

The image is a top-down view of a meeting table with several people. A central laptop displays the ZTE Business Code of Conduct. A tablet on the left shows a progress bar at 85.00%. A smartphone on the right also shows 85.00%. There are notebooks with handwritten notes and a small potted plant on the table. The background is dark with blue abstract patterns.

ZTE

# ZTE Business Code of Conduct

— Our Way to Succeed

CODE  
OF CONDUCT

March 2023

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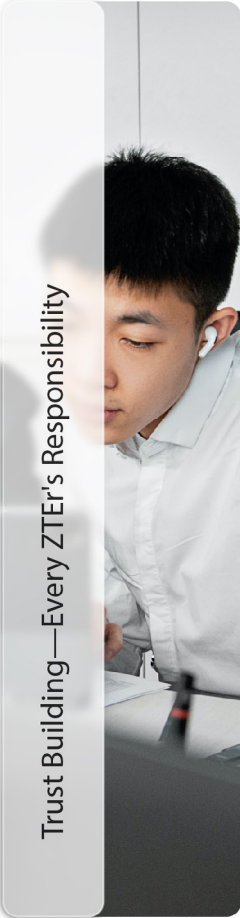
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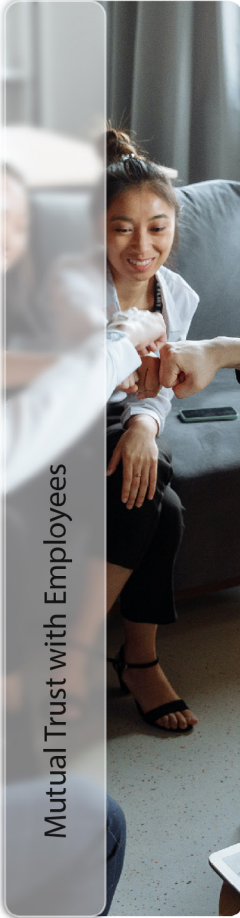
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## Message from the CEO

ZTE is a global leading provider of integrated communications solutions. Listed in both the stock exchanges in the Chinese mainland and Hong Kong, ZTE conducts business in over 160 countries and regions, serving more than 1/4 of the global population. Upholding the vision of "To enable connectivity and trust everywhere", ZTE continuously makes technological innovations to create value for customers, and strives to build trustworthy relationships with employees, partners, and communities. We believe that trust building depends on not only innovative products and services, but also the high standards of ethics and integrity that we demonstrate in global business. This requires the efforts of every ZTE employee.

To hold ourselves to the highest ethical standards in ZTE and in the interactions with stakeholders, we hereby update and issue the ZTE Business Code of Conduct. The Code is more than a set of rules; it also specifies the ethical guidelines and business principles, so that every ZTE employee is guided by what is right.

The ZTE Business Code of Conduct provides guidelines on the company's business in an increasingly complex business environment, and manifests the company's expectations for ZTE employees, as well as the high ethical expectations from our customers, suppliers, partners, investors, and other stakeholders. We always look forward to working with people of integrity. The Code may not cover all the business scenarios; therefore, you are encouraged to resolve problems in potential scenarios or ethical dilemmas based on the language found in the Code.

I feel proud to work in a company that sticks to the highest business ethics and always actively protects its employees, assets, and reputation. I hope that you can carefully read and always adhere to the Code, and always keep in mind how our behavior will impact our business, reputation, and all the stakeholders.



If you have any questions or concerns about business ethics, please consult your immediate leader, (E)CPOC, BU compliance manager or director, or the COE of Legal and Compliance in a timely manner. ZTE welcomes whistleblowing in good faith and makes every effort to protect whistleblowers from any form of retaliation.

Let's work together to guarantee ZTE's business ethics and integrity!

Xu Ziyang  
CEO of ZTE Corporation

# 02

## Our Beliefs



### Vision

To enable connectivity and trust everywhere

### Mission

To connect the world with continuous innovation for a better future

### Core Values

Respecting each other and being faithful to the ZTE Cause

Serving with dedication and being committed to our customers

Endeavoring with creativity to establish a famous ZTE brand

Operating with scientific management to increase corporate performance

### Cultural Spirit

Customer Success

Value Contribution

Pursuit of Excellence

Simplicity Prevails

### Behavior Guidelines

Cooperative: Take more

Initiative Responsible: Dare to assume responsibility

Professional: Win first place

Pragmatic: Tell complete truth



We are honored to be a member of the following organizations



# 03

## About this Code



The ZTE Business Code of Conduct (hereinafter referred to as the "Code") specifies the ethical standards and guidelines for ZTE Corporation as well as its subsidiaries and branches.

## 1. Overview

Integrity is a top priority for enterprises. It is an essential principle for ZTE Corporation as well as its subsidiaries and branches (hereinafter as "ZTE" or the "company") to adhere to ethical standards in business. The Code is formulated based on the vision, mission, core values, policies, and actual business of the company.

We must act on behalf of ZTE in an ethical and lawful manner, especially when conducting business with customers, suppliers, partners, and third parties (collectively referred to as "business partners"). Every ZTE employee should be responsible for maintaining and enhancing the company's reputation. The business strategies and activities of ZTE should be in line with its ethics and values.

It is not easy to stick to the right things. At work, we may abandon rules or seek shortcuts because of pressure. However, we need to comprehensively consider whether our actions are consistent with the Code and the company's values. Although the Code cannot cover all business situations, it specifies the operating principles and guidelines on how business activities should be carried out in ZTE. If you are not sure about the right way to do things, please contact your immediate leader, (E)CPOC, BU compliance manager or director, or the COE of Legal and Compliance in a timely manner.

The Code is not an employment contract or any other type of contract, and does not affect the terms or conditions related to employment or employee benefits. Instead, the Code is a guiding document that needs to be used in combination with policies, laws, regulations, and our own judgments.

**Please keep in mind that ZTE's success shall never be achieved with concessions on ethical standards or values.**



## 2. Scope of Application

The Code is applicable to all employees and relevant personnel of the company all over the world, including full-time employees, temporary employees, outsourced employees, management members, and members of the Board of Directors (collectively referred to as "employees", "we", or "us" in the Code).

After the issuance of the Code, the company will update and revise it based on changes in the external environment, laws and regulations, and other factors.

## 3. Violation Whistleblowing and Communication

We should have the courage to report any violations or potential violations of the Code or relevant regulations found in our daily work.

Whistleblowing should always be in good faith. Any intentional fabrication of facts, false accusations, or retaliation against others in the name of whistleblowing will be regarded as malicious whistleblowing. Clues from malicious whistleblowing will not be investigated, and such whistleblowers will be handled strictly in accordance with relevant regulations. Those who violate national laws and regulations will be transferred to relevant authorities for investigation of their legal responsibility.

Whistleblowing is one of the most effective ways to identify and stop violations.

### Channels for Whistleblowing and Communication

The following are the channels for reporting violations of the Code or consulting about the Code.

- Channels managed by third parties
  - Website: <http://www.tip-offs.com.cn/ZTE>
  - Email: [ZTEWhistleblowing@tip-offs.com.cn](mailto:ZTEWhistleblowing@tip-offs.com.cn)
  - Phone:
    - Chinese Mainland: 400-0707-099
    - Overseas, Hong Kong, Macao, and Taiwan: +8621-3313-8584
- Channels managed by ZTE
  - ZTE official website:
    - China: <https://www.zte.com.cn/china/whistleblowing/report>
    - Global: <https://www.zte.com.cn/global/whistleblowing/report>
  - Email:
    - Compliance violations: [complianceaudit@zte.com.cn](mailto:complianceaudit@zte.com.cn)
    - Other violations: [audit@zte.com.cn](mailto:audit@zte.com.cn)

You can also report violations through other channels such as visits and mail.

The personal information of whistleblowers and the reported contents will be kept strictly confidential and only used for violation investigation. Public security organs, procuratorates, courts, or other authorities in China may obtain the information mentioned above for legitimate purposes (with explicit legal basis), and the corresponding whistleblowers will be notified accordingly.

Since the company has released its anti-retaliation policy to fully protect whistleblowers, we suggest real-name whistleblowing whenever possible. Still, we respect your right to anonymous whistleblowing, but in this case, we may not be able to send you feedback on the follow-ups.

For more information about whistleblowing, you may read [the Whistleblowing Guide](#).

## 4. Zero Tolerance Toward Retaliation

ZTE strictly prohibits any retaliation against employees or relevant third parties who report violations or raise concerns about potential violations in good faith, cooperate in investigations or audits, or refuse to participate in activities that violate the Code, other regulations and procedures of the company, or national laws and regulations. Retaliatory acts include but are not limited to:

- Unlawful dismissal or demotion
- Change of work duties or locations
- Veto over promotion
- Alienation between colleagues
- Physical or verbal insults
- Intimidation and threats

Participation in any form of retaliation will be regarded as a serious violation of the Code and may result in punishment, including termination of employment. If you think you have been retaliated against, please immediately report the case to Internal Control and Audit, the Compliance Audit Dept., or any other relevant departments based on the attribute of the case.



## 5. Violation Against the Code or Other Policies and Procedures of the Company

Breaches of the Code or other policies and procedures of the company may result in punishment (including termination of employment). Acts of violation include but are not limited to:

- Requesting, assisting, or permitting others to act against the Code or other policies and procedures of the company;
- Engaging in prohibited activities through other persons, representatives, or third parties;
- Supervising persons who commit violations in an inappropriate or negligent manner;
- Failure to report violations;
- Failure to fully cooperate with the company's investigation or audit personnel;
- Retaliation or attempted retaliation against employees or third parties who report potential violations of the Code or cooperate in the company's investigations or audits;
- Conducting malicious whistleblowing.

Once a violation is investigated and verified, punishments will be given based on the nature and severity of the violation. Punishments includes demerit recording, performance penalties, and even dismissal.

In addition, violations against the Code or any other policies and procedures of the company may also constitute violations against national laws and regulations in some cases. In such cases, the violators may not only receive punishment such as dismissal, but also face criminal charges.

Please keep in mind that any violation of the Code or other policies and procedures of the company may result in severe consequences.



# 04

## Trust Building

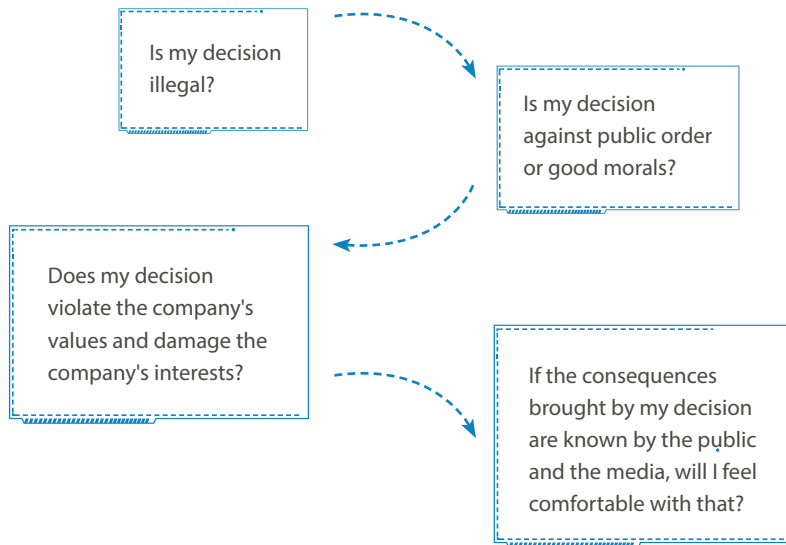
—Every ZTEr's  
Responsibility



ZTE's sustainable and high-quality development is attributed to the efforts of every ZTE employee with a law-abiding spirit, integrity, and sense of justice.

### 1. Ethics-Based Decision-Making

Every ZTE employee should consider the consequences brought by their decisions in a careful and comprehensive way. When you are not sure whether a decision is appropriate, we recommend that you use the following model for decision-making.



If you feel unsure or anxious about answers to any of the above questions, please contact your immediate leader, (E)CPOC, BU compliance manager or director, or the COE of Legal and Compliance in a timely manner.

### 2. Identification and Avoidance of Conflicts of Interest

Conflicts between interests of employees and ZTE will give rise to a series of problems and may ultimately damage ZTE's interests. Such situations exist in multiple business fields such as procurement and employment. The reason for conflicts of interest is that employees' personal interests may adversely affect their work or decisions. Therefore, we must avoid actual or potential conflicts of interest, to protect ZTE's interests or reputation.

Before initiating business activities that may put your personal interests over ZTE's interests, which include building a partnership and making an investment, please stay vigilant and make correct judgments.

To identify and avoid conflicts of interest, you may read the [Anti-Bribery Compliance Requirements of Code of Conduct](#), *Code of Conduct for ZTE Employees*, and other relevant policies and regulations.

### 3. Prevention of Insider Trading

Inside information refers to the unpublished information that involves the operations and financial conditions of a listed company or that may significantly affect the market price of a listed company's securities (such as stocks and corporate bonds) in securities trading. Insider trading refers to the illegal acts of insiders and persons who illegally obtain inside information. Such acts include buying or selling securities, disclosing the inside information, or suggesting others to buy or sell securities before the inside information is published.

When working at ZTE, we may know about inside information related to the company as well as its customers, partners, or other third parties. It is our obligation to keep the inside information confidential. Before the inside information is officially disclosed on an authorized information disclosure website, acts such as disclosing inside information, or conducting or advising others to conduct securities trading based on inside information will constitute

insider trading. Insider trading is strictly prohibited by the *Securities Law of the People's Republic of China*, and may even be regarded as a criminal offence in severe cases.

### Examples of Inside Information

Here is a non-exhaustive list about different types of inside information. In special cases, you have to identify the inside information based on your own judgement.

Periodic reports (containing overall profits), performance forecasts, preliminary earnings estimates, project operation in the capital market, major sale or acquisition of the equity or assets of subsidiaries, major litigation or arbitration, or major loss events.

The following are the guidelines on how to avoid violations of securities laws and regulations related to insider trading.

- Do not inquire about or look up the inside information of ZTE or other companies at will.
- Do not buy or sell shares or other securities (such as corporate bonds) of ZTE or other companies when any inside information is known.
- Do not recommend or advise anyone to buy or sell shares or other securities (such as corporate bonds) of ZTE or other companies when any inside information is known.
- Do not disclose the known inside information to anyone, including immediate relatives, unless it is for work purposes.
- Access and impart ZTE's inside information only when necessary.

### Scenario

Q

If a relative asks me whether ZTE plans to acquire a local company, am I allowed to discuss this issue with him/her?



A

No, you are not allowed to share any related information with your relative. Only when it is necessary are you allowed to impart the information to ZTE employees who need to know it for work purposes.

## 4. Protection of the Company's Confidential Information

Confidential information is ZTE's most valuable assets and protecting it requires our joint effort. ZTE's confidential information refers to all information generated or collected in business operations that the company does not authorize the general public to know.

Even if we terminate our employment relationship with the company, we still have the obligation to protect the company's confidential information. Unauthorized access, disclosure, replication, and use, or loss of any confidential information may seriously jeopardize the interests of the company and third parties. And employees may face civil and criminal penalties if they fail to properly protect the company's confidential information.

### Examples of Confidential Information

Since it is impossible to list all types of confidential information, it is necessary to properly judge whether the information is confidential. The following are some common examples of information that may be considered confidential:

Blueprint and design of products, strategic planning, unpublished financial statements and operating results, software source code, contracts and other commercial

agreements, design, planning and passwords of information systems, other intellectual property rights and proprietary technologies owned by ZTE, information on employees, customers, and third parties, etc.

Sometimes we may need to provide our confidential information to outsiders, for example, to provide information on the design of our new product to business partners prior to the product launch. In this case, we need to obtain the approval of our immediate leader before providing such information. And a valid *Non-Disclosure Agreement* must be signed before any confidential information is provided to a third party.

### Scenario

Q

I got a new job thanks to my work experience in ZTE. My new employer asked me to provide ZTE's non-public information such as future product strategy, drawings, and design to demonstrate my capabilities. What should I do?



A

After leaving ZTE, you are still responsible for protecting ZTE's confidential information. Your new employer's request is information theft, and if you disclose such information, you may face civil or criminal charges.

## 5. External Communication

Every employee of ZTE is obligated to protect ZTE's brand image and reputation at all times.

Please keep in mind that we also represent the company during non-business hours. Our words and deeds on the Internet or in other public places may affect the perception of the company held by its shareholders, employees, customers, and suppliers, as well as the media, the public, and other interested parties.

We must always strictly adhere to our external communication policies. Without the approval of the company's Branding Dept., all employees shall not contact the media privately or provide them with any information that has not been reviewed or disclosed by the company.

The company respects the right of all employees to surf the Internet and use social media during non-business hours. However, we must ensure that there is no risk of disclosing the company's confidential information on the Internet. Meanwhile, when using social media, we shall not demean the company, colleagues, customers, or other third parties, and we shall ensure that our words, actions, and any relevant contents posted by us are legitimate, reasonable, and ethical.

### Scenario

Q

I'm active on a wide range of social media, and I want to share my work experience with my Internet friends and fans. Can I do this?



A

If you want to post work-related information, you shall ensure that your words will not pose any privacy or security risks to the company, colleagues, customers, or other third parties.

**05**

**Mutual Trust**

**with Business Partners**



ZTE's high-quality development is closely related to the recognition of our customers and the support of our value chain partners, and it is also how ZTE demonstrates its values. We look forward to building and spreading mutual trust in business partnerships.

## 1. Anti-Bribery

ZTE shows "zero tolerance" for any form of bribery, including bribery committed by any board directors, management members, regular and contract employees (hereinafter referred to as "relevant persons"), and business partners working in the name of or for the interests of ZTE. The company prohibits all forms of bribery, including not only cash bribes, but also the offer of "anything of value" with the intention of bribery, such as improper gifts, hospitality, and travel, non-cash commercial sponsorship or charitable donations, business contracts, and job opportunities. Both direct bribery and bribery committed by business partners on behalf of their company are prohibited.

ZTE strictly prohibits any form of bribery in business conducted in both public and private spheres. Relevant persons of ZTE or the partners conducting business in the name of or for the interests of ZTE shall not directly or indirectly offer, promise, give, or authorize the giving of money or anything of value to any person from public or private sectors, as an inducement or reward for a person acting or refraining from acting in relation to the performance of the person's duties, so as to obtain or maintain business or any other improper advantage.

Therefore, when offering and accepting cash, cash equivalents, or anything of value, we must be careful, preventing it from being deemed a bribe. ZTE requires all employees and business units to correctly select the business type for reimbursement and submit complete, true, and accurate reimbursement materials when filing an application for reimbursement. All expenses, such as gifts and hospitality, business travels provided to outside parties, charitable donations, and commercial sponsorship, shall be recorded in the company's ledgers completely and accurately. In addition, ZTE's employees shall retain all valid supporting documents and bills for transactions and assets disposal.

You should learn the company's [policies and requirements related to anti-bribery compliance](#) as soon as possible to ensure that your behavior is compliant and appropriate. If you feel uncertain about any behavior, please contact your immediate leader, (E)CPOC, BU compliance manager or director, or COE of Legal and Compliance in a timely manner.

### Scenario

Q

To promote the company's 5G brand image, I plan to invite operator A in country X to attend a 5G industry forum in country Y. Operator A requires us to bear the cost of round-trip tickets and accommodation. What should I do?



A

This travel is intended for the customer to participate in the public forum and for the company to promote its brand image. If the offer of round-trip tickets and accommodation comply with the customer's internal policies and compliance requirements, the risk will be under control.

Q

When I accompanied customer B on a business trip, the customer proposed to go shopping together. During this period, customer B took a fancy to a designer bag valued at USD 10,000 and implied that I should pay for it, and that the customer would reveal some core information in the later project bidding. What should I do?



A

You shall decline to pay for the bag. If you make the payment and give the customer the bag as a gift, it would represent an obvious intention to bribe, as the value of the gift is relatively high. If you try to improperly influence the customer in terms of fulfilling duties by offering the gift, so as to obtain improper benefits, it shall be deemed a bribe, which is prohibited by the company.

Q

We have hired an agent to help the company obtain the licenses required for business operations in a new market of a country. The agent proposed that a lot of extra money would be needed to "make things work smoothly". What should I do?



A

ZTE may be liable for the misconduct of any entrusted third parties (including agents). We have the obligation to ensure that third parties do not provide bribes or make facilitation payments on ZTE's behalf. You shall not make any such payment unless you can confirm that the payment is justifiable and in accordance with the law. You shall report the situation to the Anti-Commercial Bribery Compliance Dept. or the Compliance Audit Dept. immediately, and suspend the payment and the cooperation with the agent as soon as possible. Once it is verified that the agent has violated ZTE's anti-bribery compliance policies, ZTE will terminate the cooperation and conduct investigation for relevant legal liability.

Q

When negotiating a project valued at USD 30 million with customer C, ZTE had been "recommended" several times to select supplier D for professional consultation for this project. After investigation, it was found that supplier D was founded less than half a year ago, with a business scope mainly covering computer technology services, and had only 3 employees, 2 of whom worked part time. It turned out that one of the shareholders of supplier D is customer C's spouse. Should I choose supplier D as the consulting service provider for this project?



A

No, you shouldn't. Supplier D's qualifications and capabilities are not sufficient for the project, and one of the shareholders of supplier D is a relative of customer C. If supplier D is chosen as the consulting service provider, there is a risk of bribery. Therefore, supplier D shall not be selected as the consulting service provider.

## 2. Responsibly Made Products

### (1) Cybersecurity

Prioritizing the cybersecurity of customers over its commercial interests, ZTE complies with relevant laws and regulations on cybersecurity, and ensures end-to-end delivery of secure and reliable products and services. **Cybersecurity is a top priority of ZTE's product R&D and delivery.** ZTE spares no effort to establish a sound cybersecurity governance structure in line with the company's strategic planning and the international standards, laws, and regulations. Additionally, the company enhances the security awareness of all employees and emphasizes security throughout the business processes.

#### Cybersecurity Redlines

1. It is prohibited to leave any backdoors in products.
2. It is prohibited to contain any medium- and high-risk vulnerabilities in products to be delivered.
3. It is prohibited to handle personal data in violation of applicable laws and regulations.
4. It is prohibited to access to a customer's network and data without the customer's authorization.
5. It is prohibited to conceal, delay, or neglect any security incidents.

In the process of product R&D, relevant departments and personnel shall pay close attention to cybersecurity while pursuing high efficiency, integrate "security" into the product development lifecycle as an essential attribute of products, fulfill the security demand, and conduct security design, development, testing, delivery and maintenance, and other activities.

During the delivery process, relevant personnel shall abide by the code of conduct to ensure



cybersecurity. At all stages of delivery, operation, and maintenance, security checkpoints and measures shall be implemented to avoid any possible security risks. Verifiable and repeatable security processes, criteria, and methods shall be adopted in line with a consistent cybersecurity standard, to ensure that potential risks are identified and handled in a timely manner.

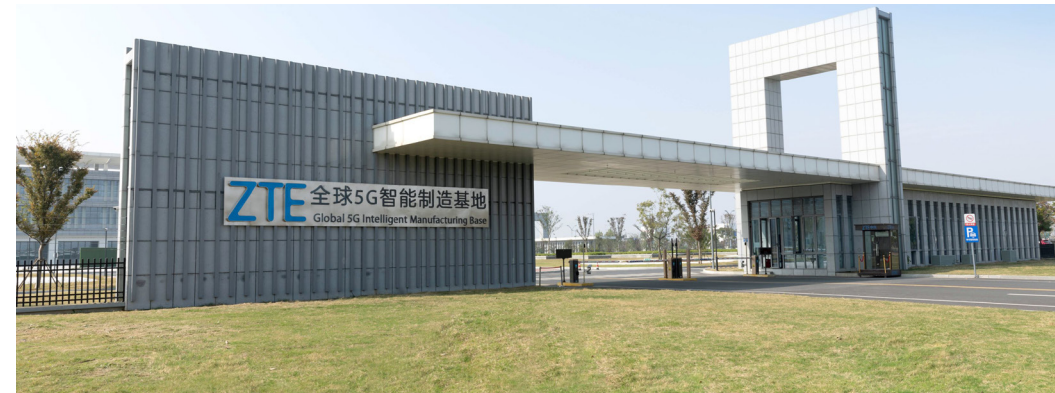
Relevant departments and personnel shall constantly improve their security capabilities to provide organizational support for security activities. Relevant departments shall regularly implement security assessment and audit to ensure that products and their operations are secure by default, so as to deliver secure and reliable products and services to customers.

You should learn the company's [documents related to cybersecurity](#) as soon as possible to ensure compliant and appropriate behaviors.

## (2) Green Products

ZTE is committed to providing low-carbon and energy-efficient products. Following the principle of "Reduce, Reuse, and Recycle" that defines the circular economy, we manage to fulfill our environmental responsibilities and incorporate the principle of green development into the whole product lifecycle.

ZTE attaches great importance to the environmental performance of products. In accordance with environmental protection laws and regulations as well as customers' requirements for the management of hazardous substances, ZTE has formulated and released the *Requirements for Banned and Restricted Hazardous Substances* and *Regulations on Environmental Risk Assessment and Management Regarding Suppliers' Products*, which serve as the management standards for ZTE's products and hazardous substances involved. In addition, the company has introduced the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system, and established a green product lifecycle management system covering processes such as conceptual design, achievement appraisal, design finalization, and product certification, to ensure that our products always meet the environmental compliance requirements. You can visit the [company's official website](#) for more information about our green products.



## (3) Responsible Marketing

We are committed to communicating with customers sincerely and frankly. We shall ensure that all marketing information about ZTE's products and services provided by the company or authorized third parties is true and accurate. Marketing information includes but is not limited to marketing and product specifications, and oral or written information generated in the Internet, social media or sales presentations. ZTE will never conduct misleading or false promotion of its products. For example, we ensure the authenticity of any marketing information related to the functions, specifications, and reliability of our products.

### 3. Information and Data Security

ZTE pays close attention to data protection, and strictly abides by applicable laws and regulations that are related to data protection in its business activities with partners and other third parties.

ZTE fully complies with the basic principles of data processing, such as the lawfulness, legitimacy, and necessity principles, when processing personal data (including data collection, storage, usage, transfer, sharing, destruction, and other relevant activities). Moreover, the company responds to data subjects' requests and reports data breach in a timely manner.

ZTE spares no effort to protect national security. The outbound transfer of important and core data shall be reported in a timely manner, and security assessment for outbound data transfer shall be declared in accordance with the provisions of China's relevant regulations.

You should learn the company's [policies and documents related to data protection compliance](#) as soon as possible to ensure that your behavior is compliant and appropriate.

#### Scenario

Q

My department manages customers' personal information. Can I keep customers' personal information after finishing the processing of it?



A

No. The personal data shall not be kept for longer than it is necessary for the purpose for which the personal data is processed, unless it's stipulated in specific provisions of relevant laws and regulations.

Q

My department is responsible for the R&D of 5G core products. An overseas audit institution needs to view the relevant source code data. Can they access it remotely?



A

No. Remote access is also a form of outbound data transfer, which shall be reported to the compliance point of contact in a timely manner.

### 4. Intellectual Property Rights

ZTE's intellectual property rights include but are not limited to trademarks that are registered or used by ZTE, patents and patent applications, copyrights (such as designs and schematics), and trade secrets. We are responsible for respecting the company's intellectual property rights and protecting the company's intellectual property rights from being used illegally. We must strictly comply with all written and non-written regulations for the protection of the company's intellectual property rights. Without the prior approval of relevant departments, it is strictly prohibited to sell, disclose, use, publish or copy any intellectual property rights of the company. In addition, ZTE still owns the intellectual property rights even after the employment with the corresponding employee is terminated.

ZTE respects and protects the intellectual property rights of others, no matter whether or not the intellectual property rights belong to our competitors, third parties, or other entities.

## Scenario

Q

The company is planning to file a patent application for a new software technology that I'm involved in. I'm excited and want to share it on Facebook. Can I share this information on Facebook without disclosing the details of the patent?



A

No. Without prior approval, it's strictly prohibited to disclose any information related to the patent application, including the name of the patent, project information, the field of the technology, and the technology proposal. All information related to the intellectual property rights of this software is owned by the company, and you should adhere to the company's policies.

Q

In employee interviews, if the candidates demonstrate their expertise in software development by providing me with a detailed description and business prospect of the software they developed for their former employer, our competitor, can I use the information they provided, whether or not the company will employ them?



A

No. In ZTE, we respect and protect the intellectual property rights of others. In this case, you should remind the candidates that they should not disclose any sensitive information to us during the recruitment process, because this may violate not only the intellectual property laws, but also the *Anti-Unfair Competition Law*.

## 5. Responsible Procurement

ZTE has always been committed to promoting business integrity and fulfilling Corporate Social Responsibility (CSR) in the supply chain. The *Supplier Code of Conduct* reflects ZTE's CSR requirements for its supply chain partners regarding respecting people and protecting the environment. We have zero tolerance for violations and have been endeavoring to create a procurement environment under the culture of integrity.

### Supplier CSR Redlines

1. The use of child labor is strictly prohibited.
2. Forced labor is strictly prohibited.
3. It is strictly prohibited to expose employees, contractors, partners, or other persons who may be affected by the activities of the employees, contractors, and partners to an environment that may cause immediate death, serious personal injuries, or serious damage to health. Suppliers shall fully identify sources of danger in the working environment and formulate effective control measures to eliminate any such working conditions. Employees have the right to refuse unsafe operations and to report unhealthy working environments.
4. Discharges of environmental pollutants that may cause or have caused serious impacts are strictly prohibited to avoid major negative impacts on communities. Examples of such discharges include the emission of toxic or hazardous air and water, the discharge of exhaust gas and wastewater without the required treatment, the spillage of chemicals, and the discharge of toxic or hazardous substances out of factories.
5. Bribery, corruption, fraud, money laundering, unfair competition, and support for illegal armed forces are strictly prohibited.
6. Other negative events that may cause or have caused serious national and international impacts are strictly prohibited.

## Scenario

Q

One of the company's subcontractors often employs persons in mobility as temporary staff. The manager of the subcontractor locks the identity cards of the temporary staff in a safe in his/her office. What should we do?



A

It is against the labor law and practice for the subcontractor to withhold employees' identity cards or documents for depriving their freedom of movement. You should report immediately to your supervisor and ask the subcontractor to take corrective actions immediately.

We are committed to the use of conflict-free minerals. ZTE abides by the United Nations Global Compact and other international conventions and practices that are universally accepted, such as the *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of the Organization for Economic Cooperation and Development* (OECD) and the *Responsible Mineral Initiative* (RMI), respects human rights and the environment, and strives to ensure that all product materials are properly sourced. We do not tolerate, profit from, or provide any support for activities that fuel conflicts, cause serious environmental degradation, or violate human rights. We prohibit human rights abuses involved in the extraction, transport, or trade of minerals, and prohibit direct or indirect support for non-governmental armed groups or security forces that illegally control mining sites, transport routes, and trading sites.

We suggest that you read the [ZTE Policy on Conflict Minerals Management](#) and *ZTE Regulations on Conflict Minerals Management* at your earliest convenience to ensure that your behavior is compliant and appropriate.



**06**

**Mutual Trust  
with Communities**





ZTE respects the local communities where it conducts business. ZTE complies with local laws and regulations, and strives to improve the quality of life and promote the cultural, economic, and social development of the communities where ZTE operates.

### 1. Compliance with International Laws and Regulations on Export Controls and Economic Sanctions

ZTE's products and services are subject to the laws and regulations for export controls and economic sanctions in the countries and regions where ZTE conducts business. Such laws and regulations impose restrictions on the export, reexport, and transfer (in-country) of products, currencies, services, information, designs, and technologies, and the business activities of third-party companies and personnel. Therefore, the company has formulated policies on the export, reexport, transfer (in-country), and other business activities of certain commodities, software, and technologies. We shall comply with relevant policies, *ZTE Global Compliance Manuals for Export Controls and Economic Sanctions*, and the specific requirements of various business processes.

ZTE's policy is formulated in accordance with all applicable laws and regulations, including those for export controls and economic sanctions. We suggest that you read the company's [Export Control Compliance Policy](#) and the related documents at your earliest convenience to ensure that your conduct is compliant and appropriate.

If you have any questions, please contact the company's Export Control Compliance Dept.

#### Scenario

Q A new customer has asked us to make a one-off shipment to a new address located in the United Arab Emirates (UAE). What should I do?



A You should verify whether the customer has the right to request the use of the goods in the UAE. The UAE is considered a high-risk transit place where goods may be transferred to sanctioned countries/regions. Generally, one-off shipment requests or other unusual activities bring higher risks than regular shipments to known or verified locations and customers.

Q True or False: Designs, drawings, specifications, plans, and photographs of products are not subject to export control laws.



A False. Technical products containing specific technical data may be subject to export control laws. Attention should be paid to the export, reexport, and transfer (in-country) of such products.

## 2. Fair Competition and Anti-Monopoly

ZTE always adheres to fair competition, encourages innovation, and safeguards the interests of consumers and the public, aiming to promote healthy economic development. All units and employees of ZTE shall strictly abide by the relevant provisions of the *Anti-Monopoly Law*, and avoid any monopolistic or anticompetitive behavior, whether or not such behavior involves cooperation with business partners, such as market segmentation through agreement or collusion, fixing or limiting resale prices, collusive bidding, bundled sale, abuse of market dominance, implementation of the concentration of business operators that should be declared but not declared, etc. ZTE shall fully cooperate with the investigation by the anti-monopoly authorities, and shall not resist or obstruct the investigation. When conducting business outside China, we should be aware of and comply with the laws and regulations about fair competition and anti-monopoly of the country or region.

### Scenario

Q

An anti-monopoly authority sent a letter for investigation. What should we do?



A

We must fully cooperate with the investigation by anti-monopoly authorities, and must not refuse or obstruct the investigation. Any request for information in writing or over the phone related to the investigation should be immediately reported to the departments under Legal and Compliance, and responses to the authorities shall be made in accordance with the investigation response process and the opinions of anti-monopoly lawyers.

Q

A representative office stipulated the minimum sales price of a product in the agreement signed with a distributor and required the distributor to strictly comply with such provision. Otherwise, the representative office would lower the distributor's rating, reduce the discount/preference offered to the distributor, deduct the deposit, or ask the distributor to pay a fine as punishment. Is such behavior acceptable?



A

Unless specific conditions are met, such behavior is not acceptable.

Fixing the resale price of distributors and setting a minimum resale price constitute vertical monopoly agreements, which are strictly prohibited by the *Anti-Monopoly Law*. The company shall not fix the resale price of distributors/brokers in any form or set the minimum resale price, unless it can be proved that the above actions/agreements do not have the effect of excluding or restricting competition, or the market share in the relevant market is lower than the standard prescribed by the anti-monopoly authority of China's State Council and other conditions prescribed by the authority are met.

## 3. Anti-Money Laundering and Anti-Fraud

We comply with all applicable international standards and laws regarding fraud and money laundering, and require all ZTE employees and partners to strictly comply with all applicable Chinese and international laws and regulations related to financial sanctions, anti-money laundering, and counter-terrorist financing. We do not have any connection with any entity/subject receiving financial sanctions, and do not engage in activities that may violate regulations on anti-money laundering and counter-terrorist financing.

#### 4. Response to Climate Change

As an active practitioner of green development, ZTE pays attention to the impact of its operation on the environment, and regularly sorts out and improves the environmental management system for production and operation. The company actively fulfills environmental protection responsibilities, fully considers the environmental effects of each operation link, and performs complete management from product material selection, research and development, manufacturing, sales, maintenance, scrapping, to recycling, striving to minimize the impact on the environment in the whole lifecycle of products, and implement the environmental protection strategy throughout all business areas.

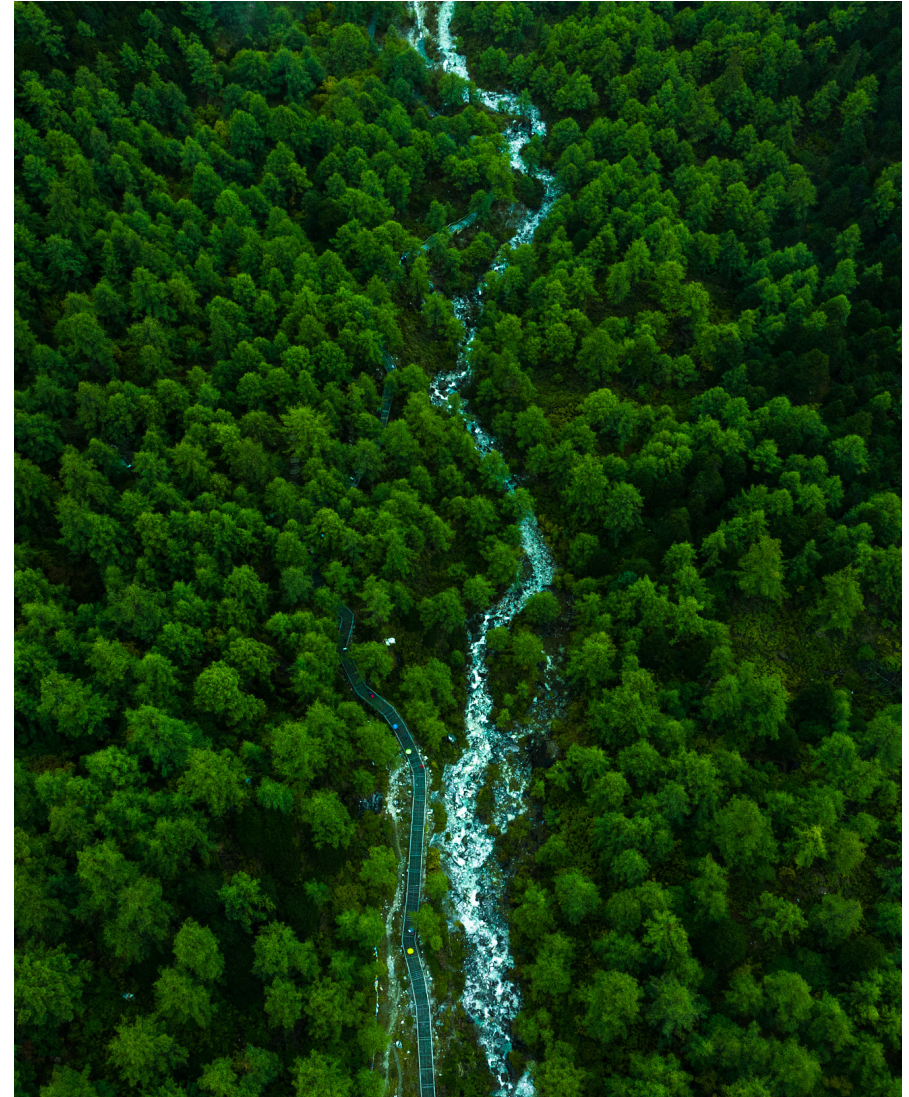
As a driver of digital economy, ZTE, while continuously reducing its own carbon emissions, has been making unremitting efforts to increase scientific and technological innovation to improve product energy efficiency and actively promote energy saving and carbon reduction in all walks of life, contributing to the green, low-carbon, and sustainable development of the global society and helping to achieve the carbon peaking and carbon neutrality goals.

For more information about our efforts in environmental protection, please visit [Green Operations](#).

#### 5. Global Public Welfare and Charity

ZTE strives to set a positive example of sustainable development for its communities. At the same time, we also encourage employees to actively participate in global charity activities and share the achievements of the company with local communities.

For more information about our charity activities, please visit the website of [ZTE Foundation](#).





# 07

## Mutual Trust with Employees





Employees are the company's most valuable treasure. ZTE hopes that all employees treat each other and third parties with respect and care.

### 1. Protection of Employee Rights and Interests

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

We always regard talent as one of our strategic cornerstones. Committed to "respecting each other", one of our core values, we take comprehensive actions to enhance employees' sense of security, belonging, achievement, and honor. Specifically, we provide employees with equal career opportunities, protect employees' mental and physical health through various measures, create a friendly, transparent, and honest communication environment for a better employee experience, and build an open, inclusive, and harmonious atmosphere that

accommodates diverse needs. In addition, we keep strengthening talent development and offer employees different career paths to help them grow and realize value.

For more information about ZTE's commitment and positioning on protecting employees' rights and interests, please visit [ZTE's Human Rights and Labor Policy](#).

### Scenario

Q

As a manager, I am considering promoting one of my subordinates to a senior position. Her experience and qualifications make her the most suitable candidate. However, she has recently become pregnant and may soon take maternity leave. Should I consider promoting her anyway?



A

Yes. As long as she has the ability to do her job well, whether she is pregnant or not, you should give her equal career opportunities. Moreover, if she is denied this opportunity because she is pregnant, it will be considered discrimination, namely a violation of *ZTE Business Code of Conduct* and possibly a violation of applicable laws.

Q

My male supervisor often discriminates against women. He often says that women cannot perform certain roles or functions because of their gender. What should I do?



A

It is considered discrimination to imply or mention that any group cannot do something with equal ability. You can try to communicate with the male supervisor and ask him to stop such words and actions. If he refuses, it is recommended that the situation be reported to the Human Resources Dept. immediately.

Q

I heard that my colleagues had laughed at another colleague with disabilities. Although they did not play a joke on me, they still made me feel very uncomfortable. What should I do?



A

If you encounter any discrimination or bullying in the workplace, directed at you or not, it is recommended that you first try to communicate with your colleagues and ask them to stop such words and actions. If they refuse, it is recommended that you report to your immediate leader and the Human Resources Dept.

## 2. Healthy and Safe Workplace

ZTE regards health and safety as a top priority. We comply with all applicable laws and regulations related to health and safety. The company's regulations on health and safety are designed to protect employees with the highest safety standards, and all employees must comply with them. At the same time, we have the responsibility to report any unsafe working environment or behavior to the Health and Safety Office and the Administration Dept.

For more information, please visit [ZTE Health and Safety Policy](#).

### Nine Principles of Health and Safety

To ensure personal safety, all employees of ZTE and personnel working on behalf of ZTE must abide by the following nine principles of health and safety:

1. Always wear a helmet while riding a motorcycle;
2. Always fasten your seatbelt while driving or riding in a motor vehicle;
3. Qualifications are required for electrification or electrical operation;
4. Always use appropriate personal protective equipment, safety harness, and fall protection equipment while working at height;
5. Do not take alcohol, drugs, or other illegal substances that may affect work safety during operation;
6. It is strictly prohibited to drive over the speed limit;
7. It is prohibited to use the handset while driving;
8. It is prohibited to ride in the back carriage of a truck or van;
9. Qualifications are required for working on roads or at underpasses.

### (1) Safe Driving

For ZTE, driving is considered to be the greatest potential health and safety risk. To minimize this risk, ZTE requires all employees and partners working in all locations to comply with the driving requirements of local laws and regulations.

ZTE has formulated clear requirements regarding driver training and qualification, vehicles, seat belts, alcohol and drug abuse, motorcycle driving, mobile phones, speed limits, and other high-risk issues, aiming to create a healthy and safe driving environment for everyone.

For more information, please visit [ZTE Driving Policy](#).

## (2) Advocate Workplaces Free from Drugs and Alcohol

ZTE is always committed to providing and maintaining a safe, healthy, positive, and productive work environment for all employees, customers, partners, and visitors, an environment that is free from the undesirable effects of alcohol and controlled substances and drugs.

It is strictly forbidden for anyone to drink alcohol or use controlled substances or drugs at ZTE's premises, when conducting business for ZTE, or when operating ZTE's equipment. Besides, the company prohibits the trafficking and illegal/unauthorized use or possession of alcohol or controlled substances/drugs at ZTE's premises, in ZTE's business activities, or in other activities related to ZTE's business. This policy applies to all employees of ZTE and its affiliates and partners.

For more information, please visit [ZTE Drug and Alcohol Policy](#).



# Annex

## 1. Terms, Definitions, and Abbreviations

No.	Abbreviation or Symbol	Full Spelling or Name
1	CEO	Chief Executive Officer
2	COE	Center of Expertise
3	E(CPOC)	(Export) Compliance Point of Contact
4	BU	Business Unit
5	LCM	Legal & Compliance Management
6	CSR	Corporate Social Responsibility

ZTE