



ZTE Corporation

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

Contents

C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

Publicly traded organization

(1.3.3) Description of 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 ICT industry. Bolstered with its all series of wireless, wireline, computing power, digital energy, devices and professional telecommunications services, the company has great capability of flexibly satisfying the diversified requirements and pursuits for rapid innovations of global operators, government and enterprise network customers. Currently, ZTE has fully served mainstream global operators, government and enterprise, and 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 with innovative ICT technologies. The company continuously increases R&D investment and strengthens its core competitiveness. Up to December 2023, ZTE had filed over 89,500 patents worldwide and accumulated 45,000 patents worldwide. ZTE had filed over 5,092 chip patents with over 2,000 granted. So far, ZTE has been granted 10 Gold Awards, 3 Silver Awards and 38 Excellence Awards of China Patent Awards, ranking the first in the communications industry. ZTE has declared the Global 5G related standard essential patents (SEP) to ETSI, and the number of actived patent families ranks 5 in the world. As a member of the UN Global Compact and Global Enabling Sustainability Initiative (GeSI), ZTE remains steadfast in its commitment to implementing sustainable development principles worldwide. While proactively embracing high-quality development, ZTE, staying attuned to prevailing trends, takes proactive steps to anchor Environmental, Social, and Governance (ESG) principles within the company. ZTE has established a robust top-down governance framework for sustainable development, seamlessly integrating ESG considerations into its corporate operations and growth strategies. ZTE has developed a comprehensive ESG information disclosure matrix, with the dedicated website Shaping Digital Innovation for a Sustainable Future and its annual Sustainability Report as the core. Since 2009, ZTE has released its annual Sustainability Report for 16 consecutive years. ZTE keeps track on its ESG rating performance disclosed by authoritative rating agencies, and maintains sound communication with stakeholders, garnering widespread recognition for its achievements in the realms of ESG and sustainable development. ZTE has been recognized for leadership in corporate transparency and performance on climate change by global environmental non-profit CDP, securing a place on the CDP 2023 A List. It secured its position in Fortune China ESG Influential List in both 2022 and 2023 and has been once again included in the Hang Seng (China A) Corporate Sustainability Index ('HSCASUS'), the Hang Seng (Mainland and HK) Corporate Sustainability Index ('HSMHSUS') and the Hang Seng (China A) Corporate Sustainability Benchmark Index ('HSCASUSB') in 2023. Additionally, ZTE was included in the prestigious FTSE4Good Index Series for the eighth consecutive year, achieved recognition as one of the 'China Top 100 Listed Companies for Outstanding Performance in ESG' and received the esteemed '2022 Outstanding Responsible Enterprise award' from China Corporate Social Responsibility (CSR) Annual Meeting. In May 2023, ZTE joined the Science-Based Targets initiative (SBTi) as part of its efforts to contribute to the global endeavor for green and sustainable economic development. In April 2024, ZTE's science-based

targets, achieving greenhouse gas emissions reduction in line with the 1.5C temperature rise limitation pathway and reaching net-zero emissions by 2050 at the latest, have been approved by the Science Based Targets initiative (SBTi).

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2023	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

124250900000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

CNE000000TK5

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

Shenzhen Stock Exchange: 000063 Hongkong: 00763

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

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

Select all that apply

China

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

- Upstream value chain
- Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

- Tier 4+ suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

- All supplier tiers known have been mapped

(1.24.7) Description of mapping process and coverage

ZTE sells products to our customers. For suppliers, ZTE identifies Tier1, Tier2, Tier3, Tier4 suppliers in accordance with the product composition. The factory that produces whole device products is regarded as the Tier1 supplier, who provides ICT whole device products for ZTE. The factories that produce parts are regarded as Tier2 suppliers, who provide Tier1 suppliers with the components of ICT products. The factory that produces components is regarded as the Tier3 supplier, who provides the Tier2 supplier with ICT Product Dept. components. The factories that produce raw materials are regarded as Tier4 suppliers, who provide Tier3 suppliers with raw materials for components of ICT products. To sum up, we believe that the value chain has covered our customers and all ZTE's supplier levels
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

- Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

- Upstream value chain
- Downstream value chain
- End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

Preparation for reuse

Recycling

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

The most detail strategic plan which can be implemented and tracked powerfully in ZTE is usually within three years.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

With a period of 10 years, ZTE makes decisions and sets objectives for many major business.

Long-term

(2.1.1) From (years)

11

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

30

(2.1.4) How this time horizon is linked to strategic and/or financial planning

ZTE's long-term development strategic plan is sometimes expected to be in 2050. ZTE's science-based greenhouse gas emissions reductions target(s) has been validated. ZTE Corporation commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 and maintain through 2050 from a 2021 base year. ZTE Corporation commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe. And ZTE Corporation commits to reach net-zero GHG emissions across the value chain by 2050 (about 30 years later from 2021).

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization’s process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- End of life management

(2.2.2.4) Coverage

Select from:

Full

(2.2.2.5) Supplier tiers covered

Select all that apply

Tier 1 suppliers

Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

Short-term

Medium-term

Long-term

(2.2.2.10) Integration of risk management process

Select from:

Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

Site-specific

Local

Sub-national

National

Not location specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

International methodologies and standards

Databases

Other

(2.2.2.13) Risk types and criteria considered

Acute physical

Chronic physical

Policy

Market

Reputation

Technology

Liability

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|---|--|
| <input checked="" type="checkbox"/> NGOs | <input checked="" type="checkbox"/> Regulators |
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities |
| <input checked="" type="checkbox"/> Employees | <input checked="" type="checkbox"/> Indigenous peoples |
| <input checked="" type="checkbox"/> Investors | |
| <input checked="" type="checkbox"/> Suppliers | |

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

No

(2.2.2.16) Further details 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. Environmental and Climate-related dependencies, impacts, risks, and opportunity assessment are integrated into the company-wide risk management process. ZTE's dual-carbon project team is responsible for identifying and assessing environmental and climate-related dependencies, impacts, risks, and opportunities. We also communicate with external experts every year to update our risk management methods, scope, and processes in a timely manner. 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, and short-term risks. According to the risk value (risk value risk probability * risk impact degree), there are five levels: critical risk, high risk, moderate high risk, moderate risk, and low risk. The risk list will be updated quarterly. Direct operation, downstream and upstream value chains, and end of life management are covered in this process. For upstream value chains, we have extended to tier 1 and tier 2 suppliers. ZTE's business covers more than 160 countries and regions, and serves over 1/4 people worldwide. Our assessment covers the global locations, and includes global Acute physical risks, Chronic physical , Policy , Market , Reputation , Technology , and Liability risks & opportunities analysis. The impact on all stakeholders will be involved as well. ZTE conduct both qualitative and quantitative evaluation. Based on the identified environment and climate risks, ZTE will formulate the corresponding control objectives, KCP, and key control activities. In addition to evaluating the impact on the environment, ZTE will also evaluate the specific financial impact and strategic impact in accordance with the business development trend. If the financial impact of identified risks or opportunities exceeds 50 million RMB, they will be reported to the Board of Directors every six months, and submit them to the Board of Directors for review. Based on the identified opportunities and risks, since 2021, ZTE has set up the Top Ten climate change related projects. In 2023, the dual-carbon project is ongoing, focusing on achieving ZTE's carbon emission reduction targets. At the end of December 2021, with the approval of the Chairman, ZTE restructured the level-2 unit: Digital Energy product operation division. 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. In August 2024, based on a comprehensive analysis of ESG, to better incorporate the philosophy of sustainable development into its strategies and business activities, implement the Environmental, Social, and Governance (ESG) strategies and measures, and improve core competitiveness and sustainable development capabilities, ZTE upgraded the corporate governance system and established the Strategy and Sustainability Committee.*

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

In accordance with the Strategic Risk Management Guidance Process of the Company, the Risk Assessment and BCM Strategy Management Process, and the ZTE Risk Management Regulations, we identify, evaluate, and manage environmental and climate-related risks, prepare ZTE's climate risk list, and integrates the climate risks into a comprehensive risk map to help the Board of Directors and the management to consider the type, severity, and interdependence of the risks, and how the risks may affect the performance related to the strategies and business. We identify the resources and climate conditions required by the company to create and maintain value, as well as the negative or positive impacts of the company on finance, social relations, human capital, and natural capital, to determine the interconnections among environmental dependency, impacts, risks, and/or opportunities. To ensure the timeliness, accuracy, and completeness of risks identification and assessment, we use tools and methods such as COSO, checklists, and information and consulting services from external professional companies to implement assessment. The dual-carbon project team of ZTE is responsible for risk identification, and personnel of the business department will also participate in the risk identification process to ensure that climate-related impacts, risks, and opportunities are all identified and take corresponding measures. In addition to the traditional linear management framework for individual risks, we have initially started the management of complex systematic risks, focusing on the identification and response of interdependent relationships between risks: 1.. Aggregation relationship – different types of risk concurrency, thus causing greater harm. 2. Cascading relationship: Risk A causes risk B, resulting in greater damage. For example, ZTE's factories / suppliers located in the southern coastal area may have high temperature and strong precipitation in a short period of time, forming aggregation risks, and then causing centralized occurrence of incidents that endanger the health and safety of employees, facilities, and supply chain. As a response, ZTE will start production reduction, shutdown, remote office, material storage, and transfer to other unaffected factories for production.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

Upstream value chain

(2.3.3) Types of priority locations identified

Locations with substantive dependencies, impacts, risks, and/or opportunities

(2.3.4) Description of process to identify priority locations

The ZTE Operation Guide to Material Supplier Risk Management specifies the early warning dimension of supplier risks, including operational risks, Legal and Compliance risks, and financial risks. The environmental risk is one of the early warning dimensions, which is defined as "areas where natural disasters such as earthquakes and tsunamis have occurred in history". The responsible person shall evaluate the areas and products affected by the risks, and start the risk prevention

or emergency response measures for such risks, such as transferring the production capacity of risk products and increasing the safety stock. There is location information requirements in another ZTE's enterprise standard Operation Guide to Information Maintenance of Material Supply Resource Map. When registering a supplier information, the responsible personnel shall enter the address, longitude, and latitude of the supplier and its detail production site in the supplier information management system. On the system interface, the geographical distribution of the material supply source can be presented in the form of a map. The system user can search the supply place of materials, and determine whether the products of a model, brand, and supplier are safe, or whether there are suppliers in a key risk area based on the environment and climate risks.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

Qualitative

Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

Revenue

(2.4.3) Change to indicator

Select from:

Absolute decrease

(2.4.5) Absolute increase/ decrease figure

50000000

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

According to the ZTE Risk Management Regulations, if the economic loss of the company exceeds 50 million RMB, the risk level is rated as the highest level, and the company will consider the impact as substantive. Climate change will bring risks (for example, cost increase) to ZTE's operation, upstream, and downstream value chain through laws and regulations, technologies, markets, reputation, and natural factors. With reference to historical cases where a large number of enterprises suffer huge losses caused by climate disasters, the impact caused by climate risks may completely exceed the substantive impact threshold defined by the ZTE (exceeding 50 million RMB). Therefore, as long as the environment and climate-related risks meet the substantive criteria, ZTE implements special management measures in accordance with the Process for Management and Control of Major and High Risks.

Opportunities

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Revenue

(2.4.3) Change to indicator

Select from:

- Absolute increase

(2.4.5) Absolute increase/ decrease figure

50000000

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring
- Time horizon over which the effect occurs
- Likelihood of effect occurring

(2.4.7) Application of definition

Climate change will bring risks (such as increased costs) to the operation, upstream, and downstream value chain of ZTE through regulations, technologies, markets, reputation, and will also bring corresponding opportunities. ZTE has analyzed these opportunities qualitatively and quantitatively. The increased requirements for low-carbon and high energy-efficiency products and services will bring revenue growth to ZTE. These impacts and opportunities are obviously and have been continuously exist for ZTE, and have exceeded the amount of substantive impacts defined by ZTE (over RMB 50 million Yuan). Currently, climate change has been incorporated into the ZTE strategy and is under the overall responsibility of Chief Strategy Officer.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental risks identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain
Plastics	Select from: <input checked="" type="checkbox"/> Yes, both in direct operations and upstream/downstream value chain

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

China

(3.1.1.9) Organization-specific description of risk

Since 2014, ZTE has been included in Shenzhen Pilot ETS as the first batch of enterprises. ZTE Shenzhen accounts for about 20% of ZTE's scope 1&2 carbon emissions. In January 2024, the Interim Regulations on the Management of Carbon Emissions Trading was officially released and effective from May 1, 2024. This regulation provides a clear legal basis for the operation and management of the national carbon emissions trading market. With the regulation released, ZTE will have 5 more regions (Nanjing, Xi'an, Wuhan, Changsha, and Heyuan) been included in carbon trading. These regions accounts for about 70% of ZTE's scope 1&2 carbon emissions. According to the carbon trading system, if ZTE's carbon emissions in the current year exceeds the allocated carbon quota, ZTE shall pay the costs for purchasing the carbon quota. Since joining the carbon trading system, ZTE has paid millions of Yuan (RMB) for purchasing carbon quotas. ZTE may face the following risks: 1) In Shenzhen, the cost may be increased due to changes in the industrial added value, ZTE's carbon emission intensity, industrial carbon emission intensity, and carbon price. 2) If other ZTE's five branches are also included in the carbon trading system, and annual carbon emissions of these branches exceed the carbon quota allocated, ZTE may pay additional carbon emission costs.

(3.1.1.11) Primary financial effect of the risk

Select from:

Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

Very likely

(3.1.1.14) Magnitude

Select from:

Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the

organization in the selected future time horizons

This risk increases ZTE's compliance and other operating costs, including the costs of reconstruction and replacement of old high-consumption equipment and purchasing carbon quotas etc.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

11250000

(3.1.1.25) Explanation of financial effect figure

ZTE calculates its financial impact based on the cost of purchased carbon quotas. During the period of 2021-2023, ZTE needs to pay an average of around RMB 2.5 million to purchase carbon quotas per year. ZTE will strictly comply with regulatory requirements and purchase carbon quotas in a timely manner to avoid additional penalties. Due to ZTE's series of emission reduction measures, the annual carbon quota costs have been decreasing year by year. The cost of carbon quotas to be paid in 2023 reduced by about 50% compared to 2022, and by over 50% in 2022 compared to 2021. If carbon trading is widely implemented nationwide in the future, and the rules are similar to those in Shenzhen. It is expected that ZTE will have five more bases in China, such as Nanjing, Xi'an, Wuhan, Changsha, and Heyuan, which may be included in the national carbon emissions trading. Therefore, ZTE may need to pay carbon quota costs for up to six locations. ZTE Shenzhen accounts for about 20% of ZTE's scope 1&2 carbon emissions. The other 5 regions accounts for about 70% of ZTE's scope 1&2 carbon emissions. Looking ahead to the future,:

*1) If the carbon price remains unchanged, the other five regions will need to pay an annual carbon quota of $250 * 70\%/20\%$, which is about 8.75 million yuan. Adding the cost of Shenzhen, ZTE needs to pay the total cost is about 11.25 million yuan 2) Due to the active emission reduction measures taken by ZTE, we believe there is a high probability that ZTE's actual emissions in the future will not exceed the carbon quota allocated by the government. Therefore, ZTE does not need to pay additional carbon quota costs, and the cost is 0.*

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

(3.1.1.27) Cost of response to risk

(3.1.1.28) Explanation of cost calculation

ZTE take the following measures to response the risks: 1)Establish carbon emission reduction objectives. (Cost: 0) 2)Use the energy management center system and the self-developed electric and carbon visual APP system to deeply manage the power consumption of the company. (Cost: RMB 6 million) 3)Improve the awareness of energy conservation among all employees. (Cost: RMB 0.5 million) 4)Reconstruction and Replacement of old high-consumption equipment. (Cost: RMB 6 million) 5)Continuously increase the use of self-built photovoltaic new energy sources. (EMC model, ZTE's Cost: 0) The combination of all these costs is about RMB 12.5 million.

(3.1.1.29) Description of response

ZTE take the following measures to response the risks: 1)Establish carbon emission reduction objectives. 2)Use the energy management center system and the self-developed electric and carbon visual APP system to deeply manage the power consumption of the company. 3)Improve the awareness of energy conservation among all employees. 4)Reconstruction and Replacement of old high-consumption equipment. 5)Continuously increase the use of self-built photovoltaic new energy sources. Through the above measures, ZTE 1)Achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 2)Increased installed PV capacity by 22 MW, with a YoY growth of 700%. 3)Enhanced power use transparency with an accuracy rate of 98.7%, enabling the check and verification of power consumption with visualized data. 4)since 2021, the carbon quota that ZTE needs to purchase has decreased year by year, and the carbon quota that ZTE needs to purchase in 2023 is 50% lower than that in 2022.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Indonesia
- Japan
- Philippines
- Republic of Korea
- Taiwan, China

(3.1.1.9) Organization-specific description of risk

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.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Disruption in production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

To avoid material shortage, ZTE will increase the material inventory, which will increase the material preparation cost.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

0

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

290633000

(3.1.1.25) Explanation of financial effect figure

*In 2023, according to ZTE's annual report, the book balance of ZTE's raw materials and materials under subcontract processing was RMB29063.3 million yuan. Nearly 20% of the company's suppliers (including IC factories) are located in areas vulnerable to weather. For these 20% suppliers, if the material preparation costs were absorbed into daily business activities, the minimum anticipated financial effect figure in the long-term is zero. If it cannot be absorbed, the material preparation cost will be increased by 5%, and the annual maximum anticipated financial effect figure in the long-term is $29063.3 * 20\% * 5\%$ RMB 290.633 million.*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

(3.1.1.27) Cost of response to risk

32000000

(3.1.1.28) Explanation of cost calculation

*In 2023, the book balance of ZTE's raw materials and materials under subcontract processing was RMB29063.3 million yuan. Provision for impairment is RMB3171.93 million yuan. The provision for impairment is about 11% of the book balance. For the 20% of the company's suppliers located in areas vulnerable to weather, the material preparation cost is about 5%, and the value is $29063.3 * 20\% * 5\%$ RMB 290.633 million. For the increased material preparation cost, the provision for impairment is $290.633 * 11\%$, about RMB32 million Yuan. And ZTE's cost to the risk is RMB32 million Yuan.*

(3.1.1.29) Description of response

ZTE 's measures against material supply interruption include but are not limited to: 1) Implements safety material preparation and reserves safety stock for identified high-risk materials,. 2) Implement multi-point supply. The high-risk materials will be supplied from multiple regions and multiple suppliers. 3)Implement spot inventory adjustment. When a supply interruption event occurs, find the spot goods from the spot market. ZTE Implements the above measures to avoid the occurrence of Supply Chain interruption events to the maximum extent. For example, the super typhoon Du Sulurui landed in Fujian Province on July 28. The typhoon affected East China, North China, and Northeast China. In more than 10 provinces, natural disasters such as rainstorms, floods, and debris flows have occurred, resulting in the failure of inductor supplier A in Fujian to produce and supply goods normally. ZTE Corporation urgently transferred goods from a certain inductor supplier B that was not affected by the typhoon, ultimately ensuring that ZTE Corporation's supply of the material was not interrupted.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Reputation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

China

(3.1.1.9) Organization-specific description of risk

Many ZTE's' customers incorporate the environment and climate change performance of suppliers into supplier evaluation and procurement processes. The supplier evaluation criteria includes but not limits to: whether the supplier commits to reduce carbon emissions, whether the supplier sets emission reduction objectives, whether energy conservation and emission reduction measures are taken, whether carbon emissions are disclosed, and whether the products provided can meet the customer's environmental requirements. If the ZTE fails to meet the customer's environmental requirements, the customer will give a low score to ZTE, which will

affect the bid winning share of the ZTE and finally affect the business and revenue of the ZTE. This will bring great risks to ZTE's business.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The business related to environment and climate change will be reduced, and the revenue is lower than expected, and the cash flow is reduced as well.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

0

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

(3.1.1.25) Explanation of financial effect figure

At present, the customers who require ZTE to establish SBTi and propose to detailed environmental and climate change requirements for ZTE mainly come from European and American customers. For non European and American customers, ZTE currently does not have any risk of being unable to meet their environmental and climate change requirements. According to ZTE's 2023 annual report, ZTE's revenue from Europe, Americas and Oceania in 2023 was RMB 17413 million. If ZTE can meet the requirements of customers, it will not have an impact on the reduction of business revenue. If ZTE cannot meet the requirements of customers, the biggest extreme possibility is the loss of market share for European and American customers, which is 17413 million RMB.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

(3.1.1.27) Cost of response to risk

14000000

(3.1.1.28) Explanation of cost calculation

ZTE responses risks by setting SBTi asap. The cost of setting SBTi is absorbed into daily operation, so the cost is zero. To achieve the SBTi, ZTE needs to pay costs, including: 1)Use the energy management center system and the self-developed carbon visual APP to deeply manage the power consumption of the ZTE. (RMB 6 million) 2)Improve the awareness of energy conservation among all employees. (RMB 0.5 million) 3)Reconstruction and Replacement of old high-consumption equipment. (RMB 6 million) 4)Continuously increase the use of self-built photovoltaic new energy sources. (EMC model, ZTE's Cost: 0) 5)Develop low carbon emissions products and solutions. (This cost is incorporated into R&D cost, and no longer calculated separately.) 6)Hire the consulting company to establish a carbon management system and perform carbon verification (RMB 0.5 million) 7)Introduce LCA software to calculate the carbon footprint of products.(Cost: RMB 1 million) All above costs is about RMB 14 million.

(3.1.1.29) Description of response

Customer requirements accelerated ZTE's process of setting SBTi. In May 2023, ZTE joined SBTi as part of its efforts to contribute to the global endeavor for green and sustainable economic development. In April 2024, ZTE's science-based targets, achieving greenhouse gas emissions reduction in line with the 1.5C temperature rise limitation pathway and reaching net-zero emissions by 2050 at the latest, have been approved by the SBTi. ZTE take the following measures to response the risks and achieve SBTi: 1)Use the energy management center system and the self-developed electric and carbon visual APP system to deeply manage the power consumption of the company. 2)Improve the awareness of energy conservation among all employees. 3)Reconstruction and Replacement of old high-consumption equipment. 4)Continuously increase the use of self-built photovoltaic new energy sources. 5)Develop high energy-efficient / low carbon emissions products and solutions. Through the above measures, ZTE 1) Achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 2) Increased installed PV capacity by 22 MW, with a YoY growth of 700%. 3) Developed the product Life Cycle Assessment (LCA) database and output 65 product

LCA reports throughout the year. 4) Achieved a 14.58% YoY decrease in the physical intensity of GHG emissions during the use and maintenance phases of the company's sold telecom products, and a 5.12% YoY decrease in the absolute emissions during the full lifecycle of sold terminal products.

Climate change

(3.1.1.1) Risk identifier

Select from:

Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Policy

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- | | |
|--|---|
| <input checked="" type="checkbox"/> Italy | <input checked="" type="checkbox"/> Czechia |
| <input checked="" type="checkbox"/> Spain | <input checked="" type="checkbox"/> Denmark |
| <input checked="" type="checkbox"/> France | <input checked="" type="checkbox"/> Estonia |
| <input checked="" type="checkbox"/> Greece | <input checked="" type="checkbox"/> Finland |
| <input checked="" type="checkbox"/> Sweden | <input checked="" type="checkbox"/> Germany |
| <input checked="" type="checkbox"/> Hungary | <input checked="" type="checkbox"/> Luxembourg |
| <input checked="" type="checkbox"/> Ireland | <input checked="" type="checkbox"/> Netherlands |
| <input checked="" type="checkbox"/> Bulgaria | |
| <input checked="" type="checkbox"/> Slovakia | |
| <input checked="" type="checkbox"/> Slovenia | |

(3.1.1.9) Organization-specific description of risk

CBAM has taken effect. Among the products exported by ZTE to the EU, the products involved in carbon emission declaration are mainly iron and steel products and aluminum products for spare parts, such as equipment panels, brackets, and radiators. The exported finished products of ICT equipment do not involve carbon tariffs.

CBAM is now in the transition period. ZTE only needs to calculate and report the amount of carbon tariffs, and does not need to pay the amount to the EU. However, after 2026, carbon tariffs needs be officially paid, and the EU will gradually reduce the free carbon quota proportion of its local and imported products until 2034. The EU will also consider expanding the scope of products covered by CBAM. For ZTE, it is possible that the steel and aluminum products involving carbon tariffs in ZTE by 2034 are not limited to a few spare parts, but extended to the steel and aluminum parts of the finished ICT equipment. The above factors may cause ZTE to face the risk of paying carbon tariffs in 2034. A company that does not report or whose amount is insufficient may be punished.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased compliance costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

ZTE may need to pay a significant amount of carbon tariffs, which will increase the company's operating costs.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

1420000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

26040000

(3.1.1.25) Explanation of financial effect figure

*According to the calculation and based on the LCA analysis of the ZTE ICT product, the carbon emission of metal structural components is about 1161000 tCO₂e. ZTE EU product sales account for about 3.37% of global sales. Therefore, the carbon emission of steel and aluminum structural components included in ICT products is 1161000 *3.37 %, about 40000tCO₂e. Similarly, the carbon emissions of sporadic spare parts involving CBAM are about 2007 tons. Assume that the main assumptions such as EU export volume and carbon price (currently about 100 euros/tCO₂e) remain unchanged. By 2034, the better situation for ZTE is that only metal spare parts will be subject to taxation, with a tax amount of approximately 1.42 million yuan. But if the EU decides to expand the scope of taxation to metal components of whole ICT products, the tax to be paid is about RMB 26.04 million.*

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

(3.1.1.27) Cost of response to risk

1000000

(3.1.1.28) Explanation of cost calculation

ZTE is not involved in the processing and production of metal products, but is engaged in procurement, assembly, and resale of such products. Therefore, the carbon footprint of the exported metal products is determined by the upstream value chain. We are guiding our upstream metal product suppliers to reduce the carbon footprint of metal structural components. The risk response cost of ZTE mainly comes from the training cost for suppliers, which is caused by travel costs and labor costs for activities such as lectures, on-site guidance, and reviews. The average education cost for each supplier is about 10000 yuan, and it is expected that there will be up to 100 metal product suppliers in the future, with a total cost of 1000000 yuan.

(3.1.1.29) Description of response

Since 2023, ZTE has trained more than thirty metal suppliers on CBAM. After mastering the carbon emission calculation method and CBAM requirements, these suppliers have gradually implemented some energy-saving and emission reduction measures, such as increasing the procurement proportion of recycled metal raw materials, deploying photovoltaics on the roof of the factory, using lower emission fuels in the heat treatment process, improving processes to reduce waste, etc. We plan to review the emission reduction performance of metal product suppliers in the next year.

[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

Revenue

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

Less than 1%

(3.1.2.7) Explanation of financial figures

ZTE's revenue comes from the sales of ICT products and solutions, mainly serving the telecommunications industry. Both ZTE's own and its customers' businesses are not threatened by climate risks.

[Add row]

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

Shenzhen pilot ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

28

(3.5.2.2) % of Scope 2 emissions covered by the ETS

72

(3.5.2.3) Period start date

12/31/2022

(3.5.2.4) Period end date

12/31/2023

(3.5.2.5) Allowances allocated

109746

(3.5.2.6) Allowances purchased

13702.03

(3.5.2.7) Verified Scope 1 emissions in metric tons CO₂e

1635.64

(3.5.2.8) Verified Scope 2 emissions in metric tons CO₂e

(3.5.2.9) Details of ownership

Select from:

Facilities we own and operate

(3.5.2.10) Comment

N/A

[Fixed row]

(3.5.4) 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 need to buy the carbon quotas. ZTE's strategy is to reduce carbon emissions and carbon quota purchase costs as much as possible. The detail measures taken by ZTE are as follow: 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. And these indicators are included in the annual appraisal for each business unit. In 2023, the overall electricity consumption in Shenzhen was saved by 14 million KWH compared with that in 2022. With the growth of its business, ZTE achieved a year-on-year increase of 10% in energy efficiency. The annual appraisal objectives are completed. 2) For technical energy saving, in 2023, ZTE has completed Air conditioner frequency conversion renovation in Xili Park, Shenzhen. By combining frequency conversion strategy with control strategy, it is expected to save about 50% of electricity. At the same time, photovoltaic power stations in Shenzhen are operating stably, generating 2.24 million KWH annually. And ZTE are now replicating Shenzhen's experience to other parks. 3) For energy-saving through management measures, starting from Q4 2023, under the premise of ensuring business, ZTE has implemented the policy of "closing all electrical equipment that should be closed" and promptly shut down all unused electrical equipment. Currently, good energy-saving results have been achieved. 4) Starting from April of each year, ZTE invited third-party agencies to verify carbon emissions data of the previous year in accordance with the requirements of ETS Shenzhen and issue reports to government agencies. Through the above measures, since 2021, the carbon quota that ZTE needs to purchase has decreased year by year, and the carbon quota that ZTE needs to purchase in 2023 is 50% lower than that in 2022. 5) In the long term, ZTE will continuously pay attention to the policy trends of the global carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax), analyze the impact of the latest policy on ZTE in a timely manner, formulate corresponding measures, strengthen the learning and training of laws and regulations related to carbon pricing system, and ensure that ZTE strictly complies with the requirements. At the same time, ZTE will set annual targets in line with SBTi and break them down to each unit to implement energy conservation and emission reduction measures, reduce the annual carbon emissions of ZTE, and then reduce the quota purchase costs of ZTE.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

China

(3.6.1.8) Organization specific description

According to the International Energy Agency (IEA) NZE scenario, in order to achieve the 1.5 C temperature rise limit target under the Paris Agreement, the energy industry will undergo profound changes in the coming decades, with a huge demand for investment in digital energy. ZTE has nearly 30 years of experience in digital energy solutions. In the past, as a leading ICT digital energy solution provider, ZTE mainly focused on the ICT industry, providing digital power, energy storage,

temperature control and other energy solutions. The trend of global climate transition and energy change has expanded the capacity of the ICT digital energy market and driven the upgrading and replacement of products. In addition, industries such as electricity, parks, and transportation have larger demand scales, which are tens of times larger than the ICT market. This provides us with huge demand traction for expanding new markets and deriving new solutions. In the future, ZTE may use its leading digital energy technology to enter the global climate change core business, creating green and low-carbon oriented new energy solutions for various industries, covering end-to-end business scenarios on the power generation side, grid side, and user side.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

- High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The ICT industry, as well as industries such as power, parks, and transportation, have a strong demand for digital energy facilities. ZTE's digital energy business covers products / solutions such as power supplies, photovoltaics, energy storage, and energy conservation, and faces good development opportunities. The operating revenue of the digital energy business may maintain a high-speed growth rate of over 20% to 50% in the long term, thereby increasing ZTE's total revenue.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

- Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

50000000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

100000000000

(3.6.1.23) Explanation of financial effect figures

We expect that by 2030, the cumulative investment scale of digital energy facilities such as photovoltaics, energy storage, smart grids, and energy conservation in China will exceed 10 trillion yuan. Based on the distribution of the industrial chain and the market competition pattern, ZTE Corporation can set its market share target at around 0.5% to 1%, with the potential to achieve a cumulative revenue of 50-100 billion yuan. The median expectation is (50010000)/275 billion yuan.

(3.6.1.24) Cost to realize opportunity

30000000000

(3.6.1.25) Explanation of cost calculation

We expect that long-term investment and operating costs will account for about 40% of the expected revenue, and revenue is expected to increase by 50-100 billion yuan by 2030, with a median of 75 billion yuan. Therefore, the cumulative cost input by 2030 is 750X40%30 billion yuan.

(3.6.1.26) Strategy to realize opportunity

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) The Group has launched the “zero-carbon” energy net solution V2.0 focused on minimal site, green machine room, green industrial complex and energy cloud management, among others, in a transition from the mere concern for network energy consumption to broader concerns for green power application, network energy efficiency and smart maintenance, with a view to assisting in the digital and intelligent transformation of the energy infrastructure of the ICT industry. As a world-leading supplier of communications energy, the Group has deployed large scale 5G power source and minimal site solutions to safeguard power supply for 720,000 5G base stations worldwide. We have also launched the sPV solar energy power supply solution that enables smooth overlay at sites to facilitate low-carbon development of carriers’ networks. In recent years, the Group has continued to make intensive efforts in the development of communication energy storage and supported storage integration and multiple forms of energy storage conducive to low-carbon energy consumption. We have been a TOP supplier in the communication energy storage sector with a growth rate of over 50% in terms of annual dispatch of lithium batteries. Investigations into end-to-end system solutions have been made with a view to expanding from equipment sales to the operation

of equipment engineering services, which has been implemented in markets such as South Africa and Ethiopia.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

China

(3.6.1.8) Organization specific description

ZTE's annual electricity cost exceeds 400 million yuan, and reducing the costs has always been one of ZTE's concerns. ZTE has achieved partial self supply of electricity by constructing our own photovoltaic facilities, which not only reduces carbon emissions but also lowers electricity costs. Chinese government actively promotes the development of renewable energy and has introduced a series of supportive policies, including subsidies for photovoltaic power generation, photovoltaic power generation quota system, tax incentives, etc., to encourage the development of the photovoltaic industry. In addition, the market for distributed photovoltaic construction and operation services is active, and new energy service providers often provide owners with different business model options to balance the contradiction between energy-saving benefits and investment pressure. For example, the EMC model, where service providers bear all construction and operation costs and share energy-saving benefits with owners in the long run, further eliminates the risks and financial barriers of enterprise construction of distributed photovoltaics. ZTE's industrial park has a large roof area and stable power demand, providing good conditions for the installation and operation of photovoltaic systems, and may potentially obtain long-term and stable energy-saving benefits from it.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Reduce the operating costs associated with purchasing energy / electricity.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

13125000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

13125000

(3.6.1.23) Explanation of financial effect figures

ZTE Corporation is installing solar photovoltaic equipment on the roofs of various bases, and part of the electricity resource has been changed from grid supply to self-generation. It is expected to be fully installed by 2025. In the next 20-25 years, the annual rooftop solar power generation will be about 35 million kilowatt hours. The cost ZTE purchase electricity from the grid is at a price of 0.75 yuan/kilowatt hour. The overall cost savings of ZTE's own photovoltaic facilities for power generation are $0.75 * 350000026250000$ yuan/year. The photovoltaic project construction adopts the EMC mode, invested and constructed by new energy service providers, and half of the energy-saving income belongs to ZTE, which is RMB 13125000 yuan/year.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

ZTE Corporation collaborates with new energy suppliers on solar photovoltaic projects under the EMC model, and ZTE does not need to invest. This project is invested by the supplier. Half of the future electricity savings will be the return to the supplier. Therefore, ZTE's cost is zero.

(3.6.1.26) Strategy to realize opportunity

ZTE is currently constructing rooftop photovoltaic facilities in various parks across the country. Based on the PV power stations in Shenzhen, which have been put into use for many years, ZTE continues to expand the use of its self-built new energy system that enables the integration of energy storage and solar PV, so as to achieve "self-generation for self-consumption" and "surplus electricity to grid". In 2023, the Binjiang PV power station was built and put into use, with an annual power generation capacity of 22 million kWh. PV power stations in Heyuan, Xi'an, and Changsha are under construction and expected to be completed and put into use in 2024. In the future, all local photovoltaics can meet approximately 5-10% of the electricity demand.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

China

(3.6.1.8) Organization specific description

CDP and a client of ZTE have jointly developed a framework that specifically addresses GHG emissions in the supply chain, serving as the basis for a new environment related supply chain financing plan. ZTE has been invited to share the environmental performance scores with the financing banks, so that we have the opportunity to receive preferential financing rates based on the ranking of scores.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

Increased access to capital at lower/more favorable rates

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As a supplier, ZTE Corporation is required to disclose sustainable development information and obtain preferential financing rates for sustainable development under the financing bank, effectively reducing financing interest expenses.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

70000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

130000

(3.6.1.23) Explanation of financial effect figures

If ZTE's sustainable development rating and performance meet the requirements set by banks, ZTE can get corresponding sustainable development preferential financing rates, such as a 5 basis point reduction in interest rates. For projects that currently have clear indications of utilizing sustainable development preferential financing rates, it is expected that financing interest can be reduced by approximately 70000 to 130000 RMB in 2024-2025.

(3.6.1.24) Cost to realize opportunity

14000000

(3.6.1.25) Explanation of cost calculation

To meet the ESG rating requirements of banks, ZTE has taken a series of measures, including improving its internal management system, setting scientific carbon targets, and implementing a series of energy-saving and emission reduction measures. The cost of improvement of the internal management system and setting SBTi has been absorbed into daily work and operating costs, and we calculate this cost as 0. However, other related measures need costs, including: 1)Use the energy management center system and the self-developed carbon visual APP to deeply manage the power consumption of the ZTE. (RMB 6 million) 2)Improve the awareness of energy conservation among all employees. (RMB 0.5 million) 3)Reconstruction and Replacement of old high-consumption equipment. (RMB 6 million) 4)Continuously increase the use of self-built photovoltaic new energy sources. (EMC model, ZTE's Cost: 0) 5)Develop low carbon emissions products and solutions. (This cost is incorporated into R&D cost, and no longer calculated separately.) 6)Hire the consulting company to establish a carbon management system and perform carbon verification (RMB 0.5 million) 7)Introduce LCA software to calculate the carbon footprint of products.(Cost: RMB 1 million) All above costs is about RMB 14 million. (Note: This cost applies not only to this opportunity, but also to the response to other opportunities or risks)

(3.6.1.26) Strategy to realize opportunity

In order to seize this opportunity, ZTE has taken a series of measures to enhance its ESG rating and performance, including improving its internal management system, setting scientific carbon targets, and implementing a series of energy-saving and emission reduction measures. 1)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 CSO of ZTE, signed the pledge to the SBTi. In April 2024, the targets were approved by SBTi. In May 2024, as witnessed by CSO and other stakeholders, ZTE has released the White Paper of ZTE's Zero Carbon Strategy. 2) Use the energy management center system and the self-developed carbon visual APP to deeply manage the power consumption of the ZTE. 3) Improve the awareness of energy conservation among all employees. 4) Reconstruction and Replacement of old high-consumption equipment. 5) Continuously increase the use of self-built photovoltaic new energy sources. 6) Develop low carbon emissions products and solutions. 7) Hire the consulting company to establish a carbon management system and perform carbon verification 8) Introduce LCA software to calculate the carbon footprint of products.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

7510000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

1-10%

(3.6.2.4) Explanation of financial figures

From 2024 to 2030, the median expected revenue for the digital energy business is 75 billion yuan, and ZTE's self-built rooftop photovoltaic energy-saving benefits are expected to be approximately 0.013 70.091 billion yuan, totaling nearly 75.1 billion yuan, accounting for a conservative proportion of about 6% of the company's total revenue expectations for the same period.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Executive directors or equivalent

Non-executive directors or equivalent

Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

ZTE acknowledges the importance of Board diversity for corporate governance and has formulated the Board Diversity Policy as part of the Working Rules of the Nomination Committee of the Board of Directors (Page 7), which primarily provides that: ZTE shall consider Board diversity from multiple aspects when determining Board composition, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All members of the Board are appointed solely on the basis of merit. The benefits to Board diversity are weighted in light of objective conditions in the consideration of candidates. The selection of candidates for Board members by the Board and the Nomination Committee is based on a range of diverse perspectives and measurable objectives.

(4.1.6) Attach the policy (optional)

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board chair
- Director on board
- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)

(4.1.2.2) Positions’ accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions’ accountability for this environmental issue

Select all that apply

- Individual role descriptions

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Reviewing and guiding annual budgets
- Overseeing and guiding scenario analysis
- Overseeing the setting of corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring supplier compliance with organizational requirements
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Overseeing reporting, audit, and verification processes
- Overseeing and guiding the development of a business strategy

(4.1.2.7) Please explain

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 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 ZTE's sustainability report. 2) On a quarterly basis, the Dual-Carbon team report to the senior leaders, such as the Chairman, CEO, CSO and other Top management, reporting ZTE's dual-carbon strategy and implementation plan, including budgets, challenges, risks, opportunities and progress of SBTi. The impacts of latest sustainable development directives on the company will be reported as well. In 2023, ZTE joined SBTi after approval by top management. In April 2024, the target was approved by the SBTi. (3) In 2021, with the approval of the Chairman, ZTE restructured the level-2 unit: Product operation division of digital energy. (4) In 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. (5) In 2024, with the approval of the Chairman, ZTE established the Strategy and Sustainability Committee. The Chairman serves as the director of the Committee; the CEO is the deputy director of the Committee, and all the EVPs and the head of Strategy and Investment are standing members of the Committee.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

Engagement

Policies, commitments, and targets

Strategy and financial planning

Other

(4.3.1.4) Reporting line

Select from:

Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

More frequently than quarterly

(4.3.1.6) Please explain

Chief Strategy Officer (CSO) 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 CSO of ZTE, signed the pledge to the SBTi. In April 2024, the targets was approved by SBTi. In May 2024, as witnessed by CSO and other stakeholders, ZTE has released the White Paper of ZTE's Zero Carbon Strategy.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

(4.5.3) Please explain

ZTE provides climate change-related monetary incentives to CTO, Chief Strategy Officer (CSO), Senior Vice President (SVP) in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates. ZTE's dual-carbon strategy implementation project team is led by the CSO. This project includes three sub-projects in R&D, Supply Chain, and Operation which is led by CTO, SVP in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates. ZTE has established SBTi and set annual energy conservation targets, and the targets are broken down to each unit. For CTO, CSO and two SVPs, ZTE has set up

a special strategic task of "Power Saving and Consumption Reduction" in their annual appraisal criterias, and the achievement of the targets affects their annual bonus. If the target is achieved, it has a positive impact on the annual appraisal score, thus affecting their annual reward. The incentive proportion accounts for about 3-5% of their total salary.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

(4.5.1.2) Incentives

Select all that apply

Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

Strategy and financial planning

Emission reduction

Resource use and efficiency

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

ZTE provides climate change-related monetary incentives to CTO, Chief Strategy Officer (CSO), Senior Vice President (SVP) in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates. ZTE's dual-carbon strategy implementation project team is led by the CSO. This project includes three sub-projects in R&D, Supply Chain, and Operation which is led by CTO, SVP in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates. ZTE has established SBTi and set annual energy conservation targets, and the targets are broken down to each unit. For CTO, CSO and two SVPs, ZTE has set up a special strategic task of "Power Saving and Consumption Reduction" in their annual appraisal criterias, and the achievement of the targets affects their annual bonus. If the target is achieved, it has a positive impact on the annual appraisal score, thus affecting their annual reward. The incentive proportion accounts for about 3-5% of their total salary.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The climate change-related monetary incentives to CTO, Chief Strategy Officer (CSO), Senior Vice President (SVP) in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates, reflect the ZTE's commitment to climate change and the importance attached to the climate transition plan, and help the leaders invest more resources, time and energy to achieve the targets, promote and accelerate the implementation of ZTE's climate commitment and climate transition plan, and improve ZTE's core competitiveness and market share.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

(4.5.1.2) Incentives

Select all that apply

Bonus – set figure

(4.5.1.3) Performance metrics

Targets

Emission reduction

Resource use and efficiency

Policies and commitments

Engagement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

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. After energy conservation targets are achieved, a certain proportion of the amount shall be deducted as rewards for the corresponding team members. For management team, ZTE will provide: awards for improvement of employee awareness on environmental and climate change issues, suppliers capability improvement for compliance with environmental requirements awards, awards for excellent energy-saving products and solutions, carbon project milestone and objectives achievement awards, carbon emission reduction targets achievement awards etc. In 2023, according to the achievement of the ZTE's energy conservation targets, the total amount of rewards granted by the ZTE was about RMB 2 million Yuan.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The incentives for the management team will help improve the enthusiasm and engagement of team members. They will provide more advice and suggestions to better achieve the company's targets. The energy-saving management level will be increased, and the company's energy-saving management system will be more effective. The R&D efficiency for the advanced energy-saving technologies will improve as well. These positive behaviors brought about by incentives will contribute to the implementation of ZTE's climate commitments and climate transition plan, including the achievements of SBTi.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain
- Downstream value chain
- Portfolio

(4.6.1.4) Explain the coverage

ZTE Corporation has released ZTE's Zero Carbon Strategy White Paper. In the white paper, ZTE's scientific carbon targets are listed, covering scope 1, 2, and 3, including short-term targets, long-term targets, and net zero targets, as well as a roadmap to achieve these goals, including the fourth phase by 2050: 100% of electricity consumption will be renewable energy, and detail action plans. The white paper clearly states the management's commitment, governance, and resource allocation. ZTE's green and low-carbon strategy based on digital intelligence innovation, focusing on four key dimensions: Green Operation, Green Supply Chain, Green Digital Infrastructure, and Green Empowerment is also disclosed in the White Paper. This strategy aims to build a green pathway for digital economy, internally promoting its own green initiatives and externally empowering industry energy conservation and carbon reduction. ZTE's Zero-Carbon Strategy White Paper: The Chinese version has been publicized in ZTE's website : https://www.zte.com.cn/content/dam/zte-site/res-www-zte-com-cn/white_paper/zero_carbon_strategy_white_paper_2024.pdf And we have translated the paper and attached. The English version will be uploaded in ZTE's website within 2024.

(4.6.1.5) Environmental policy content

Environmental commitments

Climate-specific commitments

Additional references/Descriptions

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

ZTE Net-Zero Strategy White Paper .pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

- Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

- Global e-Sustainability Initiative
 Science-Based Targets Initiative (SBTi)
 UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

1. Joined GeSI in 2011, ZTE actively participated in GeSI activities. In 2023, ZTE joined GeSI Circularity Working Group and regularly discussed the circular economy topics with other team members. 2. ZTE joined the UN Global Compact in 2009, and actively participated in various activities of the UN Global Compact. In 2011, the ZTE's founder was interviewed by the UN Global Compact on sustainability topics. In 2020, ZTE's CEO participated in the "CEO in Action" of the UN Global Compact. In 2023, ZTE's IPTV/OTT Big Video project in Turkey was selected into UNGC's Private Sector Case Studies—On Advancing Corporate Sustainability Towards High Quality Belt and Road Cooperation to Facilitate the Implementation of the Sustainable Development Goals. 3. In May 2023, ZTE joined SBTi as part of its efforts to contribute to the global endeavor for green and sustainable economic development. In April 2024, ZTE's science-based targets, achieving greenhouse gas emissions

reduction in line with the 1.5C temperature rise limitation pathway and reaching net-zero emissions by 2050 at the latest, have been approved by the SBTi.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

- Yes, we engaged directly with policy makers
- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

- Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

- Paris Agreement

(4.11.4) Attach commitment or position statement

SBT-Commitment-Letter-ZTE Corporation 20230510.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

- No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are

consistent with your environmental commitments and/or 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 are compliant and 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. In 2023, ZTE actively participated in the discussion and formulation of carbon peaking and carbon neutrality standards in China and abroad, as well as the development of industry standards. ZTE mainly engaged in the following standards-related activities. The compilation of Scope 3 Guidance for Telecommunications Operators initiated by GSMA, GeSI, and ITU. The formulation of the industry standard Technical Requirements and Grading of Green Packaging for Telecommunication Network Products. The formulation and publication of the group standard Technical Specifications for Energy Efficiency Testing and Characterization Methods of Telecommunication Base Stations. The compilation of two group standards for data center carbon footprint initiated by China Electronic Energy Saving Technology Association (CEESTA). The joint initiation and compilation of two standards of CCSA ST2 and CCSA TC1 (Product Carbon Footprint - Base Station Equipment and Technical Requirements for Digital Carbon Management Platform).

[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

As one of the drafting units, ZTE participated in the drafting of the "Quantitative methods and requirements for carbon footprint of greenhouse gas products - Base station equipment" standard. This standard was proposed and managed by the China Communications Standards Association.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

China

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

Regular meetings

Ad-hoc meetings

Discussion in public forums

Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

This standard specifies the purpose, scope, inventory analysis, impact assessment, result interpretation, product carbon footprint report and declaration requirements for quantifying the carbon footprint of base station equipment, and is applicable to the research on carbon footprint quantification of 5G base station equipment. By participating in the drafting of this standard, constructing and implementing a greenhouse gas emission accounting system, ZTE has significantly improved the accuracy and efficiency of our product lifecycle emission calculation. This not only helps R&D department accurately identify emission reduction potential points and drive the low-carbon transformation of product design, but also enhances the scientific and transparency of the company's overall carbon emission calculating,

providing support for formulating more practical and effective carbon reduction goals and strategic decisions. At the same time, industry enterprises and ZTE's upstream and downstream value chain can adopt unified standards to calculate product carbon footprint, and targeted energy-saving and emission reduction measures can be taken based on the calculation results of product carbon footprint. Actively participating in the drafting of standards not only consolidates our technological leadership in the industry, but also promotes knowledge sharing and technical exchanges with top industrial specialists, ensuring that our products maintain cutting-edge competitiveness in global climate change response. The standard for measuring the success of ZTE's participation is that the standard has been officially reviewed and published, and has been applied by industry companies. At present, the standard has successfully passed the final review and has been officially approved as an industry standard. At the same time, we are actively applying to further elevate it to a national standard.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy law or regulation

Select all that apply

Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

As one of the drafting units, ZTE participated in the drafting of the standard "Technical Requirements for Big Data based Telecom Internet Carbon Management Platform". This standard was proposed and managed by the China Communications Standards Association.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

China

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

Regular meetings

Ad-hoc meetings

Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

This standard gives the source, type and life cycle of carbon data, and specifies the architecture and technical requirements of each module of the enterprise oriented telecom Internet carbon management platform based on big data. By participating in drafting this standard, ZTE has fully utilized its advanced technological advantages in the ICT field, such as big data, cloud computing, blockchain, etc., to optimize the collection, transmission, aggregation, analysis, and utilization of carbon data, providing innovative solutions to address the complex challenges of organizational level carbon data management, helping to improve the efficiency of carbon data collection, transmission security, aggregation accuracy, and analysis depth, and promoting the digital and intelligent upgrading of the entire carbon management process of enterprise operations. By exploring the asset value of carbon data, help enterprises accurately formulate emission reduction strategies, create competitive advantages in the field of carbon trading, and establish a carbon management benchmark for the entire telecommunications Internet industry and even broader fields. Actively participating in relevant standardization activities and promoting the deep integration of digital technology and green low-carbon industries can help companies explore new growth curves, achieve carbon reduction targets in the value chain, and promote communication and cooperation with

rule makers, making important contributions to global climate governance. The standard for measuring the success of ZTE's participation is that the standard has been officially reviewed and published, and has been applied by industry companies. At present, the standard has been successfully established as an industry standard, attracting the attention and participation of numerous ICT enterprises and research institutions.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy law or regulation

Select all that apply

Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Information and communication technologies (ICTs) play a crucial role in climate monitoring, climate change adaptation and early warning systems; as well as in mitigation measures like boosting energy efficiency, building green networks and developing circular economies. At the same time, the rapid uptake of data and devices increases the sector's own energy consumption, emissions, material use and e-waste worldwide. ITU-convened and partner-led, Green Digital Action aims to enhance collaboration, fast-track industry-wide commitments to addressing climate challenges, and put digital solutions at the forefront of climate action. ZTE's position is consistent with ITU's position and joined Green Digital Action as a supporter. (<https://www.itu.int/initiatives/green-digital-action/get-involved/>) ZTE joined ZTE participated in the writing of 《Scope 3 Guidance for Telecommunications Operators》 initiated by GSMA, GeSI and ITU (<https://www.gsma.com/solutions-and-impact/connectivity-for-good/external-affairs/wp-content/uploads/2023/07/Scope-3-Guidance-2023.pdf>)

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

- Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

- Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

- Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

ZTE’s position is consistent with GSEP’s position. ZTE has publicly endorsed the Catalyzing Electrification Accord with 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>

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

0

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization’s engagement on policy, law or regulation

Select all that apply

Paris Agreement

[Add row]

(4.12) Have you published information about your organization’s response to environmental issues for this reporting year in places other than your CDP response?

Select from:

Yes

(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Strategy | <input checked="" type="checkbox"/> Value chain engagement |
| <input checked="" type="checkbox"/> Governance | <input checked="" type="checkbox"/> Dependencies & Impacts |
| <input checked="" type="checkbox"/> Emission targets | <input checked="" type="checkbox"/> Biodiversity indicators |
| <input checked="" type="checkbox"/> Emissions figures | <input checked="" type="checkbox"/> Public policy engagement |
| <input checked="" type="checkbox"/> Risks & Opportunities | <input checked="" type="checkbox"/> Content of environmental policies |

(4.12.1.6) Page/section reference

1.P61, *Providing Support for Biodiversity Conservation* 2.P17, *Goals and Progress in 2023* 3.P72-83, *Promoting Green Development to Tackle Climate Change* 4.P100-101, *2023 Sustainability Performance*

(4.12.1.7) Attach the relevant publication

ZTE 2023 Sustainability Report- designed.pdf

(4.12.1.8) Comment

Since 2009, ZTE has been releasing sustainability reports annually. This report is prepared in accordance with the following standards and requirements. 1) Appendix C2 Environmental, Social and Governance Reporting Guide (ESG Guide) in the Main Board Listing Rules issued by the Hong Kong Stock Exchange; 2) Shenzhen Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operation of Listed Companies on the Main Board; 3) Global Reporting Initiative (GRI) Standards of the Global Sustainability Standards Board (GSSB); 4) Sustainable Development Goals (SDGs) of the United Nations; 5) Ten Principles of the United Nations Global Compact; 6) ISO 26000: Guidance on Social Responsibility. Environmental protection and climate change are important components of the sustainability report, which covers targets, strategies, governance structures, policies, progress made, emission data etc. After third-party verification and board approval, the report will be publicly released on the official website of ZTE Corporation. https://www.zte.com.cn/content/dam/zte-site/investorrelations/en_announcement/ZTE_Sustainability_Report_2023_EN_0603.pdf
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

More than once a year

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

(5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Liability
- Reputation
- Technology
- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Stakeholder and customer demands

Regulators, legal and policy regimes

Macro and microeconomy

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Important assumption: 1)ZTE achieves the SBTi requirements: by 2030, ZTE aims to reduce scope 1 and 2 carbon emissions relative to the 2021 baseline by

52%, reduce scope 3 carbon emissions per unit of product performance by 52% (using the physical intensity method), with no increase in total emissions, and achieve carbon neutrality in its operations by 2040 and net-zero emissions by 2050. 2)ZTE's revenue will achieve long-term growth, with the growth rate decreasing by half every 10 years on the current basis, and the total revenue will reach several times the current level by 2030 and 2050. ZTE will expand into new businesses such as automotive electronics, new energy, and industry solutions, whose carbon emission intensity is roughly consistent with ZTE's current business. ZTE Corporation and its value chain partners adopt measures such as behavior change, energy efficiency improvement, and energy conversion to achieve the targets. The uncertainty of power grid emission factors in China and globally, as well as the uncertainty of new energy prices, will bring about uncertainty in emission reduction costs.

(5.1.1.11) Rationale for choice of scenario

ZTE Corporation has announced that its science-based targets, achieving greenhouse gas emissions reduction in line with the 1.5C temperature rise limitation pathway and ultimately reaching net-zero emissions by 2050 at the latest, have been approved by the Science Based Targets initiative (SBTi) and listed on the SBTi's target dashboard. We have defined a customized scenario that includes the company's current situation, development strategy, multiple emission reduction measures, and other elements. ZTE is very concerned about whether the emission reduction measures included in the scenario can achieve the emission reduction targets, while being economically feasible and not causing financial burdens that the company cannot afford. ZTE is also concerned about whether it will suffer corporate image damage in the future due to the inability to achieve emission reduction targets.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

SSP5

(5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Policy
- Market
- Liability
- Reputation
- Technology
- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

- 2030
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1. Climate related assumptions: The severity level and geographical distribution of climate disasters such as high temperatures, typhoons, and floods in the RCP8.5 scenario mainly come from the IPCC AR6 report, as well as some studies on the future impact of disasters in the Chinese region under the RCP8.5 scenario; We only used the regional average in our estimation. We did not seek smaller particle size regional data in our estimation, and in addition, these disaster impact data have a certain degree of probability confidence; 2. Policy assumptions: The government's response requirements for disasters such as high temperatures and typhoons, such as limiting operating conditions and suspending work; 3. Assumptions of ZTE: including the geographical location and value of production facilities, suppliers, logistics routes, etc. We assume that these factors will not undergo significant changes in the future; Serious temperature rise will affect ZTE operation, upstream and downstream value chain. 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. In addition to qualitative analysis, we estimated the losses for the parts with clearer patterns. 1. High temperature shutdown will result in salary costs due to no corresponding output: Calculation formula: shutdown days x number of shutdown employees x daily average salary 2. High temperature leads to additional material preparation costs: About 20% of ZTE's materials come from areas that are easily affected by weather. To cope with logistics disruptions, additional material preparation costs need to be increased. Additional material preparation costs = material book value x supplier supply ratio that is easily affected by weather x material preparation increase ratio * Proportion of provision for price decline

(5.1.1.11) Rationale for choice of scenario

The RCP8.5 scenario represents the possibility of insufficient global emission reduction efforts and ineffective mitigation of climate disasters. Although RCP8.5 is considered unlikely to occur by the academic community, this scenario can help ZTE outline the boundaries of climate impact and risks. ZTE needs to assess major losses such as asset damage, production and supply chain shutdowns in extreme situations, avoid events that have a significant impact on the company's business continuity, and capture disruptive opportunities brought by global transition and prepare for them. ZTE has conducted analysis on other scenarios in recent years, with a focus on assessing transition risks and opportunities. RCP8.5 scenario analysis can help us focus more on physical risks.

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Based on the analysis and estimation of transition risks in the IEA NZE 2050 scenario, it is shown that if the current operating model is continued without changes, ZTE will not be able to align with the Paris Agreement's 1.5 requirement and achieve its SBTi target. The key to solving this problem lies in implementing a

combination of measures identified in the NZE scenario, including energy efficiency improvement, behavior change, electrification, renewable energy switching, CCUS, etc. ZTE Corporation has developed a comprehensive action plan that decomposes the above measures into all aspects of enterprise activities such as operations, supply chain, product research and development, and manufacturing. These measures require a certain amount of investment, but do not pose significant financial burden risks, and the transition benefits such as energy conservation, products and solutions will be greater than the investment. ZTE's climate transition investment will mainly focus on technological transition and renewable energy substitution: from 2022 to 2025, energy-saving technological transition will be the main focus, reducing emissions by reducing energy consumption, with related costs of about 10 million yuan per year; From 2025 to 2030, there will be a shift towards purchasing renewable electricity, with annual costs gradually increasing from zero to a maximum of tens of millions of yuan. By 2030, ZTE Corporation's total operational emissions and value chain emissions intensity can be reduced by about 52%; When value chain partners adopt measures similar to ours, namely implementing collaborative emission reduction, ZTE's overall value chain emissions can be reduced by about 90% by 2050. By increasing investment in carbon offsetting and carbon removal, we can offset a small amount of remaining emissions and achieve net zero. Ultimately achieving the company's scientific carbon target.

The analysis of physical risks based on RCP8.5 scenario shows that in extreme cases, ZTE may be significantly affected by climate disasters around 2050. ZTE Corporation and its suppliers' production facilities are mostly located in East Asia and Southeast Asia, where extreme rainfall is expected to increase. Due to the impact of floods and typhoons, ZTE's assets will suffer losses, and the loss ratio is expected to increase by about 64%. The number of days with high temperatures exceeding 35 °C in East Asia will also increase significantly by 10 to 15 days, and Southeast Asia may even increase by up to 60 days. These extreme weather conditions will result in increased cooling costs for ZTE's local operations, reduced working days, and increased equipment maintenance costs. Climate change has also brought opportunities for ZTE Corporation. Mainly manifested in product & solutions opportunities. For example, the wave of energy transition in the whole society has created conditions for ZTE's digital energy business expansion. The market demand for our power, photovoltaic, energy storage, and digital center cooling products is expected to grow at an annual rate of over 30%, and our revenue may reach a cumulative 50 to 100 billion yuan by 2030; Another example is that due to frequent natural disasters, the importance of high-capacity and large coverage emergency communication systems is becoming increasingly prominent. Faced with emergency communication rescue scenarios, ZTE has developed emergency solutions through advanced ICT technology to empower emergency communication scenarios and ensure communication capabilities recovery in emergency situations. Including: 1) 5G nomadic base station: Each nomadic base station can meet the network signal needs of thousands of people nearby, providing high-quality network coverage for the site. 2) Backpack type base station: If the road surface in the disaster area is damaged, backpack type base stations can make full use of various fixed facilities on site to achieve rapid installation and deployment, adapt to different environments, and have a wide coverage area and large bandwidth, which can meet the signal needs of hundreds of people. 3) Unmanned aerial vehicle base station: In severe disaster situations where people and vehicles cannot enter the disaster area, ZTE Corporation has developed an emergency communication unmanned helicopter to fully ensure smooth on-site network and meet the network needs of the disaster area. These emergency communication systems have been applied in various natural disaster scenarios and may be widely deployed in various places in the future, bringing opportunities to ZTE.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

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

(5.2.3) Publicly available climate transition plan

Select from:

Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

To achieve ZTE's zero-carbon vision and Science Based targets, ZTE has formulated a green and low-carbon strategy based on digital intelligence innovation, focusing on four key dimensions: Green Operation, Green Supply Chain, Green Digital Infrastructure, and Green Empowerment. This strategy aims to build a green pathway for digital economy, internally promoting its own green initiatives and externally empowering industry energy conservation and carbon reduction. According to the strategy, ZTE has formulated a series of important implementation stages, as well as goals and milestones for different business areas. ZTE implements different emission reduction measures throughout the carbon emission cycle to form a complete closed loop and finally achieve the true and complete "zero-carbon" long-term goal. Emission reduction methods include behavior change, energy switching, energy efficiency improvement, and carbon offset & removal. For all emission sources in the value chain, ZTE will seek emission reduction solutions in accordance with the above methods. Early efforts mainly focused on behavioral changes and energy efficiency improvement measures. The advantage of these two measures is that they are easy for ZTE to independently control and implement quickly. With the development of new energy technologies, market, and policy, the focus of ZTE actions is gradually shifted to energy switching measures. The long-term net zero target needs to rely more on carbon offset & removal measures. Such measures are in the supplementary status or exploration phase. ZTE is continuously following up the development of related technologies and industries, actively attempting to implement them. ZTE has set up four transformation phases, each of which has set corresponding targets. Phase 1: reduce operational emissions by over 30% by 2025. Phase 2: By 2030, achieve short-term scientific carbon emission targets; Phase 3: Achieving operational carbon neutrality by 2040; Phase 4, by 2050, aims to achieve a net zero target. At each stage, ZTE has set important targets for different business areas, such as procurement emission targets, product carbon reduction targets, renewable energy acquisition targets, fleet electrification targets, etc. Following up the targets, ZTE's various organizational levels and departments identify and develop numerous specific emission reduction measures. Currently, ZTE has implemented a series of energy-saving and emission reduction measures.

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

Select from:

We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

At the board level, ZTE's top management, including the Chairman and CEO, will review environmental and climate change related topics, including climate change strategy and 1.5 degree transition plan, risks, opportunities, targets, budget, detail reduction measures, and responsible departments. In response to the decisions of company leaders, AP tasks are assigned, requiring all responsible units to take corresponding technical and management measures to ensure the implementation of ZTE's sustainable development goals. ZTE's Strategy and Sustainability Committee will organize regular reviews and tracking the tasks. The board of directors reviews ZTE's Sustainability Report annually. Environmental protection and climate change are important contents of the. The report is publicly released via ZTE's

website. When shareholders and investors wish to have a detailed understanding of ZTE's ESG issues, they will request a response from ZTE through questionnaires, email or other means, and ZTE will provide timely feedback.

(5.2.9) Frequency of feedback collection

Select from:

More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

The key assumptions and dependencies on which ZTE transition plan relies include: The progress of renewable energy in the regions where China and the global market are located is in line with current expectations, the green energy and carbon credit market mechanisms are gradually improving. The key technologies and upstream products / solutions relied upon to improve product energy efficiency can continue the current trend of progress. Partners in the value chain have the same willingness and action towards low-carbon transition like ZTE.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

ZTE has achieved remarkable results in climate change. In 2023, ZTE's overall carbon emissions decreased by 9.7% year-on-year, with operation carbon emissions (scope 1&2) decreasing by 3.0% year-on-year, and all indirect (scope 3) carbon emissions in the upstream and downstream decreasing by 9.8% year-on-year. Over the past two years, operation carbon emissions (scope 1&2) decreased by 15.6% year-on-year, the unit energy consumption intensity of the company's total energy consumption increased by 18.1%, and the self-built and self-used photovoltaic power generation installed capacity increased by 700%. In 2023, ZTE developed the product Life Cycle Assessment (LCA) database and output 65 product LCA reports throughout the year. Achieved a 14.58% YoY decrease in the physical intensity of GHG emissions during the use and maintenance phases of the company's sold telecom products, and a 5.12% YoY decrease in the absolute emissions during the full lifecycle of sold terminal products. Enhanced power use transparency with an accuracy rate of 98.7%, enabling the check and verification of power consumption with visualized data. Furthermore, ZTE has long been committed to constructing next-generation digital infrastructure through end-to-end green solutions, reducing energy consumption per bit through technological innovation, and helping global operators save 10 billion kWh of electricity annually through intelligent photovoltaic power generation, hydrogen fuel cells, liquid cooling, AI energy conservation, and other advanced technologies.

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

ZTE Net-Zero Strategy White Paper .pdf, ZTE 2023 Sustainability Report-.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The opportunities brought by environmental and climate change to ZTE are: developing low-carbon products and solutions will enhance the company's competitiveness, increase market share and revenue. ZTE is a major ICT solution provider, with products covering wireless, wired communication, servers, digital energy, and terminals. The carbon emissions of these products have a significant impact on the emission reduction process of downstream operators and customers.

Most of ZTE's customers are advocates and leaders of climate actions such as carbon neutrality and net zero. They generally have strict requirements for reducing carbon emissions when purchasing ICT products. The energy-saving and low-carbon products and services developed by ZTE will have a great appeal to customers, thereby enhancing the competitiveness of ZTE, increasing market share and revenue. In response to this opportunity, ZTE's strategy is to continuously launch low-carbon products and solutions and enhance product competitiveness. Detail measures include: 1) For wireline products, in connection with green energy conservation, the AI energy conservation technology adopted in 5G has increased network energy conservation efficiency by more than 15%. In 2023, our edge router product has been upgraded to the highest Global Data Leader rating. According to the IDC 2023Q3 Report, the Group's router products ranked second in domestic market share and first in year-on-year growth. 2) The Group (ZTE) has launched the "zero-carbon" energy net solution V2.0 focused on minimal site, green machine room, green industrial complex and energy cloud management, among others, in a transition from the mere concern for network energy consumption to broader concerns for green power application, network energy efficiency and smart maintenance, with a view to assisting in the digital and intelligent transformation of the energy infrastructure of the ICT industry. As a world-leading supplier of communications energy, the Group has deployed large scale 5G power source and minimal site solutions to safeguard power supply for 720,000 5G base stations worldwide. We have also launched the sPV solar energy power supply solution that enables smooth overlay at sites to facilitate low-carbon development of carriers' networks. In recent years, the Group has continued to make intensive efforts in the development of communication energy storage and supported storage integration and multiple forms of energy storage conducive to low-carbon energy consumption. We have been a TOP supplier in the communication energy storage sector with a growth rate of over 50% in terms of annual dispatch of lithium batteries. Investigations into end-to-end system solutions have been made with a view to expanding from equipment sales to the operation of equipment engineering services, which has been implemented in markets such as South Africa and Ethiopia.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In the upstream and downstream value chain, ZTE faces the following risks: If suppliers lack the ability and driving force related to climate change and fail to effectively implement climate change management and adopt energy-saving and emission reduction measures, it will lead to difficulties in reducing ZTE's Scope 3 carbon emissions, which in turn will affect ZTE's downstream value chain's scope 3 GHG emissions, making ZTE unable to meet legal and customer requirements, and ZTE will also be unable to achieve the ZTE's own scientific carbon targets. In response to this risk, ZTE's strategy is to closely cooperate with suppliers to reduce carbon emissions, minimize environmental impact, better meet environmental laws and regulations and customer requirements, while ensuring the achievement of ZTE's scientific carbon targets. Detail measures include: 1) Empower suppliers to enhance capabilities, guide them in calculating their GHG emissions, set climate change targets, and develop energy-saving and emission reduction measures. In 2023, ZTE organized 96 suppliers to participate in dual-carbon training, and 30

suppliers in CBAM training. 2) Incorporate environmental requirements into the entire supplier management process, including supplier agreements and supplier codes of conduct, on-site audits, performance evaluations, bidding and procurement. In 2023, ZTE conducted dual carbon audits on 150 suppliers. The results of supplier performance evaluation, including assessment of supplier environmental performance, will be applied in bidding and procurement, directly affecting the supplier's contract share. In 2023, through the above measures: 1) Achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 2) Achieved a 14.58% YoY decrease in the physical intensity of GHG emissions during the use and maintenance phases of the company's sold telecom products, and a 5.12% YoY decrease in the absolute emissions during the full lifecycle of sold terminal products. 3) The data from the CDP 2023 showed that among the 300-plus strategic core suppliers, 81 participated in the CDP and disclosed publicly. Among the 81 suppliers, 17 (21%) achieved a Leadership (A/A-) rating, and 27 (33%) received a Management (B/B-) rating. 4) For example, ZTE cooperates with a cable supplier in low-carbon and material-saving design to save about 60% power per meter of cable. ZTE collaborates with a supplier to improve the energy efficiency of the PCB production process and reduce annual GHG emissions 136.94 tCO₂e.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The opportunity brought by climate change to ZTE's investment in R&D is that developing low-carbon products and services will enhance ZTE's competitiveness, increase market share and revenue. ZTE is a major ICT solution provider, with products covering wireless, wired communication, servers, digital energy, and terminals. The carbon footprint of these products have a significant impact on the emission reduction process of downstream value chain. Most of ZTE's customers are advocates and leaders of climate actions such as carbon neutrality and net zero. They have strict requirements for reducing products' carbon emissions. ZTE continuous investment in R&D of low-carbon products and services will increase the competitiveness of ZTE's products and services, increasing market share and revenue. In response to this opportunity, ZTE's strategy is to continue investing in R&D of low-carbon products and services. Detail measures include: 1) All R&D teams of ZTE actively implement energy efficiency innovation and improvement from various perspectives such as devices, principles, algorithms, and architectures to reduce product carbon footprint. ZTE has laid out over 500 green 5G innovation patents, relying on self-developed high-performance chips, high-efficiency amplifiers, and leading structural designs, using technology to increase efficiency and reduce consumption, and working together with customers to build 5G green networks. In 2023, we have procured ongoing evolution of the energy conservation solution PowerPilot. Following the launch and large-scale commercial application of the AAU automatic start/stop function which reduces AAU night-time energy consumption to a minimum of 5W or below, we have launched China's first trial RRU automatic start/stop function, by which power consumption of an idle RRU can be reduced to a minimum of 3W. 2) Since 2021, ZTE has established a Product LCA capability and introduced the GaBi software and its database. In strict accordance with international standards, an expert team has been established to conduct carbon footprint assessments for all product categories of ZTE. By 2023, ZTE has conducted carbon footprint assessments on over 100 products, covering all product

categories. 3) ZTE actively participates in low-carbon technology cooperation of the industry, undertaking research or standard projects related to terminal energy-saving mechanisms, network energy-saving mechanisms and their enhancement, such as UE Power Saving in NR, UE Power Saving Enhancements for NR, Study on Power Saving for Machine Type Communications (MTC) devices, etc., and contributing technical solutions to the industry. In the next five years, ZTE will continue to promote the above work and make adjustments as necessary based on the company's strategy, stakeholder needs, and the development of advanced technology. In the past two years, the comprehensive energy efficiency of all products sold by ZTE has increased by over 27%.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The risk posed by climate change to ZTE's operations is that as its business grows, the energy consumption and carbon emissions generated by ZTE's operations may increase, making it impossible to achieve the established scientific carbon targets. The opportunities brought to ZTE's operations are: ZTE's adoption of corresponding energy-saving and emission reduction measures can bring energy-saving benefits to ZTE. ZTE has set future revenue growth targets and expanded into new business areas such as intelligent computing, automotive electronics, and new energy. These business objectives will lead to more operational activities such as office, R&D, and production. Correspondingly, the energy consumption and carbon emissions of ZTE's future operations may increase, leading to the inability to achieve the emission reduction targets of Scope 1&2. Therefore, ZTE has taken various measures to reduce operational carbon emissions, such as energy transformation, energy-saving renovation or upgrading of energy consuming equipment, and changes in employee behavior. These investments and measures not only bring some cost burdens, but also provide opportunities for ZTE Corporation, such as reducing energy procurement costs and improving production and work efficiency, all of which can contribute to the company's financial returns. Efforts to reduce operational emissions will also increase customer and societal recognition of ZTE, boosting their confidence in purchasing ZTE products and investing in ZTE. In response to this risk and opportunity, ZTE's strategy is to adopt energy-saving and emission reduction measures to reduce the company's carbon footprint and bring energy-saving benefits to the company. Detail measures include: 1) Use the energy management center system and the self-developed electric and carbon visual APP system to deeply manage the power consumption of the company. 2) Improve the awareness of energy conservation among all employees. 3) Reconstruction and Replacement of old high-consumption equipment. 4) Continuously increase the use of self-built photovoltaic new energy sources. Through the above measures, from 2021 to 2023, although ZTE's revenue has increased, its operational emissions (Scope 1&2) have decreased by nearly 40%. Currently, ZTE invests about 10 million yuan annually in operational emissions reduction, and also brings about 30 million yuan in energy savings and other benefits to ZTE. In the future, ZTE will continue to promote the above work and make adjustments as necessary based on the company's strategy and the needs of stakeholders.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Revenues
- Direct costs
- Indirect costs
- Capital expenditures
- Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

More investment in climate change related R&D, low-carbon products and services, and the adoption of a series of GHG emission reduction measures will bring opportunities to ZTE, enhance ZTE's competitiveness, increase market share and revenue. The increase in GHG emissions from ZTE's operations, insufficient capacity and driving force related to climate change in the upstream supply chain, will bring compliance risks and increased costs to ZTE, making it impossible to achieve the established scientific carbon targets. In response to the risks and opportunities, ZTE has evaluated the financial impact, including the direct and indirect costs, the income/return target for investment in new business opportunities includes capital expenditures, acquisitions, and divestments. Decisions regarding significant risks and opportunities may trigger strategic tasks and corresponding financial budget planning, which will ultimately be implemented during the ZTE's annual budget preparation, three-year strategic rolling plan preparation etc. 1) In 2023, Dual- Carbon project team formulated a budget for 2024, including investment in technology renovation or equipment upgrade, staff bonus, IT, procurement of green electricity costs, consulting fees, etc., and finally get approved. 2) 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%.. 3) According to the annual report, in 2023, our group's R&D expenses (including R&D investment related to climate change) amounted to 25289.2 million yuan, a year-on-year increase of 17.07%.The total investment of the group in environmental governance and protection is about 52.83 million yuan, which is used to install environmental monitoring equipment, renovate energy-saving equipment in R&D etc. 4) On the back of our strong capabilities at base level built around chip, computing and architecture, highly-efficient, intelligent and minimal and green mobile communication networks designed for customers have been constructed. According to the Dell'Oro Group Report, the Group has ranked second globally for four consecutive years in terms of dispatch volume for 5G base stations. In the future, ZTE will continue to conduct financial impact analysis and planning related to climate change, and make adjustments as necessary based on ZTE's strategy and stakeholder needs.

[Add row]

(5.4) 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	Methodology or framework used to assess alignment with your organization’s climate transition
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Other methodology or framework

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization’s climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

Other, please specify :Budget (planning and setting a certain annual budget to achieve ZTE's own energy-saving targets)

(5.4.1.5) Financial metric

Select from:

OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0.2

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0.5

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

1

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

1. Consistency check based on scientific carbon targets: Based on the requirements of ZTE's SBTi commitments, evaluate whether the actions taken by the company (including technology roadmap, energy transition plan, and emission reduction measures) can achieve scientific carbon targets, including short-term, medium-term, and long-term goals. 2. Assessment of climate change risks and opportunities, including physical risks (such as extreme weather) and transitional risks (such as policy and market changes), leveraging climate related business opportunities such as green technologies, sustainable products, etc. 3. Consistency assessment between action plan implementation and financial investment: ZTE incorporates climate risks and opportunities, including action plans that need to be taken, into its investment decision-making process, separately list climate change budgets, and increase investment in renewable energy and green technologies etc. ZTE's main business currently involves producing communication equipment and providing information technology services. In this reporting year, the main focus was on implementing the energy-saving and emission reduction action plan through research and development, production energy-saving and carbon reduction technological upgrades, environmental protection investment, and increasing the use of renewable energy. However, the green industry empowerment products defined as "income" opportunities are not listed separately. In the future, investment in green technology will be increased and the income brought by climate change will be listed separately.

[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

- Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

- Drive energy efficiency
- Identify and seize low-carbon opportunities
- Setting and/or achieving of climate-related policies and targets

(5.10.1.3) Factors considered when determining the price

Select all that apply

- Alignment to scientific guidance
- Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

1. Identify different types of business and application scenarios; 2. Make corresponding distinctions in quotas for different scenarios; 3. Use real-time measurement data from IT systems and calculate it in conjunction with carbon emission factors; 4. Perform the settlement of excess refunds and insufficient supplements. If the quota is exceeded, adjust it by checking the budget.

(5.10.1.5) Scopes covered

Select all that apply

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

(5.10.1.6) Pricing approach used – spatial variance

Select from:

Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

The expected price will gradually increase over time based on the level of global and national attention, although there may be fluctuations due to events such as regional conflicts and new energy technologies. However, the overall upward trend of prices over time remains unchanged.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

29.2

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

80

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

Capital expenditure

Operations

Risk management

Opportunity management

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

Yes, for some decision-making processes, please specify : R&D laboratory, production line management process, and administrative high consumption facilities such as central air conditioning

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

50

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

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. 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. The internal carbon pricing is regularly adjusted with the adjustment of market prices. 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.

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Plastics
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Plastics
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 76-99%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

The Suppliers accounting for Top90% of the ZTE purchase amount

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Plastics

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Contribution to supplier-related Scope 3 emissions
- Impact on plastic waste and pollution

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 76-99%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

The suppliers accounting for Top90% of ZTE purchase amount for plastic parts

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

20

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Material sourcing
- Procurement spend
- Product lifecycle
- Reputation management
- Leverage over suppliers
- Strategic status of suppliers
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

1) Based on the contribution of supplier-related Scope 3 emissions, ZTE has developed criteria for assessing supplier dependencies and/or impacts on the environment. We engage with the suppliers having substantial impact. 2) The greater the influence on suppliers, the easier for ZTE to engage with them. For such suppliers, we prioritize cooperation; 3) According to calculations, over 95% of supplier-related Scope 3 emissions come from material procurement, so we prioritize cooperation with material suppliers; 4) The larger the procurement amount, the stronger the willingness of suppliers to cooperate, and the carbon emissions of such suppliers are also relatively high. We prioritize cooperation with suppliers who account for the top 90% of ZTE's procurement amount; 5) Suppliers who have the ability to calculate carbon emissions make ZTE more easier to cooperate with them. For suppliers who lack capability, we provide them with training; 6) Suppliers who value their brand and reputation more are more motivated to engage with ZTE on climate change; 7) Strategic core suppliers are more supportive of ZTE's various task, including climate change; 8) We conduct performance evaluations of suppliers every month and apply the results to bidding and procurement, which will affect the supplier's contract share. We will provide training and coaching to suppliers with poor performance to improve their capabilities as well.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Material sourcing
- Procurement spend
- Product lifecycle
- Reputation management
- Leverage over suppliers
- Strategic status of suppliers
- Supplier performance improvement
- In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics

(5.11.2.4) Please explain

1) ZTE has developed criteria for assessing plastic supplier dependencies and/or impacts on the environment. We engage with the suppliers having substantial impact. 2) The greater the influence on suppliers, the easier for ZTE to engage with them. For such suppliers, we prioritize cooperation; 3) The larger the procurement amount, the stronger the willingness of suppliers to cooperate. We prioritize cooperation with suppliers who account for the top 90% of ZTE's procurement amount; 4) Suppliers who value their brand and reputation more are more motivated to engage with ZTE; 5) Strategic core suppliers are more supportive of ZTE's various task, including plastic; 6) We conduct performance evaluations of suppliers every month and apply the results to bidding and procurement, which will affect the supplier's contract share. We will provide training and coaching to suppliers with poor performance to improve their capabilities as well.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

ZTE has incorporated the environmental requirements into the Supplier CSR Agreement and the Supplier Code of Conduct. As part of the supplier contract, the Supplier CSR Agreement must be signed by all suppliers during qualification certification. Otherwise, the supplier cannot pass the certification. During the cooperation process, ZTE will conduct CSR on-site audit for suppliers. For the non-conformances found in the audit, ZTE will assist suppliers take corrective / preventive actions, and track, verify, and close the NCs through the website (<https://supply.zte.com.cn>) In addition, ZTE will track and report the rectification progress of these NCs every month. If the NCs are not closed within due date, the score will be deducted in the supplier performance appraisal. The supplier performance appraisal result will be applied in the bidding purchase, and then affect the supplier's contract share. When a supplier seriously violates environmental requirements and refuse to correct, the supplier may be disqualified. The Supplier Code of Conduct has been released to global suppliers at:https://supply.zte.com.cn/UI/Web/Application/kxscm/kxsup_manager/Portal/article.aspx?aid2765

[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

- Disclosure of GHG emissions to your organization (Scope 1, 2 and 3)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Certification | <input checked="" type="checkbox"/> Off-site third-party audit |
| <input checked="" type="checkbox"/> First-party verification | <input checked="" type="checkbox"/> Supplier scorecard or rating |
| <input checked="" type="checkbox"/> On-site third-party audit | <input checked="" type="checkbox"/> Grievance mechanism/ Whistleblowing hotline |
| <input checked="" type="checkbox"/> Second-party verification | |
| <input checked="" type="checkbox"/> Supplier self-assessment | |

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

76-99%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

76-99%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

76-99%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Other, please specify :Require the suppliers to follow up the NC and take CAPs until closed.In case the supplier refused to cooperate, ZTE will reduce its procurement share from this supplier and even disqualify the supplier.

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

1-25%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

- Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance

(5.11.6.12) Comment

ZTE integrates environmental requirements into supply chain management and requires suppliers, including sub-suppliers, to follow the same requirements, including: The suppliers need to set emissions reduction targets, formulate emissions reduction measures, and report carbon emission data to ZTE and disclose them to the public. ZTE has developed the Supplier CSR Risk Assessment Form to analyze environmental risks during the supplier introduction phase. The suppliers are required to fill in the Supplier CSR Self-Evaluation Form. (ZTE's supplier CSR requirements including environmental requirements) For existing suppliers, ZTE conducts onsite environmental audits in three forms: 1) Integrated audit: Environmental performance was assessed together with quality audits. 2) Special audit: A comprehensive and systematic environmental assessment. 3) External audit: The third party is invited to implement on site audit to high risk suppliers. ZTE conducts monthly performance appraisals on suppliers. The appraisal results are used for supplier grading, bidding and procurement, and as a reference for selecting outstanding suppliers. Environmental requirements is included in the item E (sustainable development) of performance appraisal of suppliers, accounting for 5% of the total appraisal scores. ZTE has set up and publicized the whistle blowing channels for global suppliers in ZTE's website.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

Financial incentives

Information collection

Innovation and collaboration

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers
- Tier 2 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

- 76-99%

(5.11.7.8) Number of tier 2+ suppliers engaged

300

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

ZTE works closely with suppliers to reduce carbon emissions, reduce the impact on the environment, better meet the requirements of climate change laws and regulations such as CBAM, and meet customer requirements. ZTE criteria for measuring the success effect of cooperation with suppliers: 1. Achievement of ZTE SBTi: ZTE commits to reach net-zero GHG emissions across the value chain by 2050. ZTE commits to reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput by 2030 from a 2021 base year. 2. From a 2021 base year, the scope 3 carbon emissions per million revenue will be reduced by 60% by 2030, 80% by 2040, and 100% by 2050. 3. By 2030, suppliers that accounted for Top90% of ZTE's procurement set GHG reduction targets and took measures accordingly. 4. By 2030, suppliers that accounted for Top90% of ZTE's procurement shall publicly disclose carbon emission data (e.g CDP). The detail cooperation activities includes: 1) Incorporates climate change requirements into the supplier management process, and empowers suppliers through training. In 2023, ZTE organized 96 suppliers to participate in dual-carbon training, 30 suppliers in CBAM training, and 150 suppliers were audited on dual-carbon. 2) ZTE continuously increases the proportion of green procurement, and promotes the use of low-carbon and recyclable materials. In 2023, the assessment results showed that the measures were successful. 1) Achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 2) Achieved a 14.58% YoY decrease in the physical intensity of GHG emissions during the use and maintenance phases of the company's sold telecom products, and a 5.12% YoY decrease in the absolute emissions during the full lifecycle of sold terminal products. 3) The data from the CDP 2023 showed that among the 300-plus strategic core suppliers, 81 participated in the CDP and disclosed publicly. Among the 81 suppliers, 17 (21%) achieved a Leadership (A/A-) rating, and 27 (33%) received a Management (B/B-) rating. 4) For example, ZTE cooperates with a cable supplier in low-carbon and material-saving design to save about 60% power per meter of cable. ZTE collaborates with a supplier to improve the energy efficiency of the PCB production process and reduce annual GHG emissions 136.94 tCO₂e.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :Help the suppliers establish a climate change management system, and calculate their GHG emissions, set carbon reduction targets and implement reduction measures.Promote suppliers to public disclose GHG emissions

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

Circular economy

(5.11.7.3) Type and details of engagement

Innovation and collaboration

(5.11.7.4) Upstream value chain coverage

Select all that apply

Tier 1 suppliers

Tier 2 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

76-99%

(5.11.7.8) Number of tier 2+ suppliers engaged

20

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Based on the product lifecycle carbon emissions analysis results, the proportion of carbon emissions in the raw material stage of end products is relatively high. ZTE requires the purchase of low-carbon materials during the procurement phase for such products. For example, after obtaining customer recognition, recycled plastic was used in some terminal products, which helps reduce overall carbon reduction for over 3%. The related products have been mass-produced and put into the market. ZTE collaborates with downstream recyclers to build a global green recycling network. With new recycling technologies, the company has been increasing the residual value of materials to be scrapped through the refining of metals or recycling of bioplastics in a compliant and environment-friendly manner. In 2023, ZTE collaborated with more than 120 downstream recyclers, recycling a total of 43 tonnes of bioplastics throughout the year, and the incineration and landfill rate for materials remained less than 1%.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

Innovation and collaboration

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

ZTE's carbon emissions directly affect the energy consumption costs of customers operating their networks, customers' scope 3 carbon emissions, and the achievement of customers' carbon emission targets. ZTE's climate change performance affects customers' evaluation scores to ZTE. ZTE 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 communicates its climate change strategy, goals, and performance information to customers (100%) through various channels, including climate survey questionnaires, CDP, ESG communication meetings, product solution communication, media reports, exhibition summits, company periodic reports, etc., to all customers (100% of customers) of ZTE. ZTE has set absolute and intensity targets for scope 3 emissions, s, which already cover 100% of Scope 3 and customer related carbon emissions.

(5.11.9.6) Effect of engagement and measures of success

Measures of success: 1) Establish SBTi and get approval. Achieve annual carbon emission targets 2) Upgrade ESG and CDP ratings. 3) The customer's supplier evaluation score to ZTE has increased. 4) Energy saving and low-carbon products have gained customer recognition, and ZTE's market share has increased ZTE has taken multiple measures to ensure success, including: 1) ZTE submitted GHG emission reduction targets based on the 1.5C pathway and long-term net-zero targets to SBTi in September 2023, which were approved in 2024. 2) Take various energy-saving measures to ensure the achievement of the targets. In 2023, ZTE achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 3) Disclose ZTE's efforts on climate change in ZTE's sustainability report, CDP, and other public channels. In 2023, ZTE's received a higher score and won a silver medal from EcoVadis, ranking top 10% in the industry. ZTE received an upgraded score of "A" from CDP. 4) Strengthen communication with customers, timely convey ZTE's climate change strategy and progress, and share best practices on climate change. In 2023, a certain customer's overall rating for ZTE on ESG increased by 17 points. 5) Develop more low-carbon products and solutions: According to the Dell'Oro Group Report, ZTE has ranked second globally for four consecutive years in terms of dispatch volume for 5G base stations.
[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

Climate change

(5.12.4) Initiative category and type

Relationship sustainability assessment

(5.12.5) Details of initiative

Low carbon products and services

(5.12.6) Expected benefits

Select all that apply

- Reduction of own operational emissions (own scope 1 & 2)
- Reduction of downstream value chain emissions (own scope 3)

(5.12.7) Estimated timeframe for realization of benefits

Select from:

- 1-3 years

(5.12.8) Are you able to estimate the lifetime CO₂e and/or water savings of this initiative?

Select from:

- Yes, lifetime CO₂e savings only

(5.12.9) Estimated lifetime CO₂e savings

1000

(5.12.11) Please explain

1. In 2023, ZTE achieved a 14.58% YoY decrease in the physical intensity of GHG emissions during the use and maintenance phases of the company's sold telecom products, and a 5.12% YoY decrease in the absolute emissions during the full lifecycle of sold terminal products. 2. ZTE had set scientific carbon emission target: reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput by 2030 from a 2021 base year..

[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

	Environmental initiatives implemented due to CDP Supply Chain member engagement
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.

Row 1

(5.13.1.1) Requesting member

Select from:

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

Climate change

(5.13.1.4) Initiative ID

Select from:

Ini1

(5.13.1.5) Initiative category and type

Other, please specify

(5.13.1.6) Details of initiative

1) Request suppliers including ZTE to establish scientific carbon targets 2) Supplier evaluation, the weight of climate change performance continues to increase, while being associated with bidding and procurement, e.g. JAC Supplier Engagement Programme (SEP) 3) Request suppliers to provide LCA data for their products 4) Require suppliers to publicly disclose carbon emission data 5) Require the use of recycled materials in the products 6) Reduce the use of plastic in products / package

(5.13.1.7) Benefits achieved

Select all that apply

- Improved resource use and efficiency
- Increased transparency of upstream/downstream value chain
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of own operational emissions (own scope 1 & 2)
- Reduction of downstream value chain emissions (own scope 3)

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

- No

(5.13.1.11) Please explain how success for this initiative is measured

Measures of success: 1) Establish SBTi and get approval. Achieve annual carbon emission targets 2) Upgrade ESG and CDP ratings. 3) The customer's supplier evaluation score to ZTE has increased. 4) Energy saving and low-carbon products have gained customer recognition, and ZTE's market share has increased ZTE has taken multiple measures to ensure success, including: 1) ZTE submitted GHG emission reduction targets based on the 1.5C pathway and long-term net-zero targets to SBTi in September 2023, which were approved in 2024. 2) Take various energy-saving measures to ensure the achievement of the targets. In 2023, ZTE achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 3) Disclose ZTE's efforts on climate change in ZTE's sustainability report, CDP, and other public channels. In 2023, ZTE's received a higher score and won a silver medal from EcoVadis, ranking top 10% in the industry. ZTE received an upgraded score of "A" from CDP. 4) Strengthen communication with customers, timely convey ZTE's climate change strategy and progress, and share best practices on climate change. In 2023, a certain customer's overall rating for ZTE on ESG increased by 17 points. 5) Develop more low-carbon products and solutions: According to the Dell'Oro Group Report, ZTE has ranked second globally for four consecutive years in terms of dispatch volume for 5G base stations.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

- Yes

Row 5

(5.13.1.1) Requesting member

Select from:

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply

Climate change

(5.13.1.4) Initiative ID

Select from:

Ini5

(5.13.1.5) Initiative category and type

Communications

(5.13.1.6) Details of initiative

GSMA is collaborating with partners in the global mobile industry to support the industry's goal of achieving net zero emissions by 2050. ZTE actively participated in industry emission reduction trend research, case sharing, and standard setting promoted by GSMA. The literature such as "Mobile Net Zero 2024: State of the Industry on Climate Action," "ZTE Hibernation in 5G Base Stations," and "Scope 3 Guidance for Telecommunications Operators" includes ZTE's knowledge contributions.

(5.13.1.7) Benefits achieved

Select all that apply

- Improved resource use and efficiency
- Increased transparency of upstream/downstream value chain
- Reduction of customers' operational emissions (customer scope 1 & 2)
- Reduction of own operational emissions (own scope 1 & 2)
- Reduction of downstream value chain emissions (own scope 3)

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

No

(5.13.1.11) Please explain how success for this initiative is measured

Measures of success: 1) Establish SBTi and get approval. Achieve annual carbon emission targets 2) Upgrade ESG and CDP ratings. 3) The customer's supplier evaluation score to ZTE has increased. 4) Energy saving and low-carbon products have gained customer recognition, and ZTE's market share has increased ZTE has taken multiple measures to ensure success, including: 1) ZTE submitted GHG emission reduction targets based on the 1.5C pathway and long-term net-zero targets to SBTi in September 2023, which were approved in 2024. 2) Take various energy-saving measures to ensure the achievement of the targets. In 2023, ZTE achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 3) Disclose ZTE's efforts on climate change in ZTE's sustainability report, CDP, and other public channels. In 2023, ZTE's received a higher score and won a silver medal from EcoVadis, ranking top 10% in the industry. ZTE received an upgraded score of "A" from CDP. 4) Strengthen communication with customers, timely convey ZTE's climate change strategy and progress, and share best practices on climate change. In 2023, a certain customer's overall rating for ZTE on ESG increased by 17 points. 5) Develop more low-carbon products and solutions: According to the Dell'Oro Group Report, ZTE has ranked second globally for four consecutive years in terms of dispatch volume for 5G base stations.

(5.13.1.12) Would you be happy for CDP Supply Chain members to highlight this work in their external communication?

Select from:

Yes

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

1. There is a relatively mature ISO MRV methodology system internationally, and the use of operational control method is more in line with international standards. The operational control method has high consistency with many international carbon emission accounting standards, such as the GHG Protocol, which enables companies to better comply with international norms and requirements when conducting carbon emission accounting, improving transparency and credibility. 2. Accurately reflecting the boundaries of GHG calculation: The relevant integration method has been discussed in detail with professional institutions, and the advantages and disadvantages have been analyzed. Overall, choosing the operation control method can better accurately reflect the emission sources that the company is actually responsible for or controls. 3. Facilitating the implementation of energy-saving and emission reduction measures, and improving management efficiency. Companies are usually more familiar with the operational activities they directly control, which can help them more accurately identify and evaluate emission sources, and then develop more effective emission reduction measures and strategies. This makes it relatively easy to implement carbon emission accounting through operational control methods. The company can also monitor and manage carbon emissions through existing operational management systems and data, improving the decision-making efficiency of the enterprise in reducing emissions. 4. Make it more easier for communication and reporting, supporting targets achievement: Using operational control methods to calculation is usually easier to communicate and report to stakeholders, making the report more transparent and clear. It can help companies better formulate and achieve sustainable development goals. It can enable enterprises to make more targeted efforts in promoting green development and complying with environmental regulations and policies.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

No

(7.1.1) 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?

	Has there been a structural change?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

(7.1.2) 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?
	Select all that apply <input checked="" type="checkbox"/> No

[Fixed row]

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

Select all that apply

ISO 14064-1

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

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

(7.3.1) Scope 2, location-based

Select from:

We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

We are reporting a Scope 2, market-based figure

(7.3.3) Comment

On February 7, 2023, the Ministry of Ecology and Environment issued a notice on the management of greenhouse gas emission reports for power generation industry enterprises from 2023 to 2025 (hereinafter referred to as the "Notice"). The latest average emission factor for the national power grid in 2022 is 0.5703t CO₂/MWh. At present, there are no other latest notices regarding emission factors. The company has calculated its carbon emissions for the year 2023 based on this emission factor.

[Fixed row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO₂e)

79182.39

(7.5.3) Methodological details

Based on the invoice, calculate the actual consumption and usage of the company, multiply it by the emission factor, and finally get the carbon emissions of Scope 1

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

725424.18

(7.5.3) Methodological details

Based on the billing invoices of the power supply company, ZTE's total electricity consumption is summarized, and then the carbon emissions of Scope 2 are calculated

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

725424.18

(7.5.3) Methodological details

Based on the billing invoices of the power supply company, ZTE's total electricity consumption is summarized, and then the carbon emissions of Scope 2 are calculated (ZTE has not purchased green electricity, green certificates, CERs, etc.)

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

8976005.44

(7.5.3) Methodological details

*Based on the weights of different types of purchased goods and services: the weights *CO2 emission factor (IPCC 2006 years CO2 emission factor) * GWP (IPCC the sixth assessment report (2021)), the total amount of carbon emissions is the sum.*

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2363.62

(7.5.3) Methodological details

*Based on the fixed assets list of the company, calculate the weight of different types of fixed assets, and the weight *CO2 factor (CO2 factor 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.*

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

166293.81

(7.5.3) Methodological details

*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 factor (upstream CO2 emission factor in IPCC 2006) * GWP (IPCC the sixth assessment report (2021)) is the total amount of carbon emissions.*

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

304171.59

(7.5.3) Methodological details

*Get the transportation distance through ERP system, and the transportation distance * carbon emission factor (CO2 emission factor 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.*

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

34.16

(7.5.3) Methodological details

*Based on the company's waste list and ERP system, get the waste weight, waste weight * carbon emission factor (IPCC 2006 CO2 emission factor) * 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.*

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

137482.85

(7.5.3) Methodological details

*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 factor) * 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.*

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

64180.95

(7.5.3) Methodological details

*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 factor (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.*

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

9330.66

(7.5.3) Methodological details

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 factor (CO2 emission factor in IPCC 2006) * GWP (IPCC sixth assessment report (2021)), the total carbon emission is calculated.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

193350.52

(7.5.3) Methodological details

Get the transportation distance through ERP system, and the transportation distance * carbon emission factor (CO2 emission factor 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.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

According to the weight and type of the product ZTE sold and reprocessed, and then according to the weight * carbon factor (CO2 factor 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.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

88830249.97

(7.5.3) Methodological details

*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. Total carbon emissions Total of 1*2*3*4*

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

61.14

(7.5.3) Methodological details

ZTE has classified the waste materials to: hazardous waste, general waste and recyclable waste. According to the different types and characteristics of waste, ZTE treats the waste of sold products at the end of their life in different ways, including recycling, incineration, landfill, etc. Different waste disposal methods correspond to different carbon emission factors. The carbon emissions from the disposal of products sold mainly come from incineration, landfill and other destruction methods. The total carbon emissions are then calculated based on the weight of the waste multiplied by the carbon emission factors (IPCC 2006 CO2 emission coefficient) multiplied by the GWP (IPCC Sixth Assessment Report (2021)).

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

*Emissions is calculated based on power consumption data (such as electricity invoices) of Downstream leased assets * carbon factor (CO2 factor of the year IPCC 2006) * GWP (IPCC the sixth assessment report (2021), the total carbon emissions are finally calculated. There are few downstream leased assets in ZTE 2021, and the proportion can be ignored.*

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Carbon emissions calculation for investment: Determine the product classification based on the industry attributes of the investment company and select the carbon emission factor for that part. Determine the total emissions based on revenue, and then determine the corresponding carbon emissions that should belong to the reporting company based on the company's equity ratio. ZTE's main economic activities are the production and sales of products, and we alculated the carbon emissions of investment for the 2021 base year as zero.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

[Fixed row]

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

	Gross global Scope 1 emissions (metric tons CO2e)	Methodological details
Reporting year	45218.37	ISO14064

[Fixed row]

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

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

459217.876

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

459217.876

(7.7.4) Methodological details

*Scope 2 carbon emission calculation formula: AD * EF All activity data (AD) for Scope 2 emissions are divided into three categories: 1. There are a total of 21 domestic R&D and production bases, accounting for 90% of the total emissions in Scope 2. All data from these bases are uploaded in the energy management system for real-time measurement, and power consumption data is directly exported from the system. After verification with the invoice data of the power supply company, accurate data is obtained. 2. Domestic and overseas representative offices: Each representative office reimburses based on the invoice list provided by the lessor for water and electricity expenses. The relevant reimbursement receipts are verified by SSC financial personnel to obtain power consumption data. 3. Subsidiaries holding shares: obtained through offline statistics by each subsidiary based on the charged electricity amount indicated on the invoice provided by the power supply company. On February 7, 2023, the Ministry of Ecology and Environment issued a notice on the management of greenhouse gas emission reports for power generation industry enterprises from 2023 to 2025 (hereinafter referred to as the "Notice"). The latest average emission factor for the national power grid in 2022 is 0.5703t CO2/MWh. At present, there are no other latest notices regarding emission factors. The company has calculated its carbon emissions for the year 2023 based on this emission factor.*

[Fixed row]

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1426788.15

(7.8.3) Emissions calculation methodology

Select all that apply

Hybrid method

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

46.35

(7.8.5) Please explain

*The Hybrid method mainly include two types: 1. Collect carbon emission data directly from suppliers: For major suppliers whose procurement amount accounts for 80% of the total procurement amount of ZTE, relevant suppliers are required to provide their own carbon emission data and the proportion of sales to ZTE, in order to determine the carbon emissions of the supplier's purchased goods and services from ZTE. The sum of all similar suppliers ultimately results in the total carbon emissions. 2. BOM factor method: for purchased goods and services from holding subsidiaries and other suppliers who have not provided carbon emission data. Based on the weight of different categories purchased, weight * CO2 emission factor (IPCC 2006 CO2 emission factor) * GWP (IPCC Sixth Assessment Report (2021)), all are added together to obtain the total carbon emissions. The total carbon emissions of this category are equal to the sum of the above two items.*

Capital goods

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3912.32

(7.8.3) Emissions calculation methodology

Select all that apply

Asset-specific method

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

(7.8.5) Please explain

*Based on the fixed assets list of the company, calculate the weight of different types of fixed assets, and the weight *CO2 factor (CO2 factor 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)**(7.8.1) Evaluation status**

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

143737.64

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

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

90

(7.8.5) 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 factor (CO2 emission factor in IPCC 2006) * GWP (IPCC the sixth assessment report (2021)) is the total amount of carbon emissions.*

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

32675.38

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

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

0

(7.8.5) Please explain

*Get the transportation distance through ERP system, and the transportation distance * carbon emission factor (CO2 emission factor 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

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1846.43

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

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

0

(7.8.5) Please explain

*Based on the company's waste list and ERP system, get the waste weight, waste weight * carbon emission factor (IPCC 2006 CO2 emission factor) * 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

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

66929.02

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

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

0

(7.8.5) 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 factor) * 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

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

63513.08

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

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

0

(7.8.5) Please explain

*The commuting methods of all ZTE employees are divided into three categories: 1. Driving to and from work. The number of employees driving to work is determined by the statistics of parking spaces in various bases across the country. 2. Public transportation (default is taking public buses to work) 3. Living in employee dormitories. The number of such employees is determined by the corresponding number of production line employees. Based on the parking space statistics table of each base and the number of employees, calculate the commuting distance of employees, the commuting distance * carbon emission factor (IPCC 2006 CO₂ emission factor) * GWP (IPCC Sixth Assessment Report (2021)), and finally obtain the total carbon emissions. We don't need to obtain data from suppliers, we obtain data from the company's human resources system and calculate carbon emissions*

Upstream leased assets

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

9465.15

(7.8.3) Emissions calculation methodology

Select all that apply

Lessor-specific method

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

100

(7.8.5) 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 factor (CO2 emission factor in IPCC 2006) * GWP (IPCC sixth assessment report (2021)), the total carbon emission is calculated.*

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

118506.73

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

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

0

(7.8.5) Please explain

Get the transportation distance through ERP system, and the transportation distance * carbon emission factor (CO2 emission factor 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

(7.8.1) Evaluation status

Select from:

Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

0

(7.8.3) Emissions calculation methodology

Select all that apply

Average product method

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

0

(7.8.5) Please explain

According to the weight and type of the product ZTE sold and reprocessed, and then according to the weight * carbon factor (CO2 factor 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

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

(7.8.3) Emissions calculation methodology

Select all that apply

- Average product method

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

0

(7.8.5) 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. Total carbon emissions Total of 1*2*3*4*

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

- Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

11789.1

(7.8.3) Emissions calculation methodology

Select all that apply

- Waste-type-specific method

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

0

(7.8.5) Please explain

ZTE has classified the waste materials to: hazardous waste, general waste and recyclable waste. According to the different types and characteristics of waste, ZTE treats the waste of sold products at the end of their life in different ways, including recycling, incineration, landfill, etc. Different waste disposal methods correspond to different carbon emission factors. The carbon emissions from the disposal of products sold mainly come from incineration, landfill and other destruction methods. The total carbon emissions are then calculated based on the weight of the waste multiplied by the carbon emission factors (IPCC 2006 CO2 emission coefficient) multiplied by the GWP (IPCC Sixth Assessment Report (2021)).

Downstream leased assets

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

16193.81

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

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

100

(7.8.5) Please explain

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

Franchises

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

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

Investments

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

25143

(7.8.3) Emissions calculation methodology

Select all that apply

Investment-specific method

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

0

(7.8.5) Please explain

Carbon emissions calculation for investment: Determine the product classification based on the industry attributes of the investment company and select the carbon emission factor for that part. Determine the total emissions based on revenue, and then determine the corresponding carbon emissions that should belong to the reporting company based on the company's equity ratio.

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

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

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

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

[Fixed row]

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

	Verification/assurance status
Scope 1	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	Select from: <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Complete

(7.9.1.3) Type of verification or assurance

Select from:

High assurance

(7.9.1.4) Attach the statement

ZTE-ISO 14064 certification-2024-en.pdf

(7.9.1.5) Page/section reference

1-5

(7.9.1.6) Relevant standard

Select from:

ISO14064-1

(7.9.1.7) Proportion of reported emissions verified (%)

100

[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:

Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

Annual process

(7.9.2.3) Status in the current reporting year

Select from:

Complete

(7.9.2.4) Type of verification or assurance

Select from:

High assurance

(7.9.2.5) Attach the statement

ZTE-ISO 14064 certification-2024-en.pdf

(7.9.2.6) Page/ section reference

1-5

(7.9.2.7) Relevant standard

Select from:

ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

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

(7.9.3.2) Verification or assurance cycle in place

Select from:

- Annual process

(7.9.3.3) Status in the current reporting year

Select from:

- Complete

(7.9.3.4) Type of verification or assurance

Select from:

- Reasonable assurance

(7.9.3.5) Attach the statement

ZTE-ISO 14064 certification-2024-en.pdf

(7.9.3.6) Page/section reference

1-5

(7.9.3.7) Relevant standard

Select from:

ISO14064-1

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

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

Select from:

Decreased

(7.10.1) 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 renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

The consumption of renewable energy mainly comes from two ways: self construction and external purchase of new energy. In this reporting year, ZTE did not purchase new energy or green electricity, green certificates, etc., but built self owned photovoltaic power plants in its own factory area. As the carbon emissions calculation for Scope 2 is based on the electricity measured on the invoice, which does not include the self owned electricity of photovoltaics, based on the original carbon emission inventory list, the existing carbon emissions have not been reduced.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

15526.64

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

2.99

(7.10.1.4) Please explain calculation

*The carbon reduction initiatives that have been implemented by ZTE in 2023 reduced a total of 15,526.64 tons, and 2022 ZTE's total scope 1 and scope 2 emission was 519,962.89 tons. The percentage of reduction reducing carbon emissions / total emissions in scope 1 scope 2: 15,526.64 /519,962.89 2.99%
[Fixed row]*

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:

Location-based

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

Select from:

Yes

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

Row 1

(7.15.1.1) Greenhouse gas

Select from:

CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

25541.935

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

2942.56

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

778.021

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

15955.86

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:

PFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 6

(7.15.1.1) Greenhouse gas

Select from:

SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

Row 7

(7.15.1.1) Greenhouse gas

Select from:

NF3

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

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

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	45218.37	459217.88	459217.88

[Fixed row]

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

Select all that apply

By facility

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

Shanghai R&D

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1683.06

(7.17.2.3) Latitude

31

(7.17.2.4) Longitude

121

Row 2

(7.17.2.1) Facility

Nanjing R&D

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

5087.42

(7.17.2.3) Latitude

32

(7.17.2.4) Longitude

118

Row 3

(7.17.2.1) Facility

Nanjing Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3127.66

(7.17.2.3) Latitude

39

(7.17.2.4) Longitude

116

Row 4

(7.17.2.1) Facility

ChangSha Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1720.48

(7.17.2.3) Latitude

28

(7.17.2.4) Longitude

112

Row 5

(7.17.2.1) Facility

Xi An R&D and Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7719.46

(7.17.2.3) Latitude

34

(7.17.2.4) Longitude

108

Row 6

(7.17.2.1) Facility

Shenzhen R&D and Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3337.87

(7.17.2.3) Latitude

22

(7.17.2.4) Longitude

113

Row 7

(7.17.2.1) Facility

HeYuan Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1604.57

(7.17.2.3) Latitude

23

(7.17.2.4) Longitude

Row 8

(7.17.2.1) Facility

All ZTE's domestic Representative Office and other R&D and Manufacturing Sites in China except Nanjing, Shanghai, Changsha, Xi'an, Shenzhen, Heyuan

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

4870.68

(7.17.2.3) Latitude

0

(7.17.2.4) Longitude

0

Row 9

(7.17.2.1) Facility

All ZTE's Overseas Representative Office

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

11115.55

(7.17.2.3) Latitude

0

(7.17.2.4) Longitude

0

Row 10

(7.17.2.1) Facility

ZTE Major Holding Subsidiary

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

4951.62

(7.17.2.3) Latitude

0

(7.17.2.4) Longitude

0

[Add row]

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Shanghai R&D

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

21061.58

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

21061.58

Row 2

(7.20.2.1) Facility

Nanjing R&D

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

72947.06

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

72947.06

Row 3

(7.20.2.1) Facility

Nanjing Manufacturing Site

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

102412.98

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

102412.98

Row 4

(7.20.2.1) Facility

ChangSha Manufacturing Site

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

16266.35

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

16266.35

Row 5

(7.20.2.1) Facility

Xi An R&D and Manufacturing Site

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

68054.26

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

68054.26

Row 6

(7.20.2.1) Facility

Shenzhen R&D and Manufacturing Site

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

73306.14

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

73306

Row 7

(7.20.2.1) Facility

HeYuan Manufacturing Site

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

34690.73

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

34690.73

Row 8

(7.20.2.1) Facility

All ZTE's domestic Representative Office and other R&D and Manufacturing Sites in China except Nanjing, Shanghai, Changsha, Xi'an, Shenzhen, Heyuan

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

51516.61

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

51516.61

Row 9

(7.20.2.1) Facility

All ZTE's Overseas Representative Office

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

15137.04

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

15137.04

Row 10

(7.20.2.1) Facility

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3825.1

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

3824

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

45218.37

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

459217.88

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

459217.88

(7.22.4) Please explain

The carbon emission data for this accounting is consistent with the entities in the annual financial statements, including the parent company and its subsidiaries included in the consolidated financial statements

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0
(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0
(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0
(7.22.4) Please explain

The joint venture company mainly relies on investment due to its low shareholding, and ZTE does not have operational control. So it was not included in the accounting of scope 1&2. But in Category 15 of Scope 3: Investment, it has been accounted for based on its income, industry & products, and shareholding ratio, and included in Category 15 of Scope 3.

[Fixed row]

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

Select from:

Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

15 operating subsidiaries with controlling stakes

(7.23.1.2) Primary activity

Select from:

Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

4951.62

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

3825.1

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

3825.1

(7.23.1.15) Comment

Name of Subsidiaries 1 Guangdong Newstart Technology & Service Company Limited 2 Nubia Technology Limited 3 Shenzhen Zhongxing ICT Company Limited 4 Sanechips Technology Co., Ltd. 5 ZTE Capital Company Limited 6 ZTE Group Finance Co., Ltd. 7 ZTE Jiewei Technology Co., Ltd. 8 ShenZhen Zhongxing Seecom Tech. Co., Ltd. 9 Nanjing Zhongxing Jinyi Digital Technology Company Limited 10 SHENZHEN ZTE FINANCIAL HOLDINGS COMMERCIAL FACTORING LIMITED COMPANY 11 Zonson Smart Auto Corporation 12 Zhongxing Photonics Technology Co., Ltd. 13 ZTE Kela Technology (Suzhou) Co., Ltd. 14 ZTE Zhongchuang (Xi'an) Investment Management Company Limited 15 JINZHUAN information Technology Co., Ltd.

[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

Diversity of product lines makes accurately accounting for each product/product line cost ineffective

(7.27.2) Please explain what would help you overcome these challenges

1. We have introduced carbon LCA Software (Gabi) 2. We have established and empowered an LCA evaluation team. 3. We will calculate and complete the carbon footprint report of ZTE typical products step by step. 4. Once customers have the requirements, ZTE will provide product carbon footprint report to them. 5. calculation of Carbon foot print related to services associated to different products 6. We plan to eventually integrate the contract and delivery system with the LCA system, and automatically calculate the carbon footprint allocated to customers based on factors such as product models and quantities

Row 2

(7.27.1) Allocation challenges

Select from:

Other, please specify :Managing the different emission factors through the JV between HQ (for products) and ZTE branches(for services in branches)

(7.27.2) Please explain what would help you overcome these challenges

ZTE branches are the distributor and first importer, in the market of different countries, of goods and products made by ZTE Corporation. It is therefore necessary to be able to extrapolate the emission factors linked only to the services offered for all types of products, in the different branches. This can be achieved through a greater ability to structure the control processes of all the factors that contribute to the calculation of emissions, in the realization of the service

Row 3

(7.27.1) Allocation challenges

Select from:

Doing so would require we disclose business sensitive/proprietary information

(7.27.2) Please explain what would help you overcome these challenges

Narrowing down the scope of disclosure, emissions related to sensitive information will only be disclosed to the corresponding customers

Row 5

(7.27.1) Allocation challenges

Select from:

Managing the different emission factors of diverse and numerous geographies makes calculating total footprint difficult

(7.27.2) Please explain what would help you overcome these challenges

Gradually refine emission factors

Row 6

(7.27.1) Allocation challenges

Select from:

Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

The production and use processes of different products are different. And the use of carbon emissions varies with countries and regions. In some places, diesel engines are used to generate electricity, while in some places, clean energy are used. It is difficult to calculate power consumption during use. For the same customer, because the specific project branches are different (different countries) and the transportation modes are different, the energy used by sea transport, air transport, and secondary transport may also be different and cannot be calculated conveniently. In different countries, the end of products is also different. In some countries, recycling is adopted, while in some countries, burning and landfill are adopted. However, because the product has been sold to the customer, it is difficult to trace the handling method of the final product. In response to the above challenges, ZTE also communicated with customers in the past year, and recommended customers to inform us of their handling methods in the downstream process as accurately as possible, and ZTE would actively support them in selecting more climate-friendly methods.

[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

Yes

(7.28.2) Describe how you plan to develop your capabilities

1. We have introduced carbon LCA Software (Gabi) 2. We have established and empowered an LCA evaluation team. 3. We will calculate and complete the carbon footprint report of ZTE typical products step by step. 4. Once customers have the requirements, ZTE will provide product carbon footprint report to them. 5. calculation of Carbon foot print related to services associated to different products 6. We plan to eventually integrate the contract and delivery system with the LCA system, and automatically calculate the carbon footprint allocated to customers based on factors such as product models and quantities

[Fixed row]

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

Select from:

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

(7.30) 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)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

111358.61

(7.30.1.4) Total (renewable and non-renewable) MWh

111358.61

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

4820.3

(7.30.1.3) MWh from non-renewable sources

795914.52

(7.30.1.4) Total (renewable and non-renewable) MWh

800734.82

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

11480.23

(7.30.1.4) Total (renewable and non-renewable) MWh

11480.23

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

0

Total energy consumption

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

4820.3

(7.30.1.3) MWh from non-renewable sources

918753.37

(7.30.1.4) Total (renewable and non-renewable) MWh

923573.67

[Fixed row]

(7.30.6) 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 electricity	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

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

Sustainable biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Nil

Other biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Nil

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Nil

Coal

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Nil

Oil

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

59716.37

(7.30.7.8) Comment

Nil

Gas

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

51642.24

(7.30.7.8) Comment

Nil

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

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

Nil

Total fuel

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

111358.61

(7.30.7.8) Comment

Nil

[Fixed row]

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

Electricity

(7.30.9.1) Total Gross generation (MWh)

4820.3

(7.30.9.2) Generation that is consumed by the organization (MWh)

4820.3

(7.30.9.3) Gross generation from renewable sources (MWh)

4820.3

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

4820.3

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.14) 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 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

China

(7.30.14.2) Sourcing method

Select from:

Purchase from an on-site installation owned by a third party (on-site PPA)

(7.30.14.3) Energy carrier

Select from:

Electricity

(7.30.14.4) Low-carbon technology type

Select from:

Solar

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

4820.3

(7.30.14.6) Tracking instrument used

Select from:

Contract

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

Select from:

China

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

Select from:

Yes

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

2014

(7.30.14.10) Comment

N/A

[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

China

(7.30.16.1) Consumption of purchased electricity (MWh)

795914.52

(7.30.16.2) Consumption of self-generated electricity (MWh)

4820.3

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

11480.23

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

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

812215.05

[Fixed row]

(7.45) 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.

Row 1

(7.45.1) Intensity figure

4.05982

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

504436.25

(7.45.3) Metric denominator

Select from:

unit total revenue

(7.45.4) Metric denominator: Unit total

124251

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

4

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Change in renewable energy consumption

Other emissions reduction activities

(7.45.9) Please explain

The main measures taken by ZTE to reduce carbon emissions and achieve emission reduction targets include: 1)Use the energy management center system and the self-developed electric and carbon visual APP system to deeply manage the power consumption of the company. 2)Improve the awareness of energy conservation among all employees. 3)Reconstruction and Replacement of old high-consumption equipment. 4)Continuously increase the use of self-built photovoltaic new energy sources. Through the above measures, ZTE 1) Achieved a 9.7% YoY decrease of absolute GHG emissions (scope 1, 2, and 3) compared with 2022. 2) Increased installed PV capacity by 22 MW, with a YoY growth of 700%. 3) The company's carbon emission intensity gradually decreases every year Through the above measures, from 2021 to 2023, although ZTE's revenue has increased, its operational emissions (Scope 1&2) have decreased by nearly 40%. In the future, ZTE will continue to promote the above work and make adjustments as necessary based on the company's strategy and the needs of stakeholders.

[Add row]

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

Row 1

(7.52.1) Description

Select from:

Energy usage

(7.52.2) Metric value

5.98

(7.52.3) Metric numerator

Total energy consumption of ZTE's domestic park

(7.52.4) Metric denominator (intensity metric only)

Total operating revenue (million RMB)

(7.52.5) % change from previous year

4.2

(7.52.6) Direction of change

Select from:

Decreased

(7.52.7) Please explain

According to ZTE's carbon emission inventory for Scope 1&2, the use of purchased electricity accounts for 90% of carbon emissions, with domestic parks undertaking production and R&D tasks accounting for over 91%. Therefore, we have set emission reduction targets specifically for the electricity consumption of domestic parks. The intensity value (Total electricity consumption of ZTE's domestic parks in MWh / Total operating revenue (million RMB)) decreased by 4.2% year-on-year. We have taken a series of measures to achieve the targets, including replacing old and high consumption equipment, equipment renovation and other energy-saving and emission reduction measures to reduce energy consumption. The value for 2022 is 6.24, 5.98 for 2023, a year-on-year decrease of 4.2%, achieving the target.

[Add row]

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

Select all that apply

Absolute target

Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

- Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

ZTE Corporation - Near-Term Approval Letter_compressed.pdf

(7.53.1.4) Target ambition

Select from:

- 1.5°C aligned

(7.53.1.5) Date target was set

09/04/2023

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Methane (CH₄)
- Nitrous oxide (N₂O)
- Carbon dioxide (CO₂)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

(7.53.1.8) Scopes

Select all that apply

Scope 1

Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

Location-based

(7.53.1.11) End date of base year

12/30/2021

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

79182.39

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

725424.18

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

0.000

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

804606.570

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

100

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

100

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

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

52

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

386211.154

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

45218.37

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

459217.88

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

504436.250

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

(7.53.1.80) Target status in reporting year

Select from:

 New**(7.53.1.82) Explain target coverage and identify any exclusions***All ZTE Scope 1&2 Carbon emissions have been covered in this target***(7.53.1.83) Target objective***ZTE Corporation commits to reduce absolute scope 1&2 GHG emissions 52% by 2030 from a 2021 base year. ZTE corporation commits to reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput by 2030 from a 2021 base year.***(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year***Because ZTE is still in the period of rapid growth, the energy consumption of company will increase a lot by target year. ZTE will continue to increase renewable energy use, investment and measures in energy-saving and carbon-decarbonization technologies in green park, office, R&D, manufacturing, and cycle to achieve the target. Electricity: Carbon emissions Proportion from electricity consumption is 90% of the total scope 1&2 emissions, mostly from power consumption by R&D laboratories, manufacture lines, and central air conditioners. First, make the power consumption data visible. ZTE has built 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. And then, 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. optimize R&D and manufacture processes through innovations in energy saving and emission reduction, reducing operation energy consumption and improving resource utilization efficiency. Fuel and gas: ZTE participate in the signing of the agreement on promoting electrification initiated by the Global Sustainable Power Cooperation (GSEP) organization and reduce the usage of fuel and gas by replacing fuel cars and gas ovens, encouraging electric vehicles and the gas-to-electricity change of canteen facilities. Green digital Infrastructure. By integrating the concept of sustainable development into product lifecycle management, ZTE builds green infrastructure, innovates in low-carbon products and solutions, and applies eco-friendly product packaging and transportation, helping enterprises reduce costs and increase efficiency to cope with climate change. Low-Carbon Product Design and R&D. we substituted manual operation with remote automation to develop energy-saving functions at high power consumption products. ZTE has applied fresh air systems to reduce power consumption in ambient cooling at high-temperature areas. During seasonal transitions, the indoor-outdoor temperature difference is used to cool the aging environment inside the glass room, saving the power consumed by air conditioners. ZTE practices sustainable development throughout its supply chain too.***(7.53.1.85) Target derived using a sectoral decarbonization approach**

Select from:

 Yes[\[Add row\]](#)

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

Int 1

(7.53.2.2) Is this a science-based target?

Select from:

Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

ZTE Corporation - Near-Term Approval Letter_compressed.pdf

(7.53.2.4) Target ambition

Select from:

1.5°C aligned

(7.53.2.5) Date target was set

09/04/2023

(7.53.2.6) Target coverage

Select from:

Product level

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

- Methane (CH4)
- Nitrous oxide (N2O)
- Carbon dioxide (CO2)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)

- Nitrogen trifluoride (NF3)
- Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

- Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

- Category 11: Use of sold products

(7.53.2.11) Intensity metric

Select from:

- Metric tons CO2e per unit of service provided

(7.53.2.12) End date of base year

12/30/2021

(7.53.2.25) Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

0.00000492

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

0.0000049200

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000049200

(7.53.2.46) % of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

91

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

90

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

52

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0000023616

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

0

(7.53.2.72) Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

0.00000391

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

0.0000039100

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000039100

(7.53.2.81) Land-related emissions covered by target

Select from:

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

(7.53.2.82) % of target achieved relative to base year

39.48

(7.53.2.83) Target status in reporting year

Select from:

New

(7.53.2.85) Explain target coverage and identify any exclusions

Including all carbon emissions generated from the use of sold products (all sold products) No any exclusions

(7.53.2.86) Target objective

ZTE corporation commits to reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput by 2030 from a 2021 base year.

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

To achieve the goals of the Paris Agreement, the collective efforts of the whole society are indispensable. ZTE is deeply aware of the necessity and feasibility of implementing energy saving and carbon reduction in the full value chain including standardization organizations, industry associations, upstream suppliers, and downstream customers. Carbon emissions Proportion from C11 consumption is 91% of the total scope 3 emissions, ZTE has built a digital green ICTs to promote energy conservation and carbon reduction in the upstream and downstream value chain. Green digital Infrastructure. By integrating the concept of sustainable development into product lifecycle management, ZTE builds green infrastructure, innovates in low-carbon products and solutions, and applies eco-friendly product packaging and transportation, helping enterprises reduce costs and increase efficiency to cope with climate change. Based on its in-house chipsets, ZTE promote the deployment of green infrastructure to enable green sites, green data centers, and low-carbon energy for energy-hungry products and solution. Low-Carbon Product Design and R&D. we substituted manual operation with remote automation to develop energy-saving functions at high power consumption products. ZTE has applied fresh air systems to reduce power consumption in ambient cooling at high-temperature areas. During seasonal transitions, the indoor-outdoor temperature difference

is used to cool the aging environment inside the glass room, saving the power consumed by air conditioners.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

Row 2

(7.53.2.1) Target reference number

Select from:

Int 2

(7.53.2.2) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.53.2.5) Date target was set

12/31/2023

(7.53.2.6) Target coverage

Select from:

Suppliers

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

Methane (CH4)

Nitrous oxide (N2O)

Carbon dioxide (CO2)

Perfluorocarbons (PFCs)

Hydrofluorocarbons (HFCs)

Nitrogen trifluoride (NF3)

Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

Category 1: Purchased goods and services

(7.53.2.11) Intensity metric

Select from:

Metric tons CO₂e per unit revenue

(7.53.2.12) End date of base year

12/30/2021

(7.53.2.15) Intensity figure in base year for Scope 3, Category 1: Purchased goods and services (metric tons CO₂e per unit of activity)

0.0000784

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO₂e per unit of activity)

0.0000784000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.0000784000

(7.53.2.36) % of total base year emissions in Scope 3, Category 1: Purchased goods and services covered by this Scope 3, Category 1: Purchased goods and services intensity figure

9.1

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

9.09

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

9.02

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

60

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0000313600

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

0

(7.53.2.62) Intensity figure in reporting year for Scope 3, Category 1: Purchased goods and services (metric tons CO2e per unit of activity)

0.0000115

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

0.0000115000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000115000

(7.53.2.81) Land-related emissions covered by target

Select from:

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

(7.53.2.82) % of target achieved relative to base year

142.22

(7.53.2.83) Target status in reporting year

Select from:

New

(7.53.2.85) Explain target coverage and identify any exclusions

Target coverage: All purchased goods and services in category 1 No any exclusions

(7.53.2.86) Target objective

Using 2021 as the base year, the carbon emissions from category 1 per unit revenue will be reduced by 60% by 2030

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

Main measures and progress: 1. Refine the material parameters in the system: in 2023, verify and validate over 80000 pieces of material breakdown net weight data and over 1000 suppliers' freight distance data. 2. Empower suppliers to enhance capabilities, guide them in calculating their GHG emissions, set climate change targets, and develop energy-saving and emission reduction measures. In 2023, ZTE organized 96 suppliers to participate in dual-carbon training. 3. Incorporate environmental requirements into the entire supplier management process, including supplier agreements and supplier codes of conduct, on-site audits, performance evaluations, bidding and procurement. In 2023, ZTE conducted dual carbon audits on 150 suppliers. The results of supplier performance evaluation, including assessment of supplier environmental performance, will be applied in bidding and procurement, directly affecting the supplier's contract share. 4) For example, ZTE cooperates with a cable supplier in low-carbon and material-saving design to save about 60% power per meter of cable. ZTE collaborates with a supplier to improve the energy efficiency of the PCB production process and reduce annual GHG emissions 136.94 tCO₂e.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

Row 3

(7.53.2.1) Target reference number

Select from:

Int 3

(7.53.2.2) Is this a science-based target?

Select from:

No, but we are reporting another target that is science-based

(7.53.2.5) Date target was set

12/31/2023

(7.53.2.6) Target coverage

Select from:

Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

Methane (CH₄)

Nitrous oxide (N₂O)

Carbon dioxide (CO₂)

Perfluorocarbons (PFCs)

Hydrofluorocarbons (HFCs)

Nitrogen trifluoride (NF₃)

Sulphur hexafluoride (SF₆)

(7.53.2.8) Scopes

Select all that apply

Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

Other (upstream)

(7.53.2.11) Intensity metric

Select from:

Metric tons CO2e per unit revenue

(7.53.2.12) End date of base year

12/31/2023

(7.53.2.30) Intensity figure in base year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

0.0000843

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

0.0000843000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000843000

(7.53.2.51) % of total base year emissions in Scope 3, Other (upstream) covered by this Scope 3, Other (upstream) intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

9.78

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

9.7

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

60

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.0000337200

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

0

(7.53.2.77) Intensity figure in reporting year for Scope 3, Other (upstream) (metric tons CO2e per unit of activity)

0.0000141

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

0.0000141000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0000141000

(7.53.2.81) Land-related emissions covered by target

Select from:

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

(7.53.2.82) % of target achieved relative to base year

138.79

(7.53.2.83) Target status in reporting year

Select from:

New

(7.53.2.85) Explain target coverage and identify any exclusions

This target covers all 8 upstream categories (from category 1 to category 8) within scope 3 No any exclusions

(7.53.2.86) Target objective

Using 2021 as the base year, the carbon emissions from all 8 upstream categories (from category 1 to category 8) per unit revenue will be reduced by 60% by 2030

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

ZTE collaborates with partners to jointly build green supply chains and carbon reduction mechanisms. Incorporate green and low-carbon requirements into the entire supplier management process, promote collaborative emissions reduction across the supply chain, and enhance 3R Reduce, Reuse, and Recycle capabilities by strengthening internal and external recycling. In addition to green procurement, the key measures include: Green transportation: implementing an intelligent freight system; Improve loading rate, choose low-carbon transportation methods, optimize transportation routes, etc. In 2023, ZTE completed the end-to-End Carbon-Neutral Pilot Line for International Freight and oreceived the "Verification Statement of Achievement of Carbon Neutrality" issued by SGS; Green travel: Strengthen cloud office and green travel, reduce using of private car. For company vehicles, the company adopts a business vehicle management system for resource sharing, which reduces the total mileage of existing vehicles by 40% through information scheduling; Green technology: Continuously exploring the emission reduction potential of new technologies, scenarios, and models.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

Yes

[Add row]

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

Select all that apply

Targets to increase or maintain low-carbon energy consumption or production

Net-zero targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

Low 1

(7.54.1.2) Date target was set

12/31/2023

(7.54.1.3) Target coverage

Select from:

Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

Electricity

(7.54.1.5) Target type: activity

Select from:

Production

(7.54.1.6) Target type: energy source

Select from:

Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2021

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

2565

(7.54.1.9) % share of low-carbon or renewable energy in base year

0.3

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

3

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

0.61

(7.54.1.13) % of target achieved relative to base year

11.48

(7.54.1.14) Target status in reporting year

Select from:

Underway

(7.54.1.16) Is this target part of an emissions target?

否

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

Excluding purchased new energy, green electricity, and green certificates

(7.54.1.20) Target objective

By 2030, the self built photovoltaic power generation will increase tenfold compared to 2021 base year

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

Build photovoltaic power stations in all self owned parks. In 2023, ZTE increased installed PV capacity by 22 MW, with a YoY growth of 700%.

[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

NZ1

(7.54.3.2) Date target was set

04/08/2024

(7.54.3.3) Target Coverage

Select from:

Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

Abs1

Int1

(7.54.3.5) End date of target for achieving net zero

(7.54.3.6) Is this a science-based target?

Select from:

- Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

ZTE Corporation of Net Zero Approval Letter.docx (1).pdf

(7.54.3.8) Scopes

Select all that apply

- Scope 1
- Scope 2
- Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

- Methane (CH₄)
- Nitrous oxide (N₂O)
- Carbon dioxide (CO₂)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

(7.54.3.10) Explain target coverage and identify any exclusions

This target covers all ZTE's scope 1&2&3 emissions, without any exclusion

(7.54.3.11) Target objective

ZTE Corporation commits to reach net-zero GHG emissions across the value chain by 2050. ZTE Corporation commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 and maintain through 2050 from a 2021 base year.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the

target?

Select from:

Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

ZTE has set four milestones for its net zero target by 2050. Phase 1: By 2025, achieve operational emissions reduction of over 30% Phase 2: By 2030, the self built photovoltaic power generation will increase tenfold, the carbon emissions from procurement will decrease by more than 52%; ZTE Corporation commits to reduce absolute scope 1 and 2 GHG emissions 52% by 2030 from a 2021 base year. ZTE Corporation also commits to reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput within the same timeframe. Phase 3: By 2040, 80% of the procurement amount will come from suppliers who have committed to scientific carbon targets and achieved carbon neutrality at their own operational level; 80% of self operated electricity consumption comes from renewable energy, and 100% of self owned commercial vehicles use new energy vehicles. Stage 4: By 2050, 100% of procurement will come from suppliers who have committed to scientific carbon targets, and 100% of self operated electricity consumption will come from renewable energy sources

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

Digital solutions can significantly improve energy efficiency and resource utilization, thus inevitably bringing varying degrees of green and low-carbon benefits, empowering the green development of thousands of industries. According to the Global e-Sustainability Initiative (GeSI) research, ICT technology will promote a reduction of over 20% in carbon emissions from other industries, which is 10-20 times the emissions generated by its own operations. As a leading ICT solution provider, ZTE continues to delve into key scenarios of digital life to create new value, empower industry transition through digital solutions, solve key points in public life and industry development, stimulate new quality productivity in multiple fields, and bring new momentum to high-quality development. ZTE Corporation combines a series of advanced technologies such as cloud infrastructure, Internet of Things, big data, and artificial intelligence with traditional industries to unleash the value of data in all fields, improve productivity throughout the entire process, reduce energy consumption throughout the entire chain, and achieve a win-win situation for development and emission reduction. ZTE continues to combine its own capabilities with those of industry partners, and has empowered nearly a thousand customers in industries such as mining, metallurgy, steel, transportation, energy, power, and water conservancy with digital transition solutions, accelerating the achievement of energy conservation and emission reduction targets in the industry.

(7.54.3.17) Target status in reporting year

Select from:

New

(7.54.3.19) Process for reviewing target

1. Analyze the feasibility of achieving the targets, including the investment of resources and necessary measures to be taken; 2. Analyze of climate change risks and opportunities; 3. Determine the carbon offset plan for the remaining 10% of emissions; 4. Report to the senior management of the company (including the chairman and CEO) to get approval.

[Add row]

(7.55) 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.

Select from:

Yes

(7.55.1) 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	2	
To be implemented	6	3898
Implementation commenced	9	8514.6
Implemented	9	19675.4
Not to be implemented	0	

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1482.78

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

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

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

1680000

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

3290000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

>30 years

(7.55.2.9) Comment

Innovative technology for air compressors: The original air compressor was a fixed frequency air compressor, which consumed a lot of energy during use. Two new variable frequency air compressors (25m³/min 132KW, 41.5m³/min 250kw) were introduced During the production process, based on the production scheduling, switching is carried out according to different gas usage scenarios, and gas supply is provided as needed to achieve flexible and refined management of air compressor, minimizing the power consumption of the air compressor. Revenue: Calculated based on 26 working days per month, the original air compressor consumes 372500 kWh per month, and the newly added 41.5m³ air compressor consumes 156000 kWh per month. After replacing the equipment, the monthly energy savings are 216500 kWh, equivalent to RMB 140700 yuan in electricity bills.

Row 2

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1254.66

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

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

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

1480000

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

2240000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

>30 years

(7.55.2.9) Comment

Reflux furnace to remove ice water machine project: Reflux furnace is a high energy consuming equipment for SMT production. The external ice water machine has a single power of 5.5kw. During operation, the hot air is discharged to the workshop, causing high temperature in the workshop. It is necessary to open more air conditioning terminal ports to reduce the workshop temperature, which is the focus of energy-saving transformation in SMT workshop. By replacing the ice water machine with a cooling tower, the electricity consumption of the ice water machine can be eliminated. It is also possible to lower the temperature in the workshop, thereby reducing the number of air conditioning end cabinets in the workshop to achieve energy-saving targets. Revenue: Annual electricity cost savings of 1.52 million yuan, minus 40000 yuan/year consumption costs, resulting in an annual savings of 1.48 million yuan; Investment payback period: (cooling tower equipment: 1.2 million yuan installation and renovation fee: 1.038 million yuan)/ 1.48 million yuan/year 1.5 years.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1254.66

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

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

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

1760000

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

4000000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

11-15 years

(7.55.2.9) Comment

1. Innovation point of fresh air system technology: Fully utilize the temperature difference and thermodynamic principles inside and outside the computer room, and carry out energy-saving transformation of airflow in the computer room (equipment level/computer room level), especially in winter, spring, and higher latitude parks north of the Yangtze River; 2. Deployment point: More than 113 sets has been deployed in 2023. 3. Quantification of energy-saving benefits: (measured data) Equipment level: PTN vertical insertion air guide transformation, equipment inlet temperature reduced by 10, fan speed reduced by 10%, vertical framed equipment energy-saving by 2%12%; Room level: (closed cold aisle/air supply on the air duct) The inlet temperature of the equipment is low and uniform, and the inlet temperature of the bottleneck cabinet is reduced by 10; The overall investment payback period is less than 3 years.

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2281.2

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

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

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

3200000

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

3940000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

3-5 years

(7.55.2.9) Comment

Intelligent air switch deployment control for remote power on and off 1. Based on ERMS (Equipment Resource Management System), the intelligent air switch with timed power on and off will automatically start energy-saving at 22:30 every night. The next day, real-time energy-saving and EMRS environmental task association will be activated as needed; The task will automatically enter energy-saving mode upon completion. Operation mode: Remote operation on both PC and mobile devices has been achieved. The automation environment requires continuous use, and the ERMS system can be used to turn off the environmental energy-saving switch or cancel the associated energy-saving strategy 2. Deploy energy-saving technology in conjunction with device software. When some equipment is in use and the associated air switch cannot be powered off, the software energy-saving method can still be effective without using the equipment, achieving maximum energy-

Row 5

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

13116.9

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

Select all that apply

Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

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

5200000

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

200000000

(7.55.2.7) Payback period

Select from:

<1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

16-20 years

(7.55.2.9) Comment

ZTE Nanjing park adopts the EMC model to cooperate with suppliers on solar photovoltaic projects, and ZTE does not need to invest. This project is invested by the supplier. Half of the future electricity savings will be from the profits of environmental protection companies. Therefore, ZTE's cost is zero.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

Dedicated budget for energy efficiency

(7.55.3.2) Comment

Apply for a certain amount of budget every year to promote energy-saving and emission reduction projects. This budget is used to organize various energy-saving and emission reduction activities for employee engagement, technology development, internal incentives, and compliance with regulatory requirements/standards etc.

Row 2

(7.55.3.1) Method

Select from:

Partnering with governments on technology development

(7.55.3.2) Comment

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.

Row 3

(7.55.3.1) Method

Select from:

- Employee engagement

(7.55.3.2) Comment

ZTE organizes energy conservation and emission reduction activities every year, to improve employees' awareness of energy conservation and energy conservation.

Row 4

(7.55.3.1) Method

Select from:

- Compliance with regulatory requirements/standards

(7.55.3.2) Comment

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.

Row 5

(7.55.3.1) Method

Select from:

- Internal incentives/recognition programs

(7.55.3.2) Comment

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.

[Add row]

(7.73.1) Give the overall percentage of total emissions, for all Scopes, that are covered by these products.

(7.73.2) Complete the following table for the goods/services for which you want to provide data.

Row 1

(7.73.2.1) Requesting member

Select from:

(7.73.2.2) Name of good/ service

ZXRAN A9622D M2635A

(7.73.2.3) Description of good/ service

The ZXRAN A9622D M2635A is a part of ZTE split 5G NR BBU-AAU base station product. The AAU incorporates radio frequency processing module and antenna. The 5G NR AAU adopts Massive MIMO technology to significantly improve spectral efficiency and hence high cell throughput. Moreover, the AAU base station is capable of enhanced 3D beam forming for cubic coverage.

(7.73.2.4) Type of product

Select from:

Final

(7.73.2.5) Unique product identifier

ZXRAN A9622D M2635A

(7.73.2.6) Total emissions in kg CO₂e per unit

18354.94

(7.73.2.7) ±% change from previous figure supplied

(7.73.2.8) Date of previous figure supplied

08/11/2023

(7.73.2.9) Explanation of change

Reduce emissions by 5% each year

(7.73.2.10) Methods used to estimate lifecycle emissions

Select from:

ISO 14040 & 14044

Row 3

(7.73.2.1) Requesting member

Select from:

(7.73.2.2) Name of good/ service

ZXV10 B866V2F01

(7.73.2.3) Description of good/ service

ZXV10 B866V2F01 is an UHD STB based on Android TV platform.

(7.73.2.4) Type of product

Select from:

Final

(7.73.2.5) Unique product identifier

ZXV10 B866V2F01

(7.73.2.6) Total emissions in kg CO2e per unit

22.67

(7.73.2.7) ±% change from previous figure supplied

-5

(7.73.2.8) Date of previous figure supplied

08/11/2023

(7.73.2.9) Explanation of change

Reduce emissions by 5% each year

(7.73.2.10) Methods used to estimate lifecycle emissions

Select from:

ISO 14040 & 14044

[Add row]

(7.73.3) Complete the following table with data for lifecycle stages of your goods and/or services.

Row 1

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXRAN A9622D M2635A

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

Material acquisition

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

695.02

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

The materials (including the main materials and the auxiliary materials used in production) required by the ZXRAN A9622D M2635A

Row 3

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXRAN A9622D M2635A

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

Recycling

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

5.92

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Primary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

The unrecyclable part is disposed of by incineration and landfill

Row 4

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXRAN A9622D M2635A

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

Consumer Use

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

18581.58

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Primary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

A ZXRAN A9622D M2635A runs for 7 years

Row 5

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXRAN A9622D M2635A

(7.73.3.3) Scope

Select from:

Scope 2

(7.73.3.4) Lifecycle stage

Select from:

Manufacturing

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

20.12

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

Yes

(7.73.3.7) Type of data used

Select from:

Primary and secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling

and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

Energy consumed by manufacturing a ZXTRAN A9622D M2635A (purchased power)

Row 6

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXV10 B866V2F01

(7.73.3.3) Scope

Select from:

Scope 2

(7.73.3.4) Lifecycle stage

Select from:

Manufacturing

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

0.004

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

Yes

(7.73.3.7) Type of data used

Select from:

Primary and secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

Energy consumed by manufacturing a ZXV10 B866V2F01 (purchased power)

Row 7

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXV10 B866V2F01

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

Material acquisition

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

11.88

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Primary and secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

The materials (including the main materials and the auxiliary materials used in production) required by the ZXV10 B866V2F01

Row 8

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXV10 B866V2F01

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

Consumer Use

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

11.89

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Primary and secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

A ZXV10 B866V2F01 runs for 3 years

Row 9

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXV10 B866V2F01

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

End of life/Final disposal

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

0.08

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Primary and secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

The unrecyclable part is disposed of by incineration and landfill

Row 10

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXV10 B866V2F01

(7.73.3.3) Scope

Select from:

Scope 3

(7.73.3.4) Lifecycle stage

Select from:

Transportation

(7.73.3.5) Emissions at the lifecycle stage in kg CO2e per unit

0.01

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

No

(7.73.3.7) Type of data used

Select from:

Primary and secondary

(7.73.3.8) Data quality

The data comes from the item source weighing of the product and the parameters of parts provided by the supplier. It is calculated through GaBi software modeling and its LCA database.

(7.73.3.9) If applicable, describe the verification/assurance of the product emissions data

Transport by sea

[Add row]

(7.73.4) Please detail emissions reduction initiatives completed or planned for this product.

Row 1

(7.73.4.1) Name of good/ service

Series solutions

(7.73.4.2) Initiative ID

Select from:

Initiative 1

(7.73.4.3) Description of initiative

1. The PowerPilot solution integrates such intelligent technologies as artificial intelligence, big data analysis, and intelligent energy-saving platform and intelligent base station to perceive network load and capability etc. The solution can effectively reduce network energy consumption by over 30%. 2. The UniRAN Neo solution greatly simplifies the construction of wireless sites. The whole site energy consumption can be reduced by 40% or above. 3. The ZTE 5G cloud core network builds a green and low-carbon network from four levels: Architecture, deployment, process and coordination. 4. In the transport field, ZTE practices dual-carbon practices at multiple levels and dimensions from components, boards, devices, to networks. Component level: the size and power consumption is reduced by 50%. Board level: reduces the power consumption of the fans by 30%. Network level: the annual average energy saving is 15%. 5. Energy products: Low carbon power is achieved through the whole chain of energy. Solar energy and other green energy is designed to use for the products. In the energy conversion part, efficient power supply is used to reduce conversion loss. In the site construction part, low carbon power is achieved for site construction to achieve fast deployment, save power consumption of air conditioners and sites, and improve site construction efficiency. In addition, network cloud management improves energy efficiency and O&M efficiency.

(7.73.4.4) Completed or planned

Select from:

Planned

(7.73.4.5) Emission reductions in kg CO2e per unit

929.08

[Add row]

(7.73.6) Explain which initiatives have been driven by requesting members.

Row 1

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

Appendix RFQ – 4G and 4G Coverage in Catania Metro (DAS) Lithium battery Power stations of telecom company equipment Provides professional services for telco site installation.

(7.73.6.3) Initiative ID

Select from:

Initiative 2

Row 2

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

(1) Disclosure of carbon emissions, CDP report (2) Net zero target of range 1&2 (3) Net zero target of scope 3 (4) SBTi Commitment (5) EcoVadis score (6) Supplier Emission Coefficient (kgCO2/EUR) (7) All packages of products similar to mobile devices must be plastic-free. (8) The proportion of recycled materials used for products similar to mobile devices must exceed 90%.

(7.73.6.3) Initiative ID

Select from:

Initiative 2

Row 3

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

(1) Disclosure of carbon emissions, CDP report (2) Net zero target of range 1&2 (3) Net zero target of scope 3 (4) SBTi Commitment (5) EcoVadis score (6) Supplier

Emission Coefficient (kgCO2/EUR) (7) All packages of products similar to mobile devices must be plastic-free.

(7.73.6.3) Initiative ID

Select from:

Initiative 2

Row 4

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

The supplier discloses information through CDP. Calculate and report carbon emissions Setting emission targets Report the procurement of renewable electricity Sets the SBT1.5 and/or net zero target.

(7.73.6.3) Initiative ID

Select from:

Initiative 2

[Add row]

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

Select from:

Yes

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

Row 1

(7.74.1.1) Level of aggregation

Select from:

Product or service

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

Select from:

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%.

(7.74.1.3) Type of product(s) or service(s)

Power

(7.74.1.4) 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 application3. Wired products:Improving the energy efficiency ratio through chip iterationImprove the product energy efficiency ratio through product integration optimization.4. Digital energy power products:Improving rectifier efficiencyIncrease the proportion of indoor rectifiers in power products, and reduce the proportion of outdoor rectifiers.5. Digital Energy Data Center ProductLiquid cooling solution and application, reducing the PUE value of data centers6. Mobile DevicesSelection of Low-Carbon Packaging Materials and Low-Carbon Structural ComponentsWhile meeting product and quality requirements reduce the weight and configuration of packaging materials and accessoriesReduce the proportion of air transport in the product transport phaseImprove the energy efficiency ratio of batteries in products

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

Select from:

Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

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

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

Select from:

Cradle-to-grave

(7.74.1.8) 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

(7.74.1.9) Reference product/service or baseline scenario used

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

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

Select from:

Cradle-to-grave

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

2377.07

(7.74.1.12) 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 reductionEmissions reduction per functional unit carbon emissions 2 – carbon emissions 1Reduction ratioEmissions 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 CO₂e2) After the emission reduction measures are taken, the carbon emissions of a single functional unit in the product use phase are 3565.60 kg CO₂e3) Carbon reduction: 5942.67-3565.60 2377.07 kg CO₂e/functional unitEmission reduction ratio: 40% for 2377.07/5942.67*

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

90

[Add row]

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

Select from:

No

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

(13.1.1.3) Verification/assurance standard

Climate change-related standards

(13.1.1.4) Further details of the third-party verification/assurance process

The level of assurance agreed is that of Reasonable assurance. ZTE has commissioned an independent verification by SGS in according to ISO 14064-3:2019 to assure the reported GHG emissions of RESPONSIBLE PARTY, in conformance with ISO 14064-1:2018 requirements within the scope of the verification as outlined below. The data and information supporting the GHG statement is historical in nature. This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary: (1)The organizational boundary is established following Operational control approach (2)Location/boundary of the activities: detail boundary information has been listed in Annex (3)Physical infrastructure, activities, technologies and processes: Telecommunications and Information technology for providing innovative technologies and integrated solutions (Include design and manufacture of communication products) (4)GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG inventory and report of the RESPONSIBLE PARTY (5) Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ (6) GHG information for the following period was verified: 1 Jan. 2023 to 31 Dec. 2023 (7) GW adopted: IPCC 6 Assessment Report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ZTE-ISO 14064 certification-2024-en.pdf
[Add row]

(13.2) 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.

(13.2.1) Additional information

Refer to ZTE's Sustainability Report: https://www.zte.com.cn/content/dam/zte-site/investorrelations/en_announcement/ZTE_Sustainability_Report_2023_EN_0603.pdf ZTE's Zero-Carbon Strategy White Paper: The Chinese version has been publicized in ZTE's website: https://www.zte.com.cn/content/dam/zte-site/res-www-zte-com-cn/white_paper/zero_carbon_strategy_white_paper_2024.pdf And we have translated the paper and attached. The English version will be uploaded in ZTE's website within 2024.
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

COO

(13.3.2) Corresponding job category

Select from:

Chief Operating Officer (COO)
[Fixed row]