Optimize the transportation mode and control air transportation. The air transportation ratio of international system equipment is reduced by 62% year-on-year. The saving amount algorithm for air transportation ratio reduction is as follows: Air transportation ratio difference * delivery volume * unit price difference. The saved amount is 165 million

RMB.
Total savings: 16+ 165 =181 million yuan

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Management measures are taken to increase the container loading rate and reduce the air transport ratio, without additional investment / cost.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

The annual energy cost of ZTE exceeds RMB 400 million. ZTE takes various measures to reduce the total energy consumption. In 2022, the total ZTE services increased by 10% and the total energy consumption decreased by 2.6%.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,108,066.5

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

ZTE costs more than 400 million yuan on energy annually. Currently, the main energy sources for ZTE are the state grid. By installing solar photovoltaic power generation equipment, ZTE can reduce annual electricity expenses. In addition, because the ZTE Shenzhen site has joined the Shenzhen carbon trading system, if ZTE's annual carbon emissions exceed its quota, ZTE will incur additional costs to purchase a carbon quota. Installing solar equipment can help ZTE reduce costs including electricity costs and the purchase of carbon quotas.

After solar photovoltaic devices are installed in the Shenzhen base, the total coverage area is close to 40000 m2. In 2022, the solar energy generation capacity is 2689124 kWh, which can meet the power consumption ratio of about 2% on site. The average electricity cost is 0.75 yuan/kWh, saving 0.75* 2689124= 2,016,843 yuan. Half of the benefits belong to ZTE, which is RMB 1,008,421.5 yuan.

In addition, installing solar equipment can reduce carbon emissions of approximately 1533 tons of CO2. If ZTE purchases a CO2 quota of 65 yuan/ton, ZTE will save costs: 65* 1533 = 99,645 yuan.

Total cost saved by ZTE: RMB 1,008,421.5 + 99645= 1108066.5 Yuan

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

ZTE cooperated Solar PV project with the environmental companies and ZTE does not need investment. The project is invested by the environmental companies. And half of the electricity fees saved in the future are the profits of the environmental companies. So the cost of ZTE is Zero.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Board-level: Review of sustainability topics (including climate-related issues and budgets) in the form of key escalations at a crisis working group meeting that includes the Chairman and CEO.
The Sustainability Committee will also present relevant pending issues (including environmental and climate change) of the Sustainability Committee to the Board as needed.
Dual-Carbon Steering Committee: Report on ZTE's dual-carbon strategy and 1.5 °C transition plan, require each business unit to make corresponding technical and management responses in accordance with ZTE's dual-carbon objectives, and regularly review and follow up ZTE's annual climate change transition plan and budget.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Company-wide	1.6ºC – 2ºC	Scenario: The impact of the Chinese government's "2030 carbon peak, carbon neutrality in 2060" on ZTE. ZTE implements the 2nd growth curve strategy, and its long-term revenue target is several times that of the current revenue. New business will expand enterprise activities and increase carbon emissions. In this way, ZTE may find it difficult to reach the emission reduction requirement of "carbon peak in 2030 and carbon neutrality in 2060."

			ZTE will reduce emissions by replacing fuel trucks and gas ovens, reducing power consumption of facilities, improving energy efficiency of products, and purchasing green electric power. Under the prerequisite of economic feasibility, ZTE will try its best to meet the "2030 & 2060" requirements. ZTE is concerned about whether these measures can achieve the target. At the same time, the measures are economically feasible and do not cause financial burden that enterprises can hardly bear. We conducted qualitative and quantitative analysis for this scenario. Important assumptions: ZTE will achieve long-term revenue growth of about 160 billion yuan in 2024. The growth rate will be reduced by half every 10 years, and the total revenue will be several times that of 2060. ZTE has expanded new auto electronics, new energy, industrial solutions, and other services, whose carbon emissions are almost the same as those of ZTE. Calculation formula: Carbon emissions C= ∑ (Revenue R× consumption intensity I× emission factor F) Cost =∑ (Revenue scale R× Emission reduction intensity I× cost rate P) Important parameters: Estimated revenue from 2021 to 2060 Current emission source intensity: Oil and gas , refrigerant escaping, power consumption , and product energy consumption Emission factors of fuel, refrigerant, and power sources Cost rate: energy price, additional cost rate of green electricity , and cost of various energy saving and consumption reduction Trend: Fuel trucks and gas stoves with 100% electrification life, Freon refrigerant decrease rate, operational power consumption decrease rate, power consumption intensity, physical power consumption improvement rate, and electricity price increase rate. The intensity decline laws of various emissions come from the research output of IEA, ITU, and other authorities, and the experience of

			peer enterprises. Constraints: absolute emission reduction rate and emission intensity reduction rate under the situation of 2030 carbon peak, carbon neutrality in 2060
Transition scenarios Customized publicly available transition scenario	Company-wide	1.5ºC	Scenario: ZTE has submitted SBTi commitment and must comply with SBTi 1.5ºC targets, including the 2030 emission reduction target and the 2050 net zero target. ZTE implements the 2nd growth curve strategy, and its long-term revenue target is several times that of the current revenue. New business will expand enterprise activities and increase carbon emissions. In this way, ZTE may find it difficult to reach the emission reduction requirement of "SBTi 1.5ºC targets," ZTE will try to meet its SBTi 1.5ºC goal by replacing fuel cars and gas cookers, reducing utility electricity, improving product efficiency, and purchasing green power. ZTE is concerned about whether these emission reduction measures can meet the emission reduction objectives without causing financial burdens for ZTE. Important assumptions: ZTE will achieve long-term revenue growth of about 160 billion yuan in 2024. The growth rate will be reduced by half every 10 years, and the total revenue will be several times that of 2050. ZTE has expanded new auto electronics, new energy, industrial solutions, and other services, whose carbon emissions are almost the same as those of ZTE. Calculation formula: Carbon emissions C= ∑ (Revenue R× consumption intensity I× emission factor F) Cost =∑ (Revenue scale R× Emission reduction intensity I× cost rate P) Important parameters: Estimated revenue from 2021 to 2050 Current emission source intensity: Oil and gas , refrigerant escaping, power consumption , and product energy consumption Emission factors of fuel, refrigerant, and power

			sources Cost rate: energy price, additional cost rate of green electricity , and cost of various energy saving and consumption reduction Trend: Fuel trucks and gas stoves with 100% electrification life, Freon refrigerant decrease rate, operational power consumption decrease rate, power consumption intensity, physical power consumption improvement rate, and electricity price increase rate. The intensity decline laws of various emissions come from the research output of IEA, ITU, and other authorities, and the experience of peer enterprises. Constraints: Absolute emission reduction rate under the SBTi 1.5ºC target, emission intensity reduction rate, and remaining emission ratio in 2050
Physical climate scenarios RCP 8.5	Company-wide		Scenario: Serious temperature rise will affect ZTE operation, upstream and downstream. The extent to which the climate trend depends on the determination and actions of the international community to reduce emissions, with different possibilities. When the global business model does not change, climate change may bring acute physical risks, such as heat waves, hurricanes, and floods. ZTE wants to evaluate the physical safety risks brought to ZTE operation, upstream and downstream in case of severe temperature rise. Important parameters: RCP8.5 scenarios, geographical areas, and economic development levels. Calculation formula: This analysis draws a conclusion by matching ZTE with various cases in the third-party analysis report. The conclusion is qualitative.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

Impact of meeting the SBTi 1.5°C ambitious target on ZTE: Can various emission reduction measures meet the short-term target and long-term net zero target requirements of the SBTi1.5°C scenario in the context of ZTE's implementation of the 2nd curve growth strategy? Does the cost of emission reduction pose great pressure? Does ZTE require significant strategic changes?

Results of the climate-related scenario analysis with respect to the focal questions

ZTE can meet the emission reduction requirements of the SBTi, including the 2030 target and the long-term net zero target before 2050. The meeting path is a combination of a series of emission reduction measures, including energy conservation management, technical transformation, and replacement of renewable sources. These measures are distributed in operations, supply chain, and product R&D and manufacturing activities.
ZTE has launched a series of emission reduction projects and implemented the above measures, including:
1)In December 2021, ZTE established the Digital Energy Operation Division and increased its investment in digital energy for the R&D, production, and sales of new products.
2) In March 2022, ZTE released the new-generation end-to-end green solution GreenPilot for global operators.
3) ZTE has been providing renewable energy power supply solutions for the telecommunications industry since 2002.
4) Since September 2022, ZTE has implemented energy quota management.ZTE issues quantitative energy quotas to R&D, production, and administrative units every year, and publicizes the power consumption of each unit every month.
5) Since March 2022, ZTE has successively launched nine office energy-saving projects in China (including Shenzhen), saving 21.56 million kWh of electricity each year.
6) Since January 2022, ZTE has focused on high-consumption facilities in R&D laboratories, and promoted management and carbon-saving measures such as hierarchical management and control of laboratory equipment, remote power-saving control, and intelligent power-saving of equipment, to reduce the power consumption of laboratory environment equipment and air conditioners.
Through the above measures, ZTE's greenhouse gas emissions (including scope 1&2&3) decreased by 7.48% in 2022 compared with 2021.
Through our analysis and estimation, it indicates that these measures do not pose a significant financial burden to ZTE. Such measures require some investment, but benefit such as energy saving will be greater than investment. Investment will mainly focus on technical transformation and renewable energy substitution. From 2022 to 2025, technical transformation will be focused on reducing emissions by reducing energy consumption. The related costs are about 10 million yuan annually. In 2025~2040, ZTE mainly purchased renewable electricity, and achieved carbon neutralization through energy conversion. The related costs gradually increased from zero to tens of millions of yuan. Close to 2050, there is a need to increase the investment in carbon offset and carbon removal to offset a small amount of remaining emissions.
ZTE may need to implement some transition plans to meet the SBTi requirements. Possible directions include: Selecting the business with high software proportion and

low emissions for new business expansion, and implementing new service expansion through mergers and acquisitions.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Although it is more energy-saving for 5G to transmit data per bit, technological progress and demand resonance require 5G to increase rates and transmit larger traffic. At present, the absolute power consumption of 5G is far greater than that of 4G, so power consumption reduction and cost reduction are the common requirements of the entire 5G industry chain. As one of the main 5G equipment suppliers, ZTE has identified the climate risks and opportunities of product technologies, and has provided advanced 5G energy-saving solutions for global customers. Committed to building green 5G technologies and products, ZTE has launched the ZTE RAN energy saving solution. This solution starts with materials, using new materials and processes to reduce the energy consumption of devices . In addition, it reduces energy consumption by adding AI-based power saving technologies, power supplies, and virtualization, and achieves more intelligent and efficient energy saving and consumption reduction through software and AI. Since June 2019, the RAN intelligent energy-saving solution has been put into commercial use by Chinese operators, and has been deployed overseas for commercial use. It will be used as the main development direction of the green energy-saving solution in the next five years. Now there are about 10 million 4G sites and about 3 million 5G sites around the world. The power consumption of the base station equipment alone in a year exceeds 150 billion degrees, equivalent to 72 million tons of carbon emissions per year. Energy saving and emission reduction are very important to the mobile communication industry. ZTE considers network energy saving and consumption reduction from multiple aspects: First, ZTE provides the precision planning tool HIPPO to improve the coverage efficiency and reduce the invalid site deployment through more precise network planning, so as to

		meet the maximum user requirements for the minimum site service. 2. Reduce the power consumption of a single site, including the site form, power consumption of the equipment, and power consumption during equipment operation. 3. Use a more reasonable service allocation mechanism to improve the energy consumption ROI, such as PowerPilot.
Supply chain and/or value chain	Yes	ZTE recognizes that reducing carbon emissions requires efforts by ZTE and the entire upstream and downstream industry chain. Since 2012, ZTE has been pushing all suppliers to sign the Corporate Social Responsibility agreement, including climate change requirements. ZTE has audited carbon management system for suppliers since 2022. In September 2022, ZTE released A Letter Regarding Requirements for ZTE Suppliers to Start Dual-Carbon Strategy Planning to global suppliers to guide suppliers to carry out dual-carbon tasks. Since 2003, in the analysis phase of product design and development, ZTE has identified the applicable environmental protection laws and regulations, industry standards, and customer requirements. Priority has been given to the use of materials with high durability to reduce the consumption of related materials and finally cooperate with suppliers to reduce the environmental impact to the society. In addition, ZTE is actively aware of the latest customer and market requirements for energy saving and consumption reduction. In accordance such requirements and international energy-saving technical specifications and industrial standards, ZTE has formulated technical requirements and standards for energy saving of communication products to ensure that advanced energy-saving products and solutions are provided for customers. Since 2021, the company has required strategic core suppliers to actively participate in the CDP project and provide them with carbon training. In 2022, there have been 65 top suppliers who participated in and received scores in CDP. Thirty-six suppliers got B- or above, accounting for 55% of the total. In 2022, ZTE organized more than 50 suppliers to participate in the online training on CDP , and carried out the training on dual-carbon strategy and GHG verification for more than 70 suppliers in 2022. In the next five years, ZTE will promote the continuous development of the above tasks, and make adjustments in accordance with the company's strategies and stakeholders' requirements.
Investment in	Yes	ZTE has deployed over 500 green 5G innovation patents,

R&D		and work with operators to build 5G green networks by increasing technological efficiency and reducing consumption. At the chip side, ZTE continuously improves the technical performance of bearer chips and base station chips to reduce power consumption. Innovative hardware product design: By continuously exploring innovative hardware cooling technologies and power supply methods, ZTE can reduce energy consumption. For example, liquid cooling/air-conditioner cooling/power saving 30%. Where there are photovoltaic conditions, the BTS is powered by solar energy. The two-phase liquid cooling technology implements energy saving and emission reduction for core routers. The experimental data show that with the two-phase anhydrous liquid cooling technology, the heat dissipation efficiency of the core equipment can be increased by 2.5 times, and the energy consumption of the 30% equipment room and the 80% noise can be reduced. In areas where mains supply is unstable, efficient green energy is introduced to reduce oil engine power supply. In China, Italy, Vietnam, Burma, Pakistan, South Africa and Ethiopia, ZTE has helped over 20 operators build 500000 efficient green sites. ZTE actively participates in the research or standard subjects involving the terminal energy-saving mechanism, network energy-saving mechanism and its enhancement, and formulates energy-saving standards including management, such as the 5G NR Re-16's UE Power Saving in NR, Rel-17's UE power saving enhancements for NR, Power saving enhancements for UMTS, and Study on Power saving for Machine-Type Communications (MTC) devices, to contribute technical solutions to the industry. In 2022, Frost&Sullivan, the global enterprise growth consulting company, released the white paper "Digitized Carbon Neutralization Path" together with ZTE. In the next five years, ZTE will promote the continuous development of the above work. If necessary, the work will be adjusted in accordance with ZTE's strategies and the requirements and advanced technologies of related parties.
Operations	Yes	We believe that energy saving in operation is an opportunity and an important step in sustainable development, and can help the company save energy costs. Since 2018, ZTE has saved about 30 million yuan of energy costs each year. ZTE has formulated requirements for the environment, production equipment, and R&D, and established an energy

		management center to control the energy consumption of the entire company, including the scheduled switch and preventive maintenance measures for internal analysis and supervision. For example, installing photovoltaic solar energy and upgrading and reconstructing the central air conditioning systems through various methods to reduce energy waste. ZTE had taken series measures including: 1) ZTE has been providing renewable energy power supply solutions for the telecommunications industry since 2002. 2) Since September 2022, ZTE has implemented energy quota management.ZTE issues quantitative energy quotas to R&D, production, and administrative units every year, and publicizes the power consumption of each unit every month. 3) Since March 2022, ZTE has successively launched nine office energy-saving projects in China (including Shenzhen), saving 21.56 million kWh of electricity each year. 4) Since January 2022, ZTE has focused on high-consumption facilities in R&D laboratories, and promoted management and carbon-saving measures such as hierarchical management and control of laboratory equipment, remote power-saving control, and intelligent power-saving of equipment, to reduce the power consumption of laboratory environment equipment and air conditioners In the next five years, ZTE will promote the continuous development of the above work, and adjust it in accordance with ZTE's strategies and requirements of stakeholders if necessary.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Acquisitions and divestments	Revenues In 2022, ZTE achieved stable growth as it persisted in R&D investment in ongoing improvement of its key technologies and product competitiveness to seize opportunities presented by the global trends of digitalisation and low-carbon green development while keeping business risks under control. Digital and intelligent transformation is the dominant trend of the day. The digital economy has become one of the core pillars of qualitative economic development. More importantly, carbon neutrality has become a common value and

		goal for the world and humanity as a whole, and digital and intelligent transformation is one of the key pathways to rapid low-carbon development. ZTE has been vigorously seizing significant opportunities presented by developments such as 5G, New Infrastructure, Digital and Intelligent Transformation, East-to-West Data Computing and Dual Carbon, persisting in its objectives and leveraging its strengths as it sought to be a "path-builder for the digital economy" that speed up the process of digital and intelligent transformation and upgrade of the society as a whole. These efforts have been rapidly enhancing the Group's competitiveness in a full range of ICT end-to-end products and digital and intelligent solutions and contributed to steady growth in its market share and further optimisation of its market pattern. PowerPilot, ZTE's network energy conservation scheme, has continued to evolve with a "dual smart" feature, namely the combination of platform intelligence and intelligence generated within the base station. We have also introduced the AAU automatic start/stop function, the first of its kind in the industry, which reduces AAU power output to below 5W when voice is not in use. Large-scale commercial applications have commenced with notable results in energy conservation. ZTE worked with China Mobile and NR Electric to launch the industry's first end-to-end 5G TSN based on green power net to accelerate the commercial application of 5G in key industries, and the product received "the Most Innovative Private Network Project Award" at the 2022 Network X Conference. For data centre, as a leader in green smart data centre, we have launched a new-generation data centre with high availability which is conducive to energy conservation, easy to fabricate, catered to smart management and safe and reliable. Innovative energy-saving products such as power modules and liquid cooling systems have been launched to attain the optimal PUE level, which has gone down to a low of 1.15. The innovative energy-saving products has been put to application in Jiangsu, Henan and Guizhou. In connection with the energy sector, ZTE has established a Digital Energy Operations Department to provide green power generation, efficient power conversion, smart power storage, smart power consumption and energy management products and solutions to carriers and industry customers around the world. As a world-leading supplier of communications energy, ZTE has completed large-scale deployment of 5G power source and minimal station point solutions to safeguard power supply for 550,000 5G base stations worldwide. We have also launched the sPV solar energy power supply solution that enables smooth overlay at station points to facilitate low carbon development of carriers' networks. In recent years,ZTE has continued to make intensive efforts in the development of communication energy storage and proposed the new idea of "tiered intelligentisation of communication energy storage, as

		we have launched the world-leading L3 intelligent lithium battery products, which have been adopted for large-scale application. Year 2022 was the opening year of the Group's strategic expansion phase. ZTE's revenue grew 7.36% year-on-year to RMB122.95 billion. The innovative business segment, represented by server and storage, 5G industry application, vehicle electronics, digital energy and smart home, reported rapid growth in revenue to lay a solid foundation for the smooth commencement of our strategic expansion phase. Acquisitions and divestments: ZTE has identified the low-carbon development trend in the future. In addition to developing 5G technologies and providing low-carbon products for customers, ZTE will also consider acquiring other assets that provide low-carbon products. In the next five years or more, the board of directors will also take into account the impact of energy conservation and emission reduction and low-carbon economy during the purchase and withdrawal process, and buy or sell companies related to energy conservation and emission reduction technologies. Case study: In 2016, as reviewed by the Board of Directors, ZTE purchased the Zhuhai Guangtong Bus Co., Ltd., and established ZTE Smart Vehicle Co., Ltd. ZTE intelligent registered capital 915 million yuan CNY, of which ZTE holds 86.39%. Direct Cost: Purchasing carbon quota, purchasing green electricity, purchasing carbon emissivity calculation software, energy management system construction investment (5 million), and cost of discarded high energy consumption equipment. Indirect costs: In the next five years, because the policies on carbon emissions will be stricter and the company's actions on emission reduction will be more difficult, ZTE will increase some indirect operating costs. For example, R&D investment costs of energy conservation and emission reduction technologies.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

79,182.39

Base year Scope 2 emissions covered by target (metric tons CO2e)

725,424.18

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

804,606.57

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

42

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

466,671.8106

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

43,082.89

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

476,880

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

519,962.89

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

84.230364614

Target status in reporting year

New

Please explain target coverage and identify any exclusions

All ZTE Scope 1&2 Carbon emissions have been covered in this target

Plan for achieving target, and progress made to the end of the reporting year

ZTE has taken a series of measures for achieving this target, including:
1) Green parks, since 2001, ZTE has built green and intelligent parks through the introduction of green energy to optimize the operation management of equipment and facilities and resource efficiency in office parks. In 2022, the power consumption of domestic parks was reduced by 51.71 million degrees, saving 6.3%. Green photovoltaic power generation in Shenzhen can save more than 200 million KWH annually.
2) Green office: Since March 2022, ZTE has launched nine office energy-saving projects in China, and can save 21.56 million KWH electricity each year. Based on the self-developed integration workbench, cloud video conferencing, and cloud office, ZTE has reduced over 36000 tons of carbon emissions on business trips by advocating remote cloud conferencing in 2022.
3) Green R&D: Since January 2022, ZTE has focused on high-consumption facilities in R&D laboratories, and promoted management and carbon-saving measures such as hierarchical management and control of laboratory equipment, remote power-saving

control, and intelligent power-saving of equipment, to reduce the power consumption of laboratory environment equipment and air conditioners by saving 22.87 million KWH and 7.2%. Reduce the carbon intensity of sold products by more than 14.72% annually. In 2022, ZTE's GHG emissions (including scope 1&2&3) dropped 7.48% from 2021.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 8: Upstream leased assets
Category 9: Downstream transportation and distribution
Category 10: Processing of sold products
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products
Category 13: Downstream leased assets
Category 14: Franchises
Category 15: Investments

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

8,976,005.44

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

2,363.62

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

166,293.81

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

304,171.59

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

34.16

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

137,482.85

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

64,180.95

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

9,330.66

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

193,350.52

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

88,830,249.97

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

61.14

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

98,683,524.71

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

98,683,524.71

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

100

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

0

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

98,683,524.71

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

7,903,486.23

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

4,255.76

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

149,929.37

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

139,225.91

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

1,279.71

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

101,134.94

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

60,844.71

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

2,589.17

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

128,966.68

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

63,477,519.5

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

9,697.51

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

71,978,929.47

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

71,978,929.47

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

New

Please explain target coverage and identify any exclusions

All ZTE Scope 3 Carbon emissions have been covered in this target

Plan for achieving target, and progress made to the end of the reporting year

ZTE thoroughly analyzed ZTE's future revenue plans and the impact of revenue growth on scope 3 carbon emissions. ZTE expects revenue to grow by about 80% by 2030.

Two of the categories together account for more than 98% of the total scope 3 carbon emissions: Category 11: Use of sold products emissions & Category 1: Purchased goods and services emissions .
ZTE has established the absolute target: In 2030, within the context of revenue growth, the total amount of scope 3 carbon emissions will not increase over the baseline year.
In response to revenue growth and the two categories with the highest emissions in Scope 3, ZTE has taken a number of steps to reduce its carbon emissions to achieve the target:
1) Category 11: Use of sold products emissions: With self-developed chips as the source, ZTE focuses on the green sites, green data centers, and low-carbon products and solutions, and will implement full-cycle management of LCAs through material and component selection, product development and design, production and assembly, and recycling and utilization, emphasizing low-carbon technology innovation ICT cloud-network products.
2) Category 1: Purchased goods and services emissions: ZTE has actively built a green supply chain ecosystem, promote upstream and downstream coordination in emission reduction, and jointly promote the gradual reduction, elimination, and replacement of high-energy-consuming materials to help suppliers save energy and reduce carbon emissions.
By above measures, in 2022, carbon emissions in the ZTE Scope 3(including all upstream and downstream indirect emissions) were reduced by 7.4% excluding the impact of grid factors.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 3

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

79,182.39

Base year Scope 2 emissions covered by target (metric tons CO2e)

725,424.18

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

804,606.57

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2040

Targeted reduction from base year (%)

90

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

80,460.657

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

43,082.89

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

476,880

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

519,962.89

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

39.3075034865

Target status in reporting year

New

Please explain target coverage and identify any exclusions

All ZTE Scope 1&2 Carbon emissions have been covered in this target

Plan for achieving target, and progress made to the end of the reporting year

ZTE has taken a series of measures for achieving this target, including:
1) Green parks, since 2001, ZTE has built green and intelligent parks through the introduction of green energy to optimize the operation management of equipment and facilities and resource efficiency in office parks. In 2022, the power consumption of domestic parks was reduced by 51.71 million degrees, saving 6.3%. Green photovoltaic power generation in Shenzhen can save more than 200 million KWH annually.
2) Green office: Since March 2022, ZTE has launched nine office energy-saving projects in China, and can save 21.56 million KWH electricity each year. Based on the self-developed integration workbench, cloud video conferencing, and cloud office, ZTE has reduced over 36000 tons of carbon emissions on business trips by advocating remote cloud conferencing in 2022.
3) Green R&D: Since January 2022, ZTE has focused on high-consumption facilities in R&D laboratories, and promoted management and carbon-saving measures such as hierarchical management and control of laboratory equipment, remote power-saving control, and intelligent power-saving of equipment, to reduce the power consumption of laboratory environment equipment and air conditioners by saving 22.87 million KWH and 7.2%. Reduce the carbon intensity of sold products by more than 14.72% annually. In 2022, ZTE's GHG emissions (including scope 1&2&3) dropped 7.48% from 2021.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1
Abs3

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

Please explain target coverage and identify any exclusions

ZTE will achieve Net Zero before 2050. The target covers all ZTE's organizations around the world and all greenhouse gas emissions. There are no exceptions.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Yes

Planned milestones and/or near-term investments for neutralization at target year

In the face of the "2030 carbon peak & 2060 carbon neutral" target, and SBTi requirements, ZTE has the following measures:

I. Strategic Leadership

Since 2021, ZTE started the carbon strategy planning project globally, and set up the dual-carbon team led by Chief Strategy Officer. At present, the company has completed team building and empowerment. The third-party certification organization has conducted on-site investigation at the organization level and global greenhouse gas emission check in 2021 & 2022 according to the ISO14064-1 standard system, and passed the certification based on reasonable assurance. The company's carbon data has been publicly disclosed in the company's annual sustainability report.

2) Improve the awareness of emission reduction for all employees .

ZTE has posted energy saving banners and posters in public areas, launched offline dual-control knowledge and Q&A competitions on energy consumption, and released notices through public mailboxes to improve employees' awareness of energy saving and consumption reduction.

3. Focus on power saving projects

During the 13th Five-Year Plan period, ZTE invested more than 10 million yuan in energy saving projects, and completed the building-top photovoltaic power station. The area covered by solar panels was close to 40000 square meters, saving 2.8 million kilowatt-hours per year. We have invested in the transformation of the LED lights indoor and outdoor, with the power saving rate over 65%. We are constantly replacing, updating, improving the obsolete and outdated equipment .

At present, ZTE has launched nine energy-saving projects of its own in the country, saving electricity by 21.56 million KWH per year, equivalent to reducing carbon dioxide by 19800 tons.

4. Green products, improving the energy efficiency of digital infrastructure

At present, with more than 500 green innovation patents, ZTE continuously increases efficiency and reduces energy consumption, and contributes to building a green and low-carbon society through technological innovations. In the future, ZTE will continue to enhance basic research in new energy, new materials, and new components, achieve key technological breakthroughs, promote more in-depth application of digital technologies in more fields for sustainable development, and ultimately achieve the goal of carbon neutrality.

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	8,345,000
To be implemented*	4	1,490,000
Implementation commenced*	3	3,421.8
Implemented*	3	26,392.5
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

12,010.5

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

15,795,000

Investment required (unit currency – as specified in C0.4)

6,500,000

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Sine January 2022, ZTE implemented technical and management power-saving measures for high-power devices, such as servers, 5G AAU, and routers, to reduce the carbon emissions of related devices in laboratory development and debugging.
Power saving in 2022: 21.06 million KWH *0.75 RMB/ KWH= 15.795 million RMB
Cost: Manpower cost: 4.5 million, equipment cost: 2 million, total cost is about 6.5 million

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Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

13,242

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

17,415,000

Investment required (unit currency – as specified in C0.4)

1,515,000

Payback period

<1 year

Estimated lifetime of the initiative

>30 years

Comment

Since January 2022, in ZTE's five production bases, technological energy saving and consumption reduction activities are used to tackling technological problems, and innovating in production modes. The power consumption in SMT, high-temperature aging, and test procedures are reduced. In this process, waste is eliminated, efficiency is improved, and costs are saved.
Power saving in 2022: 23.22 million KWH, *0.75 RMB/KWH = 17.415 million RMB
Cost: Equipment reconstruction: RMB 0.315 million, cultural publicity activity: 0.02million,

fresh air system construction: 1.04 million, facility insulation reconstruction: 0.14,
Total：0.315+0.02+ 1.04 +0.14 = 1.515 million.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

1,140

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,500,000

Investment required (unit currency – as specified in C0.4)

12,000,000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

In 2022, ZTE replaced high-efficiency energy-saving equipment, and used high-efficiency motor and frequency conversion and speed adjustment technologies to significantly improve the efficiency and energy utilization of the central air conditioning system. The intelligent control system installed on the ZTE can implement more accurate control in accordance with the indoor and outdoor temperature and humidity parameters to avoid the waste of energy consumption and improve the energy saving effect. The reconstruction can significantly reduce energy costs, improve equipment efficiency, properly adjust air flow rates, improve indoor comfort, avoid exhaust emissions and energy waste, and reduce air pollution.
Through these projects:
In 2022, the ZTE saves power by about 2 million KWH, saving costs in total: 2 million KWH *0.75 RMB/ KWH = 1.5 million RMB
Cost: ZTE's 21 campuses adopted both EMC (investor investment) and self-investment models.
There is no cost for the EMC model of the campus.
For self-investment mode, the cost is about RMB 12 million.
The total project investment is RMB 12 million.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	On June 18, 2013, the Shenzhen carbon trading was officially launched, and ZTE was included in the first batch of 635 industrial company. The Shenzhen government determines the company's annual target carbon intensity in accordance with the company's annual carbon intensity and industry carbon intensity, and then allocates annual carbon quotas. To achieve the carbon intensity target and quota, ZTE will promote energy conservation and emission reduction activities within the company to reduce carbon emissions.
Employee engagement	ZTE organizes energy conservation and emission reduction activities every year, to improve employees' awareness of energy conservation and energy conservation.
Internal incentives/recognition programs	ZTE takes the project-based operation of energy conservation and emission reduction projects, formulates project objectives and milestones at the beginning of the year, and gives rewards to employees who have made great contributions to the projects in accordance with the achievement of the objectives and milestones.
Partnering with governments on technology development	ZTE cooperates with environmental protection companies on solar energy, water storage, and cooling projects. ZTE and the Academy of Information and Communications Technology (CAR) jointly complete the LCA model of terminal products, and discuss and study the formulation of the roadmap of carbon neutralization technologies in vertical industries for ICT empowerment.
Other Stakeholder engagement	ZTE recognizes that reducing carbon emissions requires efforts by ZTE and the entire upstream and downstream industry chain. Since 2012, ZTE has been pushing all suppliers to sign the Corporate Social Responsibility agreement, including climate change requirements. ZTE has audited carbon management system for suppliers since 2022. In September 2022, ZTE released A Letter Regarding Requirements for ZTE Suppliers to Start Dual-Carbon Strategy Planning to global suppliers to guide suppliers to carry out dual-carbon tasks. Since 2021, the company has required strategic core suppliers to actively participate in the CDP project and provide them with carbon training. In 2022, there have been 65 top suppliers who participated in and received scores in CDP. Thirty-six suppliers got B- or above, accounting for 55% of the total. In 2022, ZTE organized more than 50 suppliers to participate in the online training on CDP , and carried out

	the training on dual-carbon strategy and GHG verification for more than 70 suppliers in 2022. In the next five years, ZTE will promote the continuous development of the above tasks, and make adjustments in accordance with the company's strategies and stakeholders' requirements.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Products that meet the requirements of the ZTE standard Technical Requirements for Product Energy Consumption Reduction, and whose annual linear emission reduction during product using stage exceeds 5%.

Type of product(s) or service(s)

Other

Other, please specify

1) Wireless RANs 2) Wireless server products 3) Wired products 4) Digital energy power supply products 5) Digital energy data center products 6) Mobile devices

Description of product(s) or service(s)

1. Wireless RAN products:

The RRU starts and stops automatically. In standby status, the RRU basically operates in Zero-carbon.

The site goes to sleep for energy saving on the basis of the RF remote end.

Smart sites: For large-bandwidth AAUs, energy is saved based on the operating bandwidth.

The UniRAN Neo solution greatly simplifies the construction of wireless sites. The whole site energy consumption can be reduced by 40% or above.

2. Wireless server product:

Server liquid cooling solution and application

3. Wired products:

Improving the energy efficiency ratio through chip iteration

Improve the product energy efficiency ratio through product integration optimization.

4. Digital energy power products:
Improving rectifier efficiency
Increase the proportion of indoor rectifiers in power products, and reduce the proportion of outdoor rectifiers.
5. Digital Energy Data Center Product
Liquid cooling solution and application, reducing the PUE value of data centers
6. Mobile Devices
Selection of Low-Carbon Packaging Materials and Low-Carbon Structural Components
While meeting product and quality requirements reduce the weight and configuration of packaging materials and accessories
Reduce the proportion of air transport in the product transport phase
Improve the energy efficiency ratio of batteries in products

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Methodology for Environmental Life-Cycle Assessment of Information and Communication Technology Goods, Networks and Services (ITU-TL.1410)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-grave

Functional unit used

Energy consumption during network use, energy consumption throughout the site, system power consumption, resource pool fragment rate, solar energy power generation, and product lifecycle carbon emissions

Reference product/service or baseline scenario used

Compare it with products or solutions that do not implement energy saving measures.

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-grave

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

2,377.07

Explain your calculation of avoided emissions, including any assumptions

Category 11: Use of sold products emissions are the biggest proportion of the ZTE's Scope 3 emissions, so ZTE focused on reducing emissions in this category.
1) Before taking emission reduction measures, the GaBi software is used to evaluate the carbon footprint of the product, and calculates the carbon emissions in the product use stage (carbon emissions 1).
2) ZTE sets energy conservation and emission reduction objectives, and takes energy conservation and emission reduction measures for products.

3) After the energy-saving and emission-reduction measures are taken, the GaBi software is used to calculate the carbon emissions in the product use stage (carbon emissions 2).
4) Calculate the emission reduction ratio and carbon emission reduction
Emissions reduction per functional unit = carbon emissions 2 – ccarbon emissions 1
Reduction ratio=Emissions reduction / carbon emissions 1* 100%

This section uses the RAN product as an example.
1) Before the emission reduction measures are taken, the carbon emissions of a single functional unit in the product use phase are 5942.67 kg CO2e
2) After the emission reduction measures are taken, the carbon emissions of a single functional unit in the product use phase are 3565.60 kg CO2e
3) Carbon reduction: 5942.67-3565.60 = 2377.07 kg CO2e/functional unit
Emission reduction ratio: 40% for 2377.07/5942.67

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

90

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
79,182.39

Comment

Scope 2 (location-based)

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
725,424.18

Comment

Scope 2 (market-based)

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
725,424.18

Comment

Scope 3 category 1: Purchased goods and services

Base year start
January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

8,976,005.44

Comment

Scope 3 category 2: Capital goods

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

2,363.62

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

166,293.81

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

304,171.59

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
34.16

Comment

Scope 3 category 6: Business travel

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
137,482.85

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
64,180.95

Comment

Scope 3 category 8: Upstream leased assets

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
9,330.66

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
193,350.52

Comment

Scope 3 category 10: Processing of sold products

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
0

Comment
Irrelevant. ZTE has not sold intermediate products.

Scope 3 category 11: Use of sold products

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)
88,830,249.97

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start
January 1, 2021

Base year end
December 31, 2021

Base year emissions (metric tons CO2e)

61.14

Comment

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

There are few downstream leased assets in ZTE 2021, and the proportion can be ignored.

Scope 3 category 14: Franchises

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

This company does not involve franchising, so it is irrelevant and not calculated.

Scope 3 category 15: Investments

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

The main economic activities of ZTE are product production and sales, and the investment proportion can be ignored.

Scope 3: Other (upstream)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Irrelevant. All upstream nodes are included in the above calculation.

Scope 3: Other (downstream)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Irrelevant. All downstream nodes are included in the above calculation.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

43,082.89

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

476,880

Scope 2, market-based (if applicable)

476,880

Comment

On February 7, 2023, the The Ministry of Ecology and Environment of the People's Republic of China released the Notice Regarding the Management of Greenhouse Gas Emission Reports of Enterprises in the Power Generation Industry from 2023 to 2025 (hereinafter referred to as the "Notice"). The Notice released the latest average emission factor of the national grid in 2022 is 0.5703 t CO2/MWh. ZTE calculated its 2022 carbon emissions with reference to the latest emission factors.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7,903,486.23

Emissions calculation methodology

Other, please specify

BOM factor method. Based on the net weight of materials purchased by suppliers, and category of external goods and services

Percentage of emissions calculated using data obtained from suppliers or value chain partners

5

Please explain

Calculation method: Based on the weights of different types of purchased goods and services: the weights *CO2 emission coefficient (IPCC 2006 years CO2 emission coefficient) * GWP (IPCC the sixth assessment report (2021)), the total amount of carbon emissions is the sum.
For some major suppliers: ZTE collects the scope 1&2 and scope 3 upstream carbon emission data from suppliers, and then calculates the carbon emissions allocated to ZTE based on the percentage of ZTE's purchase amount in its business scale.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4,255.76

Emissions calculation methodology

Other, please specify

Based on the fixed assets list of the company, calculate the weight of different types of fixed assets

Percentage of emissions calculated using data obtained from suppliers or value chain partners

5

Please explain

Based on the fixed assets list of the company, calculate the weight of different types of fixed assets, and the weight *CO2 coefficient (CO2 coefficient in IPCC 2006) * GWP (IPCC the sixth evaluation report (2021). All the sum shall be added up to get the total amount of carbon emissions.For some major suppliers: ZTE collects the scope 1&2 and scope 3 upstream carbon emission data from suppliers, and then calculates the carbon emissions allocated to ZTE based on the percentage of ZTE's purchase amount in its business scale.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

149,929.37

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

90

Please explain

ZTE's auxiliary material production and infrastructure, power production and infrastructure, steam production and infrastructure, and product use process all involve the activities related to fuel and energy.
We obtain activity data from related suppliers (power supply companies, gas supply companies, and oil companies), such as the actual payment invoices, ERP system, and material requisition.The total of the activity data * CO2 emission coefficient (CO2 emission coefficient in IPCC 2006) * GWP (IPCC the sixth assessment report (2021) is the total amount of carbon emissions.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

139,225.91

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Get the transportation distance through ERP system, and the transportation distance * carbon emission coefficient (CO2 emission coefficient IPCC 2006) * GWP (IPCC sixth assessment report (2021), and finally get the total carbon emission.
Data is not obtained from suppliers, but from the ERP system of ZTE.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,279.71

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Based on the company's waste list and ERP system, get the waste weight, waste weight * carbon emission coefficient (IPCC 2006 CO2 emission coefficient) * GWP (IPCC sixth assessment report (2021), and finally get the total carbon emissions.
Data is not obtained from suppliers, but from the ERP system of ZTE.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

101,134.94

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

In ZTE internal business trip system and financial system, the following parameters have been added: Mileage search, mileage filling, and transportation mode (flight, train, and car). From the system, the distance of different business trips (flight, train and vehicle) can be got.
Travel distance * carbon emissivity (IPCC 2006 CO2 emission coefficient) * GWP (IPCC sixth assessment report (2021), and finally get the total carbon emissions.
It is not necessary to obtain data from suppliers, but obtain and calculate data from ZTE's internal business trip system and financial system.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

60,844.71

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Based on the parking space statistics table and the number of employees, the total carbon emissions are calculated by calculating the commuter distance of the employees, commuter distance *by the carbon emission coefficient (IPCC 2006 years CO2 emissivity) * GWP (IPCC sixth assessment report (2021). and finally get the total carbon emissions.
It is not necessary to obtain data from suppliers, but obtain and calculate data from ZTE's financial system.

Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,589.17

Emissions calculation methodology

Other, please specify

The upstream leased assets mainly consume electricity. Based on the energy consumption of the upstream leased assets

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The upstream leased assets mainly consume electricity. The electricity consumption is directly obtained from the lessor (property electricity bill invoice) or the electricity company (electricity bill invoice).
Based on the energy consumption of the upstream leased assets * carbon coefficient (CO2 emission coefficient in IPCC 2006) * GWP (IPCC sixth assessment report (2021)), the total carbon emissivity is calculated.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

128,966.68

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Get the transportation distance through ERP system, and the transportation distance * carbon emission coefficient (CO2 emission coefficient IPCC 2006) * GWP (IPCC sixth assessment report (2021), and finally get the total carbon emission.
Data is not obtained from suppliers, but from the ERP system of ZTE.

Processing of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Other, please specify

weight of the processed product * carbon coefficient * GWP

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

According to the weight and type of the product ZTE sold and reprocessed, and then according to the weight * carbon coefficient (CO2 coefficient of the year IPCC 2006) * GWP (IPCC the sixth assessment report (2021), the total carbon emissions are finally calculated.
Because ZTE does not sell intermediate products that require further processing, the product weight is zero and there is no need to collect emissions data from further downstream processing.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

63,477,519.5

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Estimated sales volume of products in the current year
1. Calculate the total carbon data generated per hour during the use of the product based on the rated power of the product.
2. Average daily operation duration (in hours) of various products within the service life of products
3. Calculate the lifespan of different types of products in the company.
4. Count the sales of different types of products in 2022.
Grid emission factor database, which comes from the basic database of LCA evaluation software GaBi and uses the grid emission factor of the state.
Total carbon emissions = Total of 1*2*3*4

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Greenhouse Gas Protocol has been updated. According to the updated Protocol, the main reason for the emissions caused by energy recycling incineration, recycling, composting, and anoxic digestion is that the users of the recycled materials rather than the waste manufacturers. Therefore, the related data is not need to calculated by ZTE in 2022.

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

9,697.51

Emissions calculation methodology

Other, please specify

Emissions is calculated based on power consumption data (such as electricity invoices)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Emissions is calculated based on power consumption data (such as electricity invoices) of Downstream leased assets * carbon coefficient (CO2 coefficient of the year IPCC 2006) * GWP (IPCC the sixth assessment report (2021), the total carbon emissions are finally calculated.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

ZTE does not involve franchising, so it is irrelevant and not calculated.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

The main economic activities of ZTE are product production and sales, and the investment proportion can be ignored.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

All upstream nodes are included in the above calculation.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

All downstream nodes are included in the above calculation.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

4.2289

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

519,962.89

Metric denominator

unit total revenue

Metric denominator: Unit total

122,954.4

Scope 2 figure used

Location-based

% change from previous year

39.8

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Please explain

ZTE has taken a series of measures to reduce absolute carbon emissions and carbon intensity , including:
1) Green parks, since 2001, ZTE has built green and intelligent parks through the introduction of green energy to optimize the operation management of equipment and facilities and resource efficiency in office parks. In 2022, the power consumption of domestic parks was reduced by 51.71 million degrees, saving 6.3%. Green photovoltaic power generation in Shenzhen can save more than 200 million KWH annually.
2) Green office: Since March 2022, ZTE has launched nine office energy-saving projects in China, and can save 21.56 million KWH electricity each year. Based on the self-developed integration workbench, cloud video conferencing, and cloud office, ZTE has reduced over 36000 tons of carbon emissions on business trips by advocating remote cloud conferencing in 2022.
3) Green R&D: Since January 2022, ZTE has focused on high-consumption facilities in R&D laboratories, and promoted management and carbon-saving measures such as hierarchical management and control of laboratory equipment, remote power-saving control, and intelligent power-saving of equipment, to reduce the power consumption of laboratory environment equipment and air conditioners by saving 22.87 million KWH and 7.2%. Reduce the carbon intensity of sold products by more than 14.72% annually. In 2022, ZTE's GHG emissions (including scope 1&2&3) dropped 7.48% from 2021. Also the carbon intensity is decreased as well

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	28,983.6	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	3,132	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	1,026.21	IPCC Sixth Assessment Report (AR6 - 100 year)
HFCs	9,941.1	IPCC Sixth Assessment Report (AR6 - 100 year)
SF6	0	IPCC Fifth Assessment Report (AR5 – 100 year)
NF3	0	IPCC Sixth Assessment Report (AR6 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
China	27,698.63
Other, please specify Overseas Affiliates (all other countries, excluding China)	15,384.26

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Shanghai R&D	1,560.82	31	121
Nanjing R&D	3,886.83	32	118

Nanjing Manufacture Site	5,200.58	39	116
Changsha Manufacturing Site	1,037.43	28	112
Xi'an R&D and Manufacturing Site	6,958.85	34	108
Shenzhen R&D and Manufacturing Site	4,354.53	22	113
Heyuan Manufacturing Site	869.2	23	114
All ZTE's Chinese R&D and Manufacturing Sites except Nanjing, Shanghai, Changsha, Xi'an, Shenzhen, Heyuan	3,830.38	40	116
all ZTE's oversea operation sites	15,384.26	6	106

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	464,361.4	464,361.4
Other, please specify all ZTE's oversea operation sites	12,518.6	12,518.6

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Shanghai R&D	21,816.57	21,816.57
Nanjing R&D	67,626.12	67,626.12
Nanjing Manufacturing Site	109,033.56	109,033.56

Changsha Manufacturing Site	16,933.7	16,933.7
Xi'an R&D and Manufacturing Site	72,572.4	72,572.4
Shenzhen R&D and Manufacturing Site	82,420.82	82,420.82
Heyuan Manufacturing Site	36,605.56	36,605.56
All ZTE's Chinese R&D and Manufacturing Sites except Nanjing, Shanghai, Changsha, Xi'an, Shenzhen, Heyuan	57,352.66	57,352.66
all ZTE's oversea operation sites	12,518.6	12,518.6

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	ZTE's renewable energy is mainly solar power, and the carbon emissions of solar power are 0.
Other emissions reduction activities	77,927.89	Decreased	9.69	The carbon reduction initiatives that have been implemented by ZTE in 2022 reduced a total of 77,927.89 tons, and 2021 ZTE's total scope 1 and scope 2 emission was 804,606.57 tons. The percentage of reduction = reducing carbon emissions / total

				emissions in scope 1 + scope 2: 77,927.89 /804,606.57= 9.69%
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other	206,715.79	Decreased	25.69	Changes in emission factors of electrical grid. 2021 ZTE's total scope 1 and scope 2 emission was 804,606.57 tons. The percentage of reduction = reducing carbon emissions / total emissions in scope 1 + scope 2: 206,715.79 /804,606.57= 25.69%

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-

	related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	128,672.59	128,672.59
Consumption of purchased or acquired electricity		0	827,319.77	827,319.77
Consumption of purchased or acquired steam		0	1,039.34	1,039.34
Consumption of self-generated non-fuel renewable energy		2,689.12		2,689.12
Total energy consumption		2,689.12	957,031.7	959,720.82

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of	Yes

electricity	
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Oil

Heating value

LHV

Total fuel MWh consumed by the organization

66,711.86

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

66,711.86

Comment

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

60,970.72

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

60,970.72

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Comment

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

128,672.59

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

128,672.59

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2,699.3	2,699.3	2,699.3	2,699.3
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

China

Sourcing method

Direct line to an off-site generator owned by a third party with no grid transfers (direct line PPA)

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

2,699.3

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

China

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2013

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

China

Consumption of purchased electricity (MWh)

827,319.77

Consumption of self-generated electricity (MWh)

2,689.12

Consumption of purchased heat, steam, and cooling (MWh)

11,758.97

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

841,767.86

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

ISO14064 .pdf

Page/ section reference

P5-9 English Version

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

ISO14064 .pdf

Page/ section reference

P5-9 English Version

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Upstream leased assets
Scope 3: Investments
Scope 3: Downstream transportation and distribution
Scope 3: Processing of sold products
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products
Scope 3: Downstream leased assets
Scope 3: Franchises

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

ISO14064 .pdf

Page/section reference

P5-9 English Version

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	AA1000AS	The third party also verified ZTE's ZTE Global Energy Consumption, including: petrol, natural gas, Liquefied Petroleum Gas, and solar power generation etc. For details, refer to P96, 97 of ZTE's sustainability report. 1

[1]2022 ZTE Sustainability Report_EN.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Shenzhen pilot ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Shenzhen pilot ETS

% of Scope 1 emissions covered by the ETS
3.7

% of Scope 2 emissions covered by the ETS
27.9

Period start date
January 1, 2022

Period end date
December 31, 2022

Allowances allocated
107,622

Allowances purchased
26,905

Verified Scope 1 emissions in metric tons CO2e
1,597.71

Verified Scope 2 emissions in metric tons CO2e
132,928.88

Details of ownership
Facilities we own and operate

Comment
The carbon emissions covered by the Shenzhen pilot ETS is calculated in accordance with the rules of Shenzhen ETS.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Since 2014, the ZTE has been included in Shenzhen Pilot ETS as the first batch of enterprises. The government allocates carbon quotas to ZTE each year. If the carbon emissions of ZTE in the current year exceed the allocated carbon quotas, ZTE will buy the carbon quotas. Therefore, the company needs to reduce its carbon emissions as much as possible to reduce the cost of buying a carbon quota.

To comply with carbon trading system, and reduce the company's costs, ZTE adopts the following strategies:

1) Since September 2022, ZTE has implemented energy quota system internally. According to business requirements, ZTE issues quantitative energy quotas to R&D, production, and administrative units every year, and publicizes the power consumption of each unit every month.
2) At the beginning of each year, ZTE will determine the annual energy conservation and carbon reduction plan, including introducing green energy, building green and smart parks, gradually optimizing resource efficiency, and promoting the operation and management of equipment and facilities in the parks. After taking above measures, in 2022, the power consumption in domestic ZTE was reduced by 51.71 million KWH on a year-on-year basis. Green photovoltaic power generation in the Shenzhen campus generates more than 2 million KWH every year. In 2022, photovoltaic power generation from other bases, such as Nanjing, is being planned.
3) Green R&D: Since January 2022, ZTE has focused on high-consumption facilities in R&D laboratories, and promoted management and carbon-saving measures such as hierarchical management and control of laboratory equipment, remote power-saving control, and intelligent power-saving of equipment, to reduce the power consumption of laboratory environment equipment and air conditioners by saving 22.87 million KWH.
4) Since April of each year, ZTE has invited third-party agencies to conduct carbon check on the data of the previous year in accordance with the requirements of the Shenzhen ETS, and provide reports to government agencies.
According to the above measures, the number of carbon quotas to be purchased by ZTE in 2022 is less than that of 2021.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Price with material impact on business decisions

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment

Identify and seize low-carbon opportunities
Navigate GHG regulations
Stakeholder expectations
Reduce supply chain emissions

Scope(s) covered

Scope 1
Scope 2
Scope 3 (upstream)

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

Prices in the carbon market are changing. We adjust internal prices based on market price changes.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

29.2

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

65

Business decision-making processes this internal carbon price is applied to

Capital expenditure
Operations
Procurement
Product and R&D
Remuneration
Risk management
Opportunity management
Value chain engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, for all decision-making processes

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

During internal operations, we take the price of carbon quotas into full consideration, and carry out energy conservation and emission reduction projects to reduce carbon emissions, thereby reducing the cost of carbon quotas.
Since September 2022, ZTE has implemented energy quota system internally. According to business requirements, ZTE issues quantitative energy quotas to R&D,

production, and administrative units every year, and publicizes the power consumption of each unit every month.
When developing and designing products, we take into account the carbon emissions and prices of product materials, operations, and use, and develop energy-efficient products to reduce product carbon emissions, and then reduce the company's costs and customer costs. ZTE has set up the Energy Conservation and Emission Reduction Project Award. For the carbon emissions reduced by the project, a certain proportion is allocated to the team members according to the saved costs.
Through internal carbon prices linked to market prices, ZTE further analyzed the cost to achieve SBTi and transition plan, ensuring that they are financially viable and do not place financial burdens on ZTE.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change
Provide training, support, and best practices on how to set science-based targets
Climate change performance is featured in supplier awards scheme

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

ZTE recognizes that reducing carbon emissions requires efforts by ZTE and the entire upstream and downstream industry chain. Since 2012, ZTE has been pushing all suppliers to sign the Corporate Social Responsibility agreement and Supplier Code of Conduct , including climate change requirements.

In March 2021, ZTE updated and re-released the Supplier CSR Code of Conduct for Global Suppliers, which further clarified the requirements for setting greenhouse gas (GHG) reduction targets and taking measures to reduce emissions. ZTE has audited carbon management system for suppliers since 2022. In September 2022, ZTE released A Letter Regarding Requirements for ZTE Suppliers to Start Dual-Carbon Strategy Planning to global suppliers to guide suppliers to carry out dual-carbon tasks.
The requirements are applicable to all ZTE's suppliers, no exception.
All suppliers (100%), which covers 100% total procurement spend (direct and indirect) and 100% of supplier-related Scope 3 emissions as reported in C6.5. are included in ZTE's CSR management sytem and need to comply with ZTE's CSR and climate related requirements.

Impact of engagement, including measures of success

Measures of success:
1 Carbon emission targets related to suppliers shall meet the ZTE's carbon emission target: 1) In 2030, within the context of revenue growth, the total amount of scope 3 carbon emissions will not increase over the baseline year. 2) The carbon emissions in scope 1&2&3 in 2050 shall reach net zero.
2. By 2030, suppliers that accounted for Top90% of ZTE's procurement set GHG reduction targets and took measures accordingly.
3. By 2030, suppliers that accounted for Top90% of ZTE's procurement shall publicly disclose carbon emission data (e.g CDP).
ZTE Runs an engagement campaign to educate suppliers about climate change. In accordance with ZTE's climate strategy and goals, we guide suppliers on how to set carbon reduction targets, help suppliers reduce their carbon emissions, guide them on how to make public disclosure, etc.
To help our suppliers set GHG reduction targets, implement GHG reduction projects, and disclose GHG data, ZTE has launched projects involving multiple suppliers, such as improving supplier assessment, supplier audit, and supplier empowerment.
1) Since 2022, ZTE has added dual-carbon strategy requirements to the CSR self-assessment of suppliers;
2) Since 2022, ZTE has officially initiated the dual-carbon audit for suppliers, and finished 109 audits in 2022;
3) Since 2022, ZTE has developed the book Supplier Carbon Verification, provided offline training in dual-carbon strategy for more than 110 representatives from over 80 suppliers, and arranged for more than 350 representatives from over 170 suppliers to take part in product carbon footprint assessment training
4) In September 2022, ZTE released A Letter Regarding Requirements for ZTE Suppliers to Start Dual-Carbon Strategy Planning to global suppliers to guide suppliers to carry out dual-carbon tasks.
And the results turns out to be successful:
1) In 2022, the supplier-related Scope 3 emissions were reduced by about 1.07 million tons CO2e compared with the baseline year 2021.
2) In 2021, we pushed 48 top suppliers to submit CDP questionnaire. In 2022, the number of suppliers increased to 65 with a year-on-year increase of 35%, including thirty-six suppliers with B-or above, accounting for 55%.

3) Since 2023, ZTE has been collecting number of suppliers who have setting carbon emissions reduction targets.

Comment

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

Invest jointly with suppliers in R&D of relevant low-carbon technologies

% of suppliers by number

10

% total procurement spend (direct and indirect)

33

% of supplier-related Scope 3 emissions as reported in C6.5

93

Rationale for the coverage of your engagement

Among the materials purchased by ZTE, chips account for the largest proportion in terms of carbon footprint. The number of chip-related suppliers accounts for about 10%, and the procurement amount accounts for about 33%. In the product carbon footprint, the chip-related emissions are above 95%. Of the Scope 3 emissions, the chip-related emissions accounted for about 93%. The energy efficiency improvement of ZTE products is closely coupled with the upstream chips. The reduction of the carbon footprint of products always accompanies the innovation cooperation between ZTE and chip suppliers, such as requirement communication, solution guidance, joint design, and entrusted foundry. So we worked with chip suppliers to reduce our carbon footprint.

Impact of engagement, including measures of success

ZTE us many types of chips, and the degree of energy saving for chips is different. In general, through cooperation with suppliers, the energy efficiency of chips is increased in accordance with Moore's Law, by 50% every two years.

ZTE has developed advanced process chips for 5G equipment. ZTE cooperates with chip suppliers to manufacture finished products. With the advancement of chip processing technologies, power consumption and weight of 5G devices can be reduced by 20% each year.

Measures of success: the reduction in power consumption.

In 2022, ZTE's STB products used the main chips of SoCs with the latest low-power-consumption 12nm process, and used low-power-consumption LPDDR4 memory. The calculation shows that the processing power consumption of the STB per unit media stream bandwidth (such as 1Mbps) is 35% lower than that of previous products.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

ZTE's carbon emissions directly affects the customers' cost of energy consumption when running their networks, especially affects their product footprint. We expect all customers (100%) to be aware of the energy-saving and emission-reduction efforts and advantages of ZTE products/solutions, and then gain the customers' recognition of ZTE and ZTE's products, which will help promote the customers to deploy ZTE's product / solutions and improve the competitiveness and market share of ZTE's products. ZTE uses a variety of channels to communicate its climate change performance and strategy to customers, including the Climate Questionnaire, CDP, ESG communication conference, solution communications, media reporting, exhibitions, and regular company reports to all customers . 100% of customers by number had been covered during these processes.

ZTE has set absolute and intensity targets for scope 3 emissions, which already cover 100% of customer - related Scope 3 emissions as reported in C6.5.

Impact of engagement, including measures of success

Measures of success:

1. Improvement in ZTE's ESG/CDP rating: In 2022, ZTE shall be awarded Silver Medal by Ecovadis and CDP rating improved from B (2021) to A-.

2. ZTE's carbon emission reduction target is achieved as planned.1) In 2030, within the context of revenue growth, the total amount of scope 3 carbon emissions will not increase over the baseline year. 2) The carbon emissions in scope 1&2&3 in 2050 shall reach net zero.

The ESG/CDP rating of ZTE and the ZTE's climate change performance are included in the customer's supplier assessment to ZTE. ZTE has engaged with customers to share information. The customers will introduce their requirements to ZTE, while ZTE will

demonstrate ZTE's climate change strategy and progress, solutions, as well as ESG/ESG ratings to customers.
To enhance customers' recognition of ZTE, ZTE has taken a number of measures:
Since 2021, ZTE has set up the Top Ten Carbon related projects: Including getting ISO14064 certification;setting objectives of energy saving for business units covering offices, production and R&D laboratories; setting objectives of material recycling for related departments etc.
Since 2022, ZTE set more challenging climate change goals and plan SBTi commitments.
2) Since 2021, the climate change measures taken by ZTE have been publicly disclosed in ZTE's sustainability report.
3) Updates the ESG/CDP response based on the measures taken by the ZTE since 2021.
4) Since 2021, we have strengthened communication with customers. ZTE communicated our climate change strategies and objectives to customers in a timely manner, and shared best practices with them

And the results turns out to be successful:
1）In 2022, ZTE was awarded Silver Medal by Ecovadis. ZTE was ranked in the top 10% of the overall CSR score as assessed by EcoVadis, and its carbon management level was rated as "Advanced".
2）In 2022, ZTE achieved an "A-" rating on the CDP Score (the rating in 2021 is B) for its leading climate action and scored "A" on Supplier Engagement Rating among top 8% of companies that disclosed data to CDP.
3）In 2022, ZTE's GHG emissions (including scope 1&2&3) dropped 7.48% from 2021.
4) In 2022, ZTE obtained the 14064 certificate, planned SBTi, and in May 2023, ZTE submitted SBTi commitment .
5) The overall score of ZTE climate change assessed by one customer in 2022 increased by 20% compare with 2021.

Type of engagement & Details of engagement

Collaboration & innovation
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

1

% of customer - related Scope 3 emissions as reported in C6.5

50

Please explain the rationale for selecting this group of customers and scope of engagement

ZTE is a global company that provides innovative technologies and product solutions for telecom operators and government&enterprise customers in over 160 countries and regions worldwide, with tens of thousands of customers. The company's head customers include multinational telecommunications operators, Top 3 operators in

various countries, and Internet leaders. From the perspective of scale and concept, these head customers are in a leading position, and have pioneered carbon neutrality and net zero conception and practices. The number of such customers is less than 1% of the total number of ZTE customers, and the sales volume and customer - related Scope 3 emissions as reported in C6.5 account for about 50%. ZTE fully cooperates with these customers to promote mutual development and accelerate the process of energy conservation, environmental protection, and circular economy.

Impact of engagement, including measures of success

ZTE actively communicate with these customers to define, develop, pilot, and deploy energy conservation and emission reduction technologies and solutions on a large scale. Other cooperation includes joint exploration and research of cutting-edge emission reduction technologies, formulation of industry carbon emission standards, practice and promotion success cases, and participation in industry or national emission reduction competitions or awards.

Measures of success: 1) reduction of Scope 3 carbon emissions; 2) improvement of the proportion of energy conservation and emission reduction in solutions; 3) proportion of recycled materials in products

Results:

1) Driven by these customers, ZTE strives to reduce the carbon footprint of its products, reducing the total Scope 3 emissions used to sell products by 4.9% and the intensity by 14.7% in 2022, while effectively reducing their carbon footprint.

2) During the development of the ZTE 5G technology, ZTE has cooperated with many operators, such as China Mobile and China Unicom, in the exploration, research, and pilot of the energy conservation and emission reduction technology, and has released cooperation results for many times. At present, the energy consumption of ZTE 5G base stations has been reduced to about 50% in the early stage of commercial use, and the emission reduction effect of the PowerPilot solution has been increased from over 20% to over 30%.

3) Through cooperation with a European customer, ZTE newly explored a non-plastic packaging solution and a recycling solution. ZTE designed the plastic-free packaging solution and the degradable plastic solution, which was applied to CPEs in the project. The customer requires that there should be more than 90% recycled materials in the structural components. During the project exploration, ZTE has finally reached 90% recycled materials goal to meet the customer's requirements. This solution can be used in all subsequent projects with similar requirements.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Since 2012, ZTE has been pushing all suppliers to sign the Corporate Social Responsibility agreement and Supplier Code of Conduct , including climate change requirements.
In March 2021, ZTE updated and re-released the Supplier CSR Code of Conduct for Global Suppliers, which further clarified the requirements for setting greenhouse gas (GHG) reduction targets and taking measures to reduce emissions. ZTE has audited carbon management system for suppliers since 2022. In September 2022, ZTE released A Letter Regarding Requirements for ZTE Suppliers to Start Dual-Carbon Strategy Planning to global suppliers to guide suppliers to carry out dual-carbon tasks.
The requirements are applicable to all ZTE's suppliers, no exception.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Certification
Supplier self-assessment
Second-party verification
On-site third-party verification
Grievance mechanism/Whistleblowing hotline
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Other, please specify

If non-compliance occurred, ZTE will require the suppliers to take corrective / preventive actions. If the suppliers deny to take actions, ZTE will limit the business cooperation with them.

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

SBTI commitment

SBT-Commitment-Letter-ZTE Corporation 20230510.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

ZTE has a rigorous internal approval process for joining, renewing, and exiting external activities or organizations to ensure that the activities and organizations in which the company participates meet the company's climate change strategy. Before joining the organization, the responsible person need to learn more about:
1) Organizational structure and function, organizational mission and objectives, work plan/project summary. Member types, responsibilities and rights, and corresponding membership fees.
2) Organizational Member Analysis
3) Organizational Influence
4) IPR, Non-Disclosure Agreement, and other Legal and Compliance issues
5) Whether the positioning, objectives, and work plan of the ZTE in the organization are consistent with the company's climate change strategy.
ZTE can join this organization only after being reviewed and approved by the internal expert team and the management.
At present, ZTE has become a member of many international standardization organizations, industry alliances, and science associations, such as ITUs, GMPs, ETSIs, NGMN, IEEE-CCSA, 5GAIA, and AII. ZTE participates in the GSMA x GeSI x ITU Scope 3 WG working group, and cooperates with the Shenzhen Institute of Standards to compile the Shenzhen local standard on carbon emissions.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

the Global Sustainable Electricity Partnership (GSEP)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

ZTE has publicly endorsed the Catalyzing Electrification Accord in 2022with the aim to co‐create innovative approaches to respond to and overcome current and future challenges to accelerating electrification for the benefit of end user companies and their employees, customers, and local communities. This Accord is the culmination of the work by the Strategic Open Dialogue on Electrification (SODE), a global coalition created by the GSEP that brings together forward‐thinking companies from the power sector, end‐user sectors (transport, industry, building), and strategic/technology partners.

The Accord offers 5 concrete recommendations and action steps to accelerate electrification that address the most pressing issues around enhancing the pace of electrification worldwide. The endorsing companies commit, where relevant and possible, to act on these points:

Advocate for policy frameworks that back up electrification

Foster new innovative business models

Accelerating information flows along and across value chains

Ensuring a swift and efficient transition

Ensuring the infrastructure in place to be fit for the transformation

https://www.globalelectricity.org/wp-content/uploads/2022/11/Catalyzing-Electrification-Accord-.pdf

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

0

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2022 ZTE Sustainability Report_EN.pdf

Page/Section reference

P70: Promoting Green Development to Tackle Climate Change
P96: 2022 Sustainability Performance

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

ZTE thoroughly practices the philosophy of green development and fully participates in global decarbonization. It paves a green path to digital economy by promoting green operations, supply chain, and digital infrastructure, and empowering green industries. It continues to reinforce energy conservation and emission reduction in business operations, supports operators in building end-toend green and low-carbon networks, and proactively empowers vertical industries in this regard, thereby promoting the green development of all industries and making green and low-carbon efforts towards a future of sustainable development.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Global e-Sustainability Initiative Science Based Targets Network (SBTN) UN Global Compact	Since 2009, ZTE has joined the United Nations Global Compact. Since 2010, the company has joined the GeSI and become a member. In May 2023, ZTE Corporation has officially announced its participation in the Science-Based Targets Initiative (SBTi) and submitted

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, executive management-level responsibility	

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Upstream
Downstream

Tools and methods to assess impacts and/or dependencies on biodiversity

No biodiversity assessment tools/methods used

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Other, please specify Use our ICT technologies to protect biodiversity.

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Impacts on biodiversity	P1: With 5G, intelligent and refined management becomes a reality in climate-dependent agriculture. 5G also helps protect biodiversity, and improves our living environment with higher water and

		air quality, thus promoting sustainable development 1

[1]2022 ZTE Sustainability Report_EN.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President and COO （Chief Operating Officer）	Chief Operating Officer (COO)