ZTE中兴

2013
Corporate Social Responsibility Report

Bringing You Closer

ZTE中兴

About This Report

This report is the sixth edition of the Corporate Social Responsibility Report released by ZTE Corporation.

● **Preparation Standards**

This report refers to the requirements of the 10 Principles of the UN Global Compact, ISO26000 Guidance on Social Responsibility, and G3.1 Sustainable Development Report Instructions set out in the Global Reporting Initiative (hereinafter referred to as "GRI").
After self-evaluation, ZTE has lived up to a Grade B standard as specified by the GRI.

● **Selection of Contents**

This report contains a collection of information gathered from different channels over the past year. In the selection of content, adequate consideration was given to the matters that the key stakeholders (including stockholders, customers, and employees) of the company care about. Furthermore, it follows the principles of substantiality, integrity, comparability, and involvement by stakeholders concerning the GRI, and defines the material content of the Corporate Social Responsibility Report.
The report is divided into eight main sections: Corporate Governance, Sustainability and CSR Management, Bringing You Closer, Employee Care, Environmental Protection, Fair Operation, Supply Chain CSR, and Social Welfare.

● **Scope of the Report**

The report spans the period between Jan. 1, 2013 and Dec. 31, 2013. The report is released in both Chinese and English. The electronic version of the report can be downloaded from the ZTE Corporation Website at http://wwwen.zte.com.cn/en/.

Content

Message from the Top Management

We are in the communications industry that has vast development prospects and requirements in the mobile Internet era. However, technological changes and market changes occur much faster than ever before. Radical changes are taking place in both the traditional telecommunications industry and the Internet, greatly influencing and changing our lives, and bringing about great challenges and opportunities for sustainable development.

Sustainable development is a critical force to promote sound economic, social, and environmental development in the world. The focus of sustainable development complies with the Ten Principles of the United Nations Global Compact and the interests of stakeholders. ZTE has participated in many important communication activities with stakeholders, such as the "Responsibility Changes the World" interview and the UN-Global Compact CEO Study on Sustainability 2013 "Architects of a Better World", presenting our ideas of sustainability and helping establish the global development goals and direction in the future.

Bringing You Closer

Sustainability and Corporate Social Responsibility (CSR) are closely related to corporate service development, and they promote the development of each other. The ITU World Telecommunication/ICT Indicators database indicates that the global mobile users reached 6.8 billion among the world's population of 7.1 billion in 2013. Since the establishment of ZTE Corporation, we have been promoting this process by using our advanced technologies. We have laid optical fibers, built towers, and commissioned wired and wireless broadband networks worldwide, including the war-ridden Su-

dan, the most prosperous Hong Kong city, the barren Sahara Desert, and the green South American continent. ZTE has been dedicated to building information superhighways for people all over the world, and making contributions to global economic and scientific development.

Bringing a Green Future in the Information Age

ZTE Corporation gives energy efficiency full consideration in policy making, services, and operation, and makes all efforts to reduce carbon emissions and the impact on the environment. ZTE Corporation has developed the capabilities of optimizing energy efficiency in the whole communications system. The green technologies and solutions of ZTE Corporation have been widely used in many industries, including communications, electric power, energy, transportation, agriculture, construction, production, environmental protection, and consumer goods and services. ZTE's SDR platform integration ideas and innovation technologies have helped operators in many countries with the upgrade from 2G to 3G/4G and integration of 2G with 3G/4G. ZTE Corporation has provided a solar energy solution for Indonesia to overcome the power supply deficiency, deployed solar energy systems on the Himalayas, and built the largest solar energy system for communications networks in the global market, achieving economic benefits and sustainable development of environmental protection.

Fair Operation

ZTE Corporation adheres to high ethics and integrity stand-

ards in global business activities, which is the key to our success.

We have a clear and simple attitude to corruption and bribery, that is, ZTE Corporation does not allow any form of corruption or bribery. ZTE Corporation preserves the values of transparency and integrity in communicating with business partners and governments in all countries worldwide. The corporate governance and compliance management systems regulate our behavior and ensure consistent operating models.

Employee Care

Talent is the most valuable resource for ZTE Corporation. We aim to become an outstanding company in the global market, and a reliable model employer for employees of all nationalities and races. ZTE Corporation defines its talent strategy as "people-oriented", and provides an environment with mutual respect for employees to bring their talents into full play. In this way, the company gains the momentum of long-term development of customer services and technical innovations, and creates a win-win situation for corporate and employee development.

Building a Responsible and Transparent Supply Chain

In 2013, ZTE Corporation continued to work with upstream and downstream partners in analyzing, evaluating, measuring, and improving the CSR performance of suppliers, developed targeted and focused improvement plans to share the best CSR practice with suppliers, and required suppliers to establish effective CSR management systems to promote CSR improvement in the whole supply chain.

Social Welfare

ZTE Corporation and its employees have been committed to contributing to society, cities, and countries. In 2013, the ZTE Charity Foundation was launched officially. With the purpose of advocating public spirit, assuming corporate responsibilities, and promoting public welfare development, ZTE Corporation has been making all efforts to establish special public welfare brands, integrate public welfare resources, improve the Foundation, and encourage influential people in the industry and people from all fields to participate in the cause, and has conducted many public welfare activities.

In 2014, thanks to the wide application of 4G technologies, ICT industry integration, and impact of the information tide, the whole industry is filled with imaginations and opportunities. In this context, ZTE Corporation proposes the core idea of Innovation and Intensification. We will follow this core idea to integrate resources, especially to combine technical integration with business model innovation, to ensure long-term development. In addition, we will create new opportunities and growth points through innovation, and make more contribution to the whole society by using ICT technologies.

Company Profile

Name of the company: ZTE Corporation

Address: ZTE Plaza, South Keji Road, Hi-Tech Industrial Park, Nanshan District, Shenzhen, Guangdong Province, People's Republic of China

Business of the group: Dedicated to the design, development, production, distribution and installation of various advanced telecommunications equipment, including: operators' networks, terminals, telecommunications software systems, services, and other products.
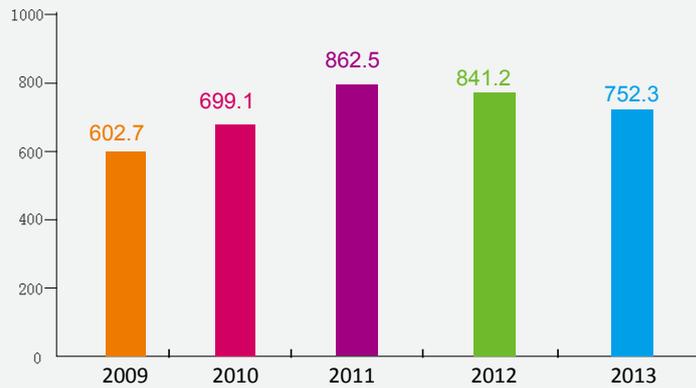
Figure 1 Turnover from 2009 through 2013 (100,000,000 RMB)
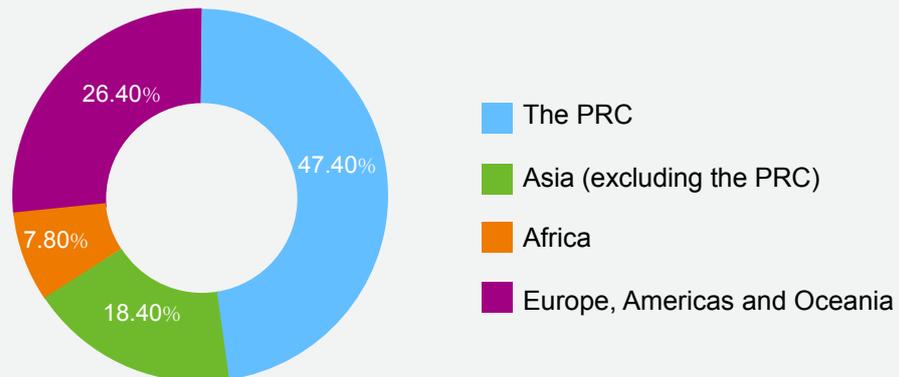
Figure 2 Proportion of Revenue from Operations by Regions in 2013
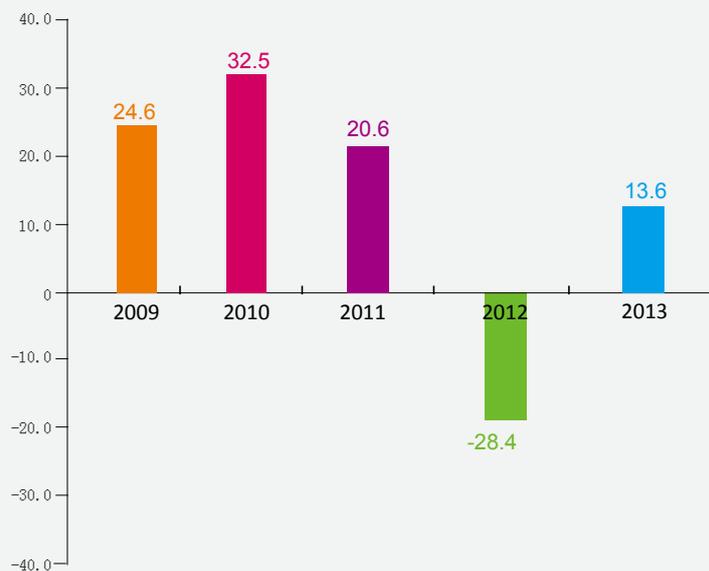
Figure 3 Net Profits from 2009 through 2013 (100,000,000 RMB)

Total turnover in 2013: 75,233,724 (1,000 RMB)

Net profit in 2013: 1,357,657 (1,000 RMB)

Total number of employees in the group: 69,093 (among which 56,492 were employees of the parent company).

Key controlled subsidiaries: 33
(Key controlled subsidiaries refer to the subsidiaries whose shares are controlled by ZTE Corporation, with a registered capital greater than or equal to 10 million RMB).
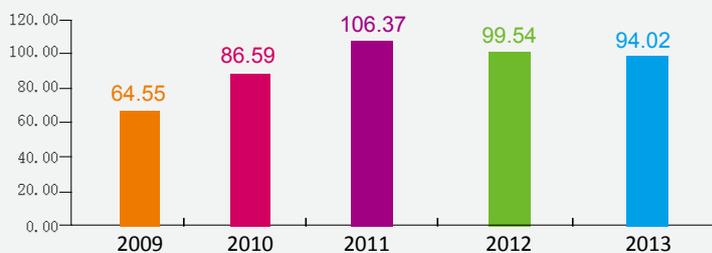
Figure 4 Tax Payment from 2009 to 2013 (100 Million RMB)

Stock exchange of listed securities: Shenzhen Stock Exchange and Hong Kong Stock Exchange

Retain membership in the following major CSR organizations: United Nations Global Compact, GeSI

Retain membership in the International Organization for Standardization and the following forums:
ITU-T, ITU-R, ITU-D, ETSI, 3GPP, 3GPP2, NGMN, BBF, GSMA, IEEE, OpenDaylight, DMTF, QuEST Forum and others (more than 70 memberships in all)

Total tax payment for 2013: 9.402 billion (RMB)

Figure 5 Number of Patent Authorization in China and International PCT filings from 2009 to 2013
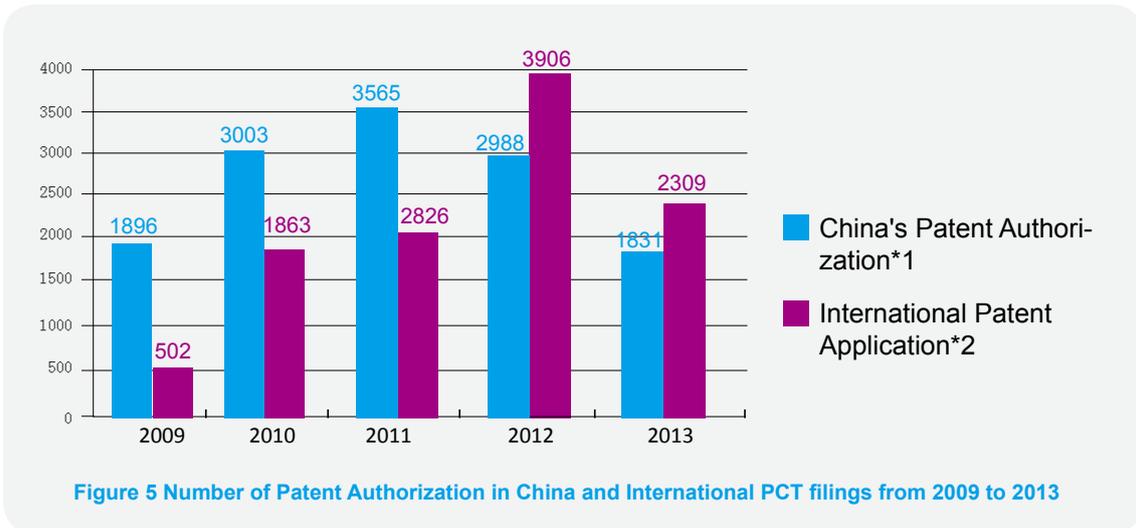
Corporate Governance

The company has established a governance structure to enable all shareholders to be entitled to all forms of rights and have equal status. The company's Board of Directors is responsible for calling meetings for shareholders, reporting to meetings for shareholders, and executing resolutions made at the meetings for shareholders. It is also responsible for supervising the development of overall operational strategies, determining business guidelines and investment plans, and supervising and directing the management of the company.

The Board of Directors of the Company comprises 14 Directors, including 1 Chairman and 2 Vice Chairmen. Except for the Chief Executive Officer (Mr. Shi Lirong) and 2 Executive Directors (Mr. Yin Yimin and Mr. HeShiyou), all Directors are Non-executive Directors independent of the management, including 5 Independent Nonexecutive Directors, namely Ms. Qu Xiaohui, Mr. Wei Wei, Mr. Chen Naiwei, Mr. Tan Zhenhui and Mr. Timothy Alexander Steinert, who possess academic and professional qualifications as well as substantial experience in the telecommunications, financial, legal and management sectors and who have influence in relevant sectors and are proactive in the performance of their duties, and 6 Non-executive Directors, namely Mr. Hou Weigui (Chairman), Mr. Zhang Jianheng, Mr. Xie Weiliang, Mr. Wang Zhanchen, Mr. Zhang Junchao and Mr. Dong Lianbo, who have extensive business and management experience. Their presence enables stringent review and control of the management procedures and ensures that the interests of shareholders as a whole, including minority shareholders, are safeguarded.

The Company appoints directors in strict compliance with the criteria and procedures set out its Articles of Association, ensuring that the directors are appointed in an open, fair, just and independent manner. In order to fully reflect the opinions of minority shareholders, a cumulative voting scheme is adopted for the appointment of directors. The Board of Directors has a reasonable mix of expertise and acts in the best interests of the Company in good faith. The Company has formulated a set of rules of procedure for Board of Directors meetings, and board meetings are convened and held in strict compliance with the Articles of Association and Rules of Procedure of the Board of Directors Meetings. To optimize the corporate governance structure, three specialist committees — the Nomination Committee, Audit Committee and Remuneration and Evaluation Committee — have been established by the Board of Directors in accordance with the Governance Standards for Listed Companies. The majority of members and the convenors in each of these committees are Independent Non-executive Directors, providing scientific and professional opinions for reference by the Board of Directors in its decision-making.

In 2013, the Remuneration and Evaluation Committee of the Board of Directors linked the salaries of the senior management with the results of the Company and personal performance in accordance with the Scheme for the Administration of Senior Management's Remuneration and Performance. Senior management personnel are recruited and appointed in strict compliance with relevant rules, regulations and the Articles of Association. In order to establish a long-term incentive mechanism closely linked with the Company's business performance and long-term strategy, so as to help optimize the overall remuneration structure and create a competitive advantage in human resources that will contribute to the long-term, sustainable growth of the Company's operation, the Remuneration and Evaluation Committee of the Board of Directors has formulated the Phase I Share Incentive Scheme of the Company, which has been completed at December 2012 upon approval by the general meeting of the Company. In 2013, the Remuneration and Evaluation Committee of the Board of Directors formulated a stock option incentive program, which has been approved by the General Meeting of Shareholders.

The company strictly observes the Company Law, the Securities Law, Corporate Governance Standards for Listed Companies, Rules for Corporate Internal Control, Supplementary Guidelines for Corporate Internal Control and Guidelines for Internal Control of Listed Companies and other pertinent laws, regulations and regulatory documents, as well as the requirements of the China Securities Regulatory Commission set out in the normative documents for listed companies. In light of the industrial characteristics and the characteristics of the company itself, ZTE has been constantly improving and standardizing its internal control organization frameworks and operating mechanisms to guarantee the compliance of operations and management, security of assets, and the truth and integrity of financial reports and other relevant information of the company. This helps push forward the effective implementation of all business activities of the company, and achieve the company's strategies. ZTE has set up its hierarchical internal control system involving the Board of Directors, Audit Committee, Risk Control Leadership Group, Internal Control Team, Risk Control Team of the Audit Department, and Internal Control Work Groups of all business units as the main framework, which fully covers the company and its operations on multiple levels.

The Company has conducted a self-assessment on the effectiveness of the design and operation of its internal control for the year ended 31 December 2013 in accordance with the Basic Rules for Corporate Internal Control, Guidelines for Corporate Internal Control Assessment and the requirements of other pertinent laws and regulations. The Company has developed, in respect of businesses and matters within the scope of assessment, an internal control regime that meets the needs of its operational requirements and covers all segments of the Company's operation in effective implementation, and that the Company's internal control objectives have been achieved without any significant deficiencies.

For more details, refer to the Annual Report 2013 of ZTE Corporation.

Sustainability and CSR Management

Sustainability and corporate social responsibility is not just an accessory for ZTE Corporation, but is integrated in all strategies of ZTE Corporation as one of the most important parts of the corporate culture of ZTE Corporation.

Stakeholders Engagement

An organization's recognition of its social responsibility, and its identification of and engagement with its stakeholders are two practices of social responsibility. Stakeholder engagement will also help to strengthen the company's corporate social responsibility. In order to better push forward corporate social responsibility, ZTE has identified the significant stakeholders, established various communication channels with all stakeholders to hear their voices, know their expectations from ZTE, and learn from their skills.

Table 1 Communication between Stakeholders

Stakeholders	Communication Channels	CSR Topics Concerned
Customers	Regular meetings, including technical exchanges and symposia	Sound internal CSR management system Green, low-carbon and energy-saving solutions Reliable products and technologies that can bring value to customers Supply chain CSR Strategy and management Respect for business ethics Respect for intellectual property rights Product safety and safe operation
	Daily communication and visits	
	Customer assessment	
	Questionnaire	
	Customer service hotline	
Consumers	Research on consumers and services	Product security Energy saving Impact on the environment
	Consumer satisfaction survey	
	Regular meetings and consumer reviews	
Employees	Internal newspapers, websites, journals, e-mails	Remuneration and benefits Training and career development Healthy and safe working environment Human rights and labor rights
	Employee surveys and recommendations	
	Labor union, employee representatives	
	Complaint channels: President-mailbox, Minister-mail, internal forum	
	Online interviews with top management of the company	
	Various staff associations: volunteers association, photographic society, sports association	
Shareholders, investors	Regular disclosure of corporate information	Shareholder returns Overall CSR performance of the company
	Annual reports and the official website of the company	
	Hotline, e-mail, investors reception	

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Stakeholders	Communication Channels	CSR Topics Concerned
Governments, communities	Regular meetings	Compliance with all applicable laws and regulations Tax payment according to the laws Creating jobs actively Independent innovation and intellectual property strategy Environmental protection Providing products and technologies that bring benefits to local people Training local talents Social welfare
	Regular meetings	
	Government policy communication meetings	
	Government censorship and company's self-examination	
Suppliers	ZTE supply chain management website	Business ethics Reasonable price Policies and requirements of the supply chain CSR Enhancement of suppliers' ability
	Annual supplier conference, supplier CSR training, and supplier CSR meeting	
	Regular exchanges, visits, and learning between ZTE top management and supplier top management	
	Supplier evaluation and audit	
	Supplier CSR agreement, the Supplier Code of Conduct	
Industrial organizations	Industry forums	Healthy and sustainable development of the industry CSR best practices
	Industry meetings and conference calls	
	Face to face interviews	
Non-Governmental Organizations (NGOs)	Regular meetings	Impact on the environment Compliance operations Employee care Protection of consumer rights
	Cooperation projects	
	Annual CSR reports	
Media	Interviews	Overall CSR strategy of the company CSR activities of the company Overall CSR behavior of the company
	Telephone communications	

CSR Vision and Strategy

● ZTE's CSR vision is to

Conduct all business in an ethical and sustainable way that protects and advances the human rights, health, safety, well-being and personal development of all the people working directly or indirectly for ZTE.

Operate in an environmentally responsible manner and actively contribute toward solving the world's current and future challenges.

Help all customers – internal and external – by taking advantage of the opportunities of a changing world and positively impact societies around the world on a local level.

● ZTE's CSR strategy

ZTE's CSR strategy is to proactively develop, implement and improve CSR compliance throughout ZTE and its supply chain based on the industry's best practices, continuous learning and efforts for improvement.

In accordance with ISO 26000: 2010 Guidance on Social Responsibility standard, the Global Reporting Initiative (GRI), stakeholders' requirements, and the overall strategy

of the company, ZTE Corporation formulates six core CSR strategies: Bringing You Closer, environmental protection, employee care, fair operation, supply chain CSR, and social welfare.

Based on the best practices in the industry and through continuous learning and improvement, ZTE Corporation will enhance the CSR performance and promote sustainable development in the whole company and the supply chain.

Bringing You Closer   **Employee Care**

Environmental protection   **ZTE CSR**   **Supply chain CSR**

Fair operation   **Social welfare**

Figure 6 ZTE CSR Architecture
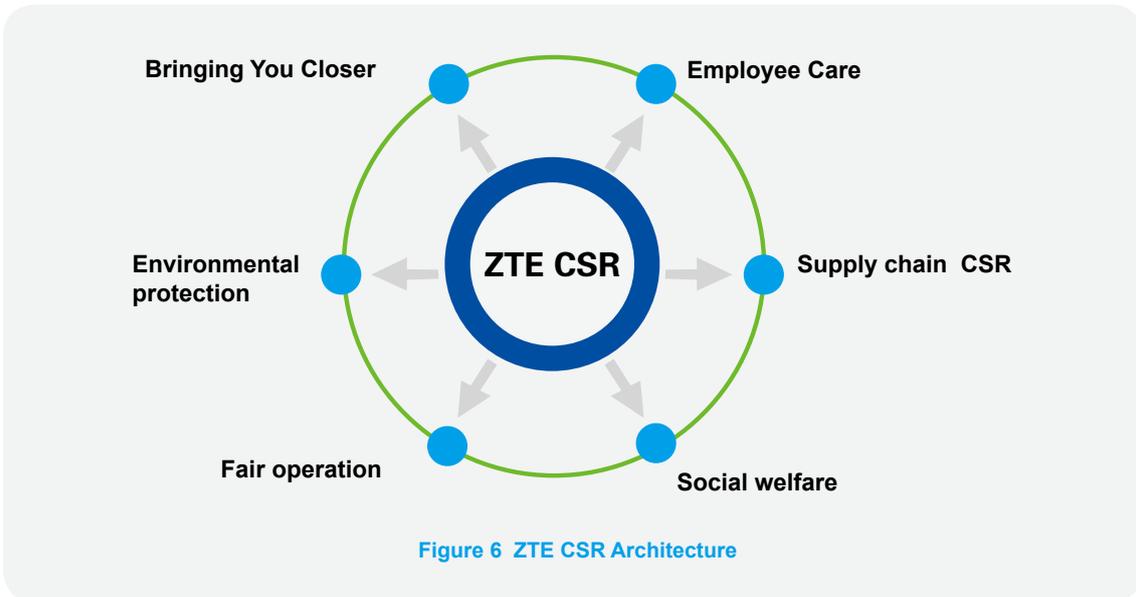
CSR Management

● Organizational Structure of Sustainable /CSR Management

President

Strategy of sustainable development

Sustainable development
The management committee

Landing the strategy of sustainable development

Department of sustainable development management system

Employee Care	Health and safety	Environmental protection	Fair opera-tion	Bringing You Closer	Supply chain CSR	Social welfare

All support the Sustainable Development Department
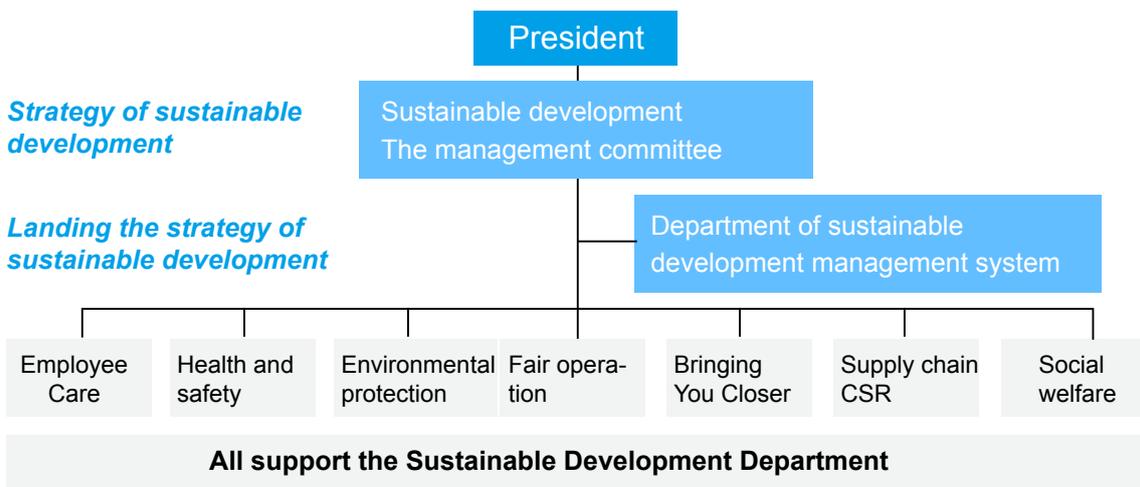
Figure 7 Organizational Structure of Sustainable /CSR Management

To promote CSR and sustainable development, and improve the sustainability management system, ZTE Corporation has established the Sustainability Management Committee.

The Sustainability Management Committee, whose members are the top management of the company, is the supreme decision-making body for corporate sustainable development management. Through scientific management methods and efficient management systems, the Committee ensures healthy and sustainable development of the company, the whole society, and the earth.

Professional teams for sustainable development are established under the Sustainable Development Management Committee for digital divide elimination, employee care, health and safety, environmental protection, fair operation, social welfare, and supply chain CSR. These professional teams optimize the management systems and flows in specific fields to ensure implementation of the sustainable development strategies.

● Sustainable Development Milestones

Figure 8 ZTE Sustainable /CSR Development Milestones

In 2013, ZTE Corporation enhanced the partnership with stakeholders, including governments, media companies, and professional institutions, to learn about their requirements for CSR and sustainable development. In addition, with many years of experience in CSR, ZTE assisted other enterprises in improving their awareness of CSR and sustainable development. In 2013, the ZTE Charity Foundation was launched officially, and conducted many activities in helping the vulnerable groups, disaster rescue, environmental protection, and scientific awards. In 2013, ZTE was one of the first movers to participate in the carbon trading in Shenzhen, and obtained a certificate of carbon quotas.

Future CSR Orientation

ased on ISO26000 Guidance on Social Responsibility, the Global Reporting Initiative (GRI), and stakeholders' requirements, ZTE Corporation will further improve and implement its CSR management system in 2014, including:

First, optimize the whole CSR management system, including the CSR management procedures.

Second, launch CSR activities and projects by focusing on the corporate strategies, products, and solutions for harmonious and sustainable development of the corporate business and CSR.

Third, launch compliance activities in major risk fields and business compliance activities to further improve compliance operation and make profit from compliance.

Fourth, continuously improve the product information security system, integrate major product security requirements into all procurement, manufacturing, and delivery activities, and establish efficient product information release and emergency response mechanisms.

Fifth, analyze and improve supply chain CSR management for improvement and sustainable development of the whole industry.

Sixth, improve communication with other charity foundations, launch medium- and long-term charity programs based on ZTE's industrial advantages, improve the influence of the foundation, and promote sustainable development of social welfare.

Bringing You Closer

Information and Communications Technology (ICT) keeps developing and promotes the development of information industry. It infiltrates into and has a multiplier effect on the economy, society, and people's living standard, thus contributes more to the economic development, social development, and people's living standards improvement. Moreover, it plays an increasingly important role for other industries' development, which is more universal in developing countries. The growth of ICT has greatly boosted economic development in developing countries.

ZTE puts forward the idea of "Bringing you closer", aiming to overcome the digital divide and facilitate sustainable development of the whole society by boosting the development of ICT in the fields of education, employment, healthcare, social security, public safety, environmental protection, chemical industry, construction, and agriculture.

ZTE "Bring you closer" focuses on the following aspects:

1)Create value for customers through continuous innovation, and boost the progress of ICT.

2)Use advanced communications equipment and network technologies to enhance the overall communication level in developing countries and regions, and help people in different regions communicate equally and freely.

3)Develop smart solutions and products to bring convenience and provide services for more people and to benefit the whole society.

4)Serve customers with dedication and be committed to customers. Provide customers with competitive products and services, focus on customers' needs, improve customer satisfaction, protect consumers' health and safety, and protect the information and privacy of customers and consumers.

5)Establish training centers worldwide to provide professional training, consultation, and evaluation services to help train more ICT talents, and to transfer and share ICT knowledge and skills.

Innovation Involving Every Employee

Innovation can bring "dreams" that once seemed unreachable and wildly fantastic to our real life, and boost the continuous progress and development of society. Insisting on independent innovation has always been a strategic emphasis in ZTE Corporation's development. Through continuous innovation, the company creates value for customers and boosts the overall technical progress of the industry. The investment in research and development every year accounts for about 10 percent of the company's sales revenue. The company has set up 18 R&D centers worldwide, including China and the United States, and set up joined innovation centers with top telecommunications operators, with more than 30,000 R&D staff members dedicated to technological innovation.

Differentiated Innovation Strategies: Sail in the Blue Ocean through Industry Partnership

ZTE widely cooperates with universities and academies in the field of telecommunications. The ZTE University Industry Collaboration Forum has been established, which is the largest university-industry collaboration organization in the telecommunications industry and currently has 27 member units. The company hopes to fully mobilize scientific research resources from various sources by establishing a complete technology innovation system in coordination with universities and operators to expedite technological innovation, and boost the integration of research, product development, and application.

In addition to the internal venture capital involving employees, ZTE Corporation further enhanced innovation management in 2013 by establishing the Deep Blue Laboratory to stimulate innovation and improve corporate competitiveness in sustainable development. The Deep Blue Laboratory is considered as an incubator for corporate innovation, an engine of innovation, and a facilitator for improving innovation capabilities. The major responsibilities of the Laboratory in-

clude proactive technology pre-research and architecture re-search, and Blue Ocean project development management. In 2013, nearly ten Blue Ocean projects were incubated, and five of them were put into operation. In addition, ZTE Corporation invests nearly RMB 10 million annually in excellent innovation projects of technologies, product solutions, and business models to stimulate employees' passion for innovation and support stable development of the company.

In addition, ZTE Corporation has established partnerships with advanced international enterprises, and has made breakthroughs in key technologies through supplementary product portfolios and collaborative research, improving the competitive edge of products and solutions. In addition, ZTE Corporation has built or joined alliances, such as the API Alliance, CDG Alliance, WiMAX Alliance, TD-SCDMA Industry Alliance (TDIA), and GoTa Alliance, to promote the development of the industry chain and improve technical innovation capabilities continuously.

Intellectual Property Strategy: Harvesting a Global Patent Portfolio

Since it began exploring intellectual property work in 1996, ZTE has taken full account of intellectual property. ZTE respects the intellectual property rights of others, and commits itself to improving its own intellectual property rights and forming core competitiveness for free development of the enterprise through continual innovation and intellectual property protection. The company always takes intellectual property, including patents and trademarks, as an important component of its strategic plan and has actively promoted the planning and implementation of its intellectual property strategy.

ZTE has the industry's most comprehensive intellectual property system, covering various functional modules of intellectual property strategic planning, application, licensing, operations, and management. ZTE applies meticulous management philosophy throughout all areas of the company's R&D, marketing, sales, thus achieves four values including the intellectual property assets creation, intellectual property competition protection, risk prevention and control of intellec-

tual property, and intellectual property assets operation.

ZTE has a full-time staff team with rich experience in corporate intellectual property, located in the ZTE R&D institutions in China, the United States, and other places. They are proficient in the Berne Convention, the TRIPS Agreement, and the global intellectual property law. They also have national patent agent or attorney qualification. Two of them are in the Chinese intellectual property expert database, which has about one hundred persons.

Patent Applications, Licensing, and Global Competition

By the end of 2013, ZTE Corporation had applied for over 50,000 patents in China and overseas, and had obtained over 15,000 authorized Chinese and international patents, including basic and core patents covering 5G pre-research, 4G LTE, 3G, 2G, cloud computing, smart terminals, and other international ICT standards.

ZTE Corporation is the only Chinese company ranking first consecutively in PCT applications worldwide. In 2013, ZTE Corporation obtained 1,831 Chinese patent licenses, and applied for 2,156 international patents. According to the ranking of published PCT applications released by the World Intellectual Property Organization (WIPO), ZTE ranked first in China and second globally with 2,309 published PCT patents in 2013. ZTE has been ranking first in China and in the top three globally for four years consecutively. By the end of 2013, ZTE Corporation had obtained over 13,000 PCT patents, and over 4,800 patents in the United States, Germany, France, Netherlands, and United Kingdom. In the annual China Patent Award sponsored by the WIPO and State Intellectual Property Office (SIPO), ZTE Corporation has won four Chinese Patent Gold Awards and 15 Chinese Patent Awards of Excellence, proving the patent quality and value of ZTE Corporation.

ZTE Corporation always shows respect for intellectual property, and communicates with industry partners with an open and sharing attitude. Since 2005, ZTE Corporation has signed cross-licensing agreements on intellectual property rights with Qualcomm, Siemens, Ericsson, and other com-

munications companies. ZTE Corporation has joined many global patent pools and standards organizations, maintaining the ecological health of global communications industries and promoting technology R&D and overseas market development of ZTE Corporation.

According to the Section 337 investigations conducted by the U.S. International Trade Commission (USITC) in 2013, ZTE won three preliminary rulings consecutively, and won the final ruling by the International Trade Center (ITC) in the patent litigation with InterDigital.

Improvement of Communication in Developing Countries and Regions

The development of communication technology has greatly influenced people's life and is positively changing the society. Meanwhile, we are faced with huge challenges: different countries have different communication requirements, communication costs must be further reduced to make the communication affordable for everyone, the Internet needs to be more popular, social differences and a digital divide create challenges, and certain societies use communication technology differently. These challenges cannot be solved without the development and application of communication technology. ZTE has been utilizing its own technologies to improve the communication in developing countries and regions, so as to contribute to the elimination of the digital divide.

Ethiopia

Ethiopia is an ancient country with 3,000 years of civilization history. It is Africa's second most populous country. In 2011, Ethiopia had 91 million citizens, but it lacked resources and its traditional agriculture was also backward. In order to develop telecommunications, Ethiopia met with some world famous telecommunications companies. However, Ethiopia's economy was weak and could not afford the expensive price. As it is located in a plateau, with high mountains and long distances, strong solar radiation, and strong wind, cables laid under the ground emerge to the earth's surface and are exposed to sunshine, radiation, and wind, and will age fast. Few companies are able to withstand such a challenge for laying cables for Ethiopia's telecommunications network.

ZTE entered the telecommunications market of Ethiopia in 1996 and established an Ethiopian subsidiary in 2007. With its advanced communications equipment and network technology, ZTE has not only dramatically improved the overall level of communication in Ethiopia, but also created employment opportunities for the local people and trained local employees.

The ITU World Telecommunication/ICT Indicators database indicates that there were only 1.21 million mobile users and 1,036 fixed network users in Ethiopia in 2007. In 2012, mobile users reached 20 million and fixed network users reached 40,000.

The development of the telecommunications industry greatly
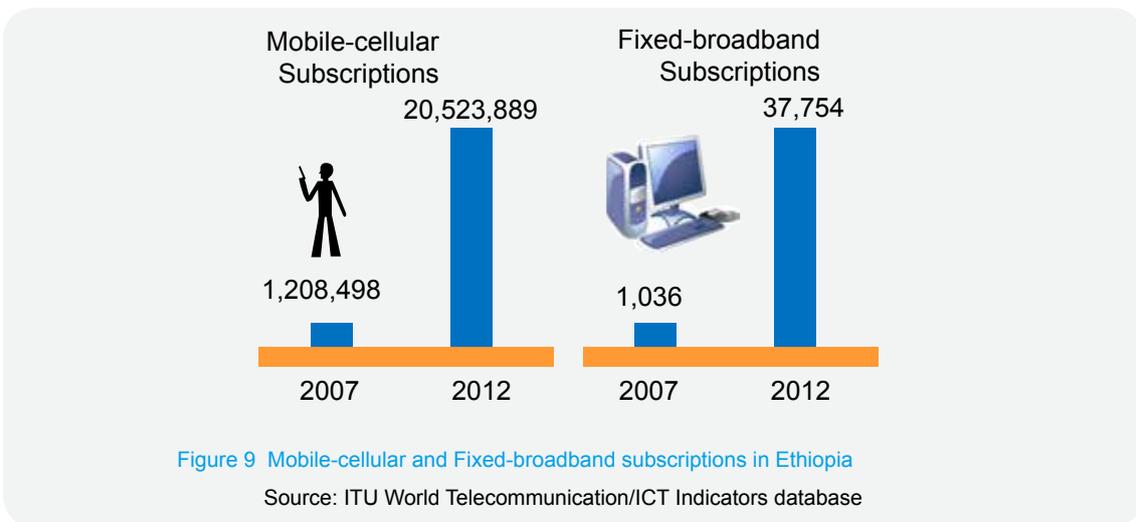
Figure 9 Mobile-cellular and Fixed-broadband subscriptions in Ethiopia

Source: ITU World Telecommunication/ICT Indicators database

contributes to the economic development. According to the statistics of the Government of Ethiopia, its Gross Domestic Product (GDP) has maintained double-digit growth for several years. In 2011, Ethiopia's GDP growth rate was 11.4%. In the past six years, Ethiopia has become one of the fastest growing economies in the sub-Saharan Africa non-oil and mineral economies.

During 2010 and 2012, ZTE Corporation trained 1,000 engineers for Ethiopia for free. Since 2010, ZTE has provided free-of-charge social training opportunities for over 12,000 people in Ethiopia.

Smart Solutions and Products

As a leading ICT solution provider in the world, ZTE has an in-depth understanding of the industry and customer requirements, and is dedicated to providing professional and efficient ICT solutions to all industry customers. ZTE has been providing 30 integrated solutions and over 80 industry-specific solutions, covering six major industries (energy, transportation, government, public utilities (including healthcare, education, and broadcasting and TV), finance, and Internet) and other potential industries (for example, logistics).

By taking the opportunities of Safe City and Smart City, ZTE launched the iCity solution for governments by proposing the concept of 4Is (Information, Intelligent, Innovation, and I with city). This solution shares digital sensor data on a unified platform to provide information for citizens and support governments in decision making. In the public security field, ZTE's U-Safety solution ranks first in competitive strength in the industry. This solution provides a unified ICT platform for public emergency handling, natural disaster prevention, and ecological environment monitoring to promote urbanization and build service-oriented governments. In the energy field, ZTE Corporation has built data networks for the State Grid and its 23 provincial branches to meet the electric power transmission requirements. In addition, ZTE Corporation works with partners to develop digital oilfield and smart mine solutions to improve production efficiency and security.

◆ More Effective Management

Rapid urbanization has greatly improved citizens' lives and caused many problems, such as a population explosion, intensifying environmental damage caused by resource consumption, and lagging urban management services. Furthermore, urban management departments do not have a unified information infrastructure, such as unified cloud data centers, data storage, and big data analysis. Due to poor information resource development, exchange, and sharing mechanisms, these departments fail to conduct centralized data management, system interconnection, or information sharing. The service systems should be integrated. Diversified urban governmental information resources in large quantities are not developed or used efficiently.

How to solve these problems efficiently and ensure sustainable development is the top priority.

◆ Case: Digital Hengyang

Hengyang, the second largest city in Hunan province, is a pilot city for national urban informatization and community service informatization. Guided by the Digital Hunan strategy proposed by the Hunan CPC Provincial Committee and Hunan Provincial Government, Hengyang has included Digital Hengyang in its Twelfth Five-Year Plan.

The Hengyang government works with ZTE Corporation on the Digital Hengyang project:

-Build One Platform and Four Applications covering public security, transportation, fire protection, and urban management.

-Safe Hengyang covering major and minor roads and populous areas guarantees the citizens' lives and property security.

-Smart Transportation enables intelligent traffic control and dispatching to benefit citizens in daily travelling.

-Emergency Command provides the functions of monitoring, information reporting, comprehensive research and judgment, dispatching, mobile emergency response, and video-conferencing to improve emergency response in the city.

-Digital Urban Management achieves digital, online, and visual management of urban components and events, innovates urban management models, and reforms urban management flows to improve overall urban management.

ZTE iCity, your city
ZTE Smart City Integrated Solution

Based on decades of experience in ICT field, ZTE creates new-generation smart cities with information technology, realizing the all-around smart operation of the city and facilitating people to live a better life.

Sharing with you

ZTE中兴

The prospective Digital Hengyang project has integrated various services on the basis of data centers, laying a solid foundation for other service applications in the future. Digital Hengyang improves the happiness index of Hengyang citizens, promotes production, life, and management innovation, and creates a convenient, conformable, efficient, and safe environment.

◆ Safer City

Currently, the cities have entered a period of crisis. Due to frequent occurrence of crises and poor security conditions in some countries and cities, the global public security situation is not cheerful.

ZTE's U-Safety solution is an integrated solution for maintaining urban security and guaranteeing people's lives. This solution not only mitigates the consequences but also reduces the probability of security incidents. The U-Safety solution, which includes emergency response and law enforcement sub-solutions, is composed of the following subsystems: the public security monitoring platform, emergency response, urban flood alert, online environmental monitoring, unified law enforcement platform, case clue analysis, GoTa, video surveillance, and videoconferencing.

Case: Safe Qingdao

The Safe Qingdao project launched by ZTE Corporation divided Qingdao into three parts: primary urban areas, secondary urban areas, and boundary areas. A system was built for dynamic public security protection of all streets and city blocks.

After the construction of Safe Qingdao, Qingdao has become the safest city in China. In 2012, no crime was committed in 267 communities in Qingdao. The sense of security and satisfaction of Qingdao citizens reached 96.02% and 96.24%, and the crime rate decreased by 70% in major communities.

◆ More Efficient Park

With the economic development in China, governments at all levels are attaching greater importance to various parks. Nowadays, the park economy has become an indispensible part of regional economic development. With the rapid development of the park economy, some problems were exposed during park construction, such as insufficient business model innovation or development innovation in overall park planning and construction, extensive park management models, lack of unified and efficient management of internal re-

sources, limited service types provided by park management departments, inefficient settlement of enterprises, and poor operational capabilities of park management departments.

Facing the above challenges, parks must coordinate strategies, flows, and resources for efficient model innovation, park services, enterprise activities, and operational services.

Case: Smart Park in Taicang

The New Science and Education Town in Taicang has a planned area of 12 square kilometers and a total population of 100,000.

The New Science and Education Town focuses on the culture industry for industrial development, and aims to build fashionable leisure places, lakeside culture and business areas, and creative industrial districts.

By using the cutting-edge cloud computing and Internet of Things technologies, ZTE's smart park project provides office desktop cloud, 3D design desktop cloud, cloud hosting, and mass storage leasing services to lower the OPEX and improve the park brand. A service sharing platform for public cloud service applications and smart park management applications is built to provide basic IT and CT services for enterprises, promoting smart operations management of the whole park and further improving the service level. IT/CT service leasing brings new sustainable operating models and improves the profitability for the park, creating a virtuous cycle of park operation.

ZTE's smart park solution has improved park management, service quality, and profitability, laying a solid foundation for the New Science and Education Town to provide high-end services and attract top talent.

◆ More Efficient Transportation

With the accelerating urbanization process and rapid development of the automobile industry, cities are facing more severe transportation pressure, which comes from economic development, increasing car ownership, and conflicts between demands for roads and limited road resources. Citizens have difficulties in riding a bus, taking a taxi, and driving and parking a car. Traffic jams have caused many problems in vehicle management, and transportation security problems

are becoming increasingly serious. Urban administrators are in urgent need of solving the existing transportation problems.

Case: Smart Transportation Project in Ningbo

For the smart transportation project in Ningbo, ZTE Corporation built the smart transportation cloud based on urban operation centers to improve the IT level of transportation, cross-regional and cross-industry transportation cloud platforms to integrate system capabilities, and cross-functional transportation cloud platforms to lay a foundation for transportation information services and provide an integrated transportation service platform for the public.

With the sharing and exchange of transportation data and information, and depending on the functional and industrial application systems built on cloud platforms, ZTE's smart transportation project in Ningbo has reduced the construction and maintenance costs of related departments by 20% or higher. An integrated public traveling service system has been built to achieve smart transportation.

◆ More Convenient Healthcare

The United Nations Millennium Development Goals have three goals that are related with healthcare, including reduce child mortality, improve maternal health, and combat HIV/AIDs， malaria and other diseases. In developing countries, problems such as high cost of healthcare, fewer channels, and low coverage, disturb the people's livelihood. Particularly, a less efficient healthcare system, poor quality of medical services, difficulty to get medical treatment, and expensive medical treatment, are the main public concerns. The application of information and communication technologies in the medical information systems can greatly reduce the difficulty for patients to get medical treatment, let medical institutions share medical information, and improve medical treatment skills in developing countries, and thus help accelerate the achievement of the United Nations Millennium Development Goals.

ZTE's smart healthcare solution includes the regional health information system, hospital information management system, medical information management system, and man-

aged healthcare service system. ZTE Corporation provides application solutions covering all scenarios for governmental health departments, hospitals, health care units, Third Party Administrators (TPAs) of health care, and individuals to improve the performance of healthcare information systems and data centers, increase data traffic and the number of users, reduce overall medical costs and claim costs, and enhance medical efficiency and hospital profit.

ZTE Corporation has been providing all smart healthcare services, including disease prevention, self-examination, health alerts, health management, health advices, medical consultation, clinical diagnostics, remote consultation, treatment choice, health care and rehabilitation, and health care reminders in China, South America, Southeast Asia, and other regions.

◆ More Open Education

Achieve universal primary education is one of the Millennium
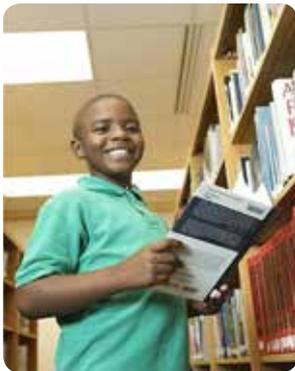
Development Goals of the United Nations. Education is very important for eliminating poverty, improving the overall quality and standard of people's living. For countries and regions with large population and low levels of Education For All (EFA), unevenly distributed educational resources, and great differences between urban and rural areas, the promotion of EFA remains a challenge. Using advanced communications technologies for distance education to improve the cultural quality of citizens and skill levels has an important and far-reaching significance.

ZTE Corporation provides smart education solutions for basic education, higher education, and vocational education. ZTE Corporation has provided education solutions for eleven countries, including Egypt, Turkey, Ethiopia, Nigeria, Mozambique, Papua New Guinea, and China to build state-level applications, and has achieved good social effects.

Case: Distance Education Project in Mozambique

To balance educational development and overcome the educational resource deficiency in remote areas, the Ministry of Education and Culture of Mozambique worked with ZTE Corporation on a distance education system in June 2011 to share educational resources and improve the overall education level. ZTE Corporation provided a complete set of solutions, including the distance education resource center and the educational branches in 46 cities in Mozambique, to implement real-time and non-real-time education. ZTE Corporation also provided communications network infrastructure, Videoconferencing Systems (VCSs) for real-time teaching, and E-Learning systems. This project involved the 46 cities in a teaching activity for classroom interaction with the teacher, and the E-Learning system made more people enjoy national educational resources. This distance education project has greatly improved the overall education level and the IT level of education in Mozambique, making more people enjoy advanced educational resources, and further promoting rapid social and economic development.

◆ Universal Phone: Universal Communication

According to the WHO, there were 285 million visually impaired people (including 39 million blind people) in the world in 2010. However, few mobile phones were developed for this special group, preventing the visually impaired people from enjoying public information resources.

Fantastic user experience of smart phones is always based on the touchscreen and visual information. To compensate

for the loss of visual perception by the visually impaired people and improve the user experience, ZTE R&D teams conducted lots of interviews with this special group to learn about their demands and promote universal communication.

ZTE's universal smart phone looks the same as the common phones, except that the perception, operability, understanding, and soundness of visually impaired people are fully considered in its design. ZTE's universal smart terminals have the following features:

1)Screen reader, high response speed, and stable system operation. Third-party software label customization, and voice broadcast of the notification bar, menu bar, and desktop icons.

2)Multi-touch operations for man-machine interaction, different functions implemented through single-finger, two-finger, and three-finger operations, and different operations performed by sliding, tapping, and double-tapping.

3)Pioneering an efficient touchscreen input method for the blind, setting input mode by double-tapping the dial button, and special input method of Chinese characters.

4)Easy switching between common and universal operating modes, and compatibility with many third-party applications on the Android platform, helping the blind and low-vision users use common smart phones freely.

Serving with Dedication and Being Committed to Our Customers

ZTE conducts its work in products and services by following the core value of "Serving with dedication and being committed to our customers", and protects the rights and benefits of customers and consumers. The company keeps customers as the focus of its concerns, executes the TL9000 Quality Management System, and uses 6SIGMA and other methods to perform quality improvement. Therefore, the company has established an overall quality management and improvement system based on customer satisfaction, field operations of products, and internal flows. ZTE constructed the integrated advantages of the company as "Leading Products, Reliable Quality, and Top Services" to continue to provide competitive products and services for customers.

◆ Global Customer Service Center

ZTE Global Customer Service Center provides customers with 7x24 technical support. It has nine product sub-centers, nine advanced laboratories, one technical support team of skilled engineers, perfect technical issue solution banks, an advanced analog laboratory environment, and quick and effective control and use of global technical resources, ensuring that ZTE's global customers can enjoy technical support services in a convenient and quick manner.

ZTE is dedicated to constant improvement of its capacity of global customer service, and it has gradually built eight Regional Customer Service Centers (RCSC) around the world, along with 45 Local Customer Service Centers (LCSC). The company has also established technical support service systems consisting of local, regional, and head offices to provide steady localized field support service teams for the overall implementation of customer support service. Through online support, remote diagnosis, field troubleshooting, and other service modes, ZTE delivers quick responses, and high-efficiency and high-quality treatment for service requests from customers, to effectively guarantee the safe and steady operations of customers' online equipment.

ZTE provides global customers with request and complaint acceptance channels, such as hotline telephones, fax numbers, email addresses, physical addresses, websites, and B2B. Furthermore, in order to give customers more convenient services, the company has set up a technical support website, which is an Internet-based window, providing customers with technical support services. The website also offers knowledge base, service center, technical forums, technical documents, and other service warranty functions.

Standardized business flow management is the foundation of customer support service specifications. ZTE's ITIL-based model has formed a set of complete customer support service management flow systems and an IT system platform. Currently, it aims at fault management, problem management, technical consulting, service changes, version management, service management, network supervision, and other customer support services, thus providing an overall steady flow and regulation system.

Figure 10 ZTE Corporation's Global Training Centers

In 2013, ZTE Corporation optimized the customer service flow by launching the Issue to Resolution (ITR) flow, providing support for effective solution to customer issues and end-to-end management. Through the ITR management system, ZTE Corporation manages and makes decisions on customer issues and common issues that do not meet the SLA requirements, and allocates specific resources effectively to solve the issues that affect customers' network operations severely and guarantee stable and safe operation of customers' networks.

ZTE University

ZTE University was founded in July 2003 as a corporate university initiated by ZTE Corporation. ZTE University has a complete curriculum system and professional teaching staff, with more than 150 employees dedicated in curriculum development, or working as full-time lecturers and consultants. It also has a professional part-time lecturer team, consisting of ZTE management cadres, product R&D experts, marketing and sales experts, after-sales experts, and experts from other departments.

ZTE University provides four kinds of knowledge services, including skills transfer services, certification and assessment services, management consulting services, and learning tools development services. It provides professional knowledge services to employees, customers and partners, and boosts the development of ICT.

ZTE University has established training centers in 15 areas worldwide, and provides knowledge services for South America, Middle America, North America, South Asia, Southeast Asia, Middle East, South Africa, North Africa, India, Ethiopia, Asia-Pacific, West Europe, East Europe, and Russia. ZTE University has provided training, consultancy, certification, learning tools, and other knowledge services for over 580,000 users in more than 100 countries and areas all over the world. The online learning with over two million enrollments has been made in the E-Learning system that has 8,392 online courses.

Case 1: Benefiting Education and Colleges from the Excellent Engineer Training Program

The Excellent Engineer Training Program aims to train a large number of qualified engineering technology professionals with high innovation capabilities, promoting talent development in universities to meet social requirements and improving the talent training quality of engineering education. As an important company involved in and to promote the Excellent Engineer Training Program, ZTE Corporation has conducted extensive and rewarding activities in mechanism innovation of university-run enterprises and in improving the engineering talent development quality. By the end of 2013, ZTE Corporation had signed engineer training agreements with 20 universities, and had applied for granting the doctoral degree of engineering jointly with six universities.

In 2013, over 50 training classes were held in the universities

for the Excellent Engineer Training Program, training over 3,000 students. Five summer camps of excellent engineers were conducted in the Shenzhen Headquarters of ZTE Corporation. The high-quality training of ZTE Corporation has been highly appraised by teachers and students for making it possible for students to learn about the industrial development and corporate requirements.

Case 2: Training School Program in Equatorial Guinea

Equatorial Guinea, with a population of less than one million, is the only Spanish-speaking country in Africa. The whole country has no communications university but only a national university of liberal arts. Therefore, the country has poor communications infrastructure and education. ZTE Corporation has provided the Equatorial Guinea government with a complete set of solutions focusing on knowledge services and covering knowledge transfer of infrastructure, engineering, and equipment. Through training school construction and ICT talent training, this program has improved the ICT software and hardware of Equatorial Guinea, laying a solid foundation for talent training. In addition, this program has provided a platform for training high-quality ICT professionals to facilitate the talent team development and speed up ICT development in Equatorial Guinea.

ZTE Corporation started to train communications professionals for the Equatorial Guinea government from 2013. This project contains a customized advancement training program, including local short-term and medium-term training, and a four-year undergraduate study in top communications universities in China. The first excellent students studying in China will act as trainers and be devoted to local ICT industry development and talent training in Equatorial Guinea.

As the Secretary of State of Post and Telecommunications in Equatorial Guinea stated in the speech at the opening ceremony, "A powerful country should have not only a great fortune but also a wealth of talent." This program provides a communications technology training platform for West and Central Africa and even the whole Africa, and improves the influence of Equatorial Guinea on neighboring countries.

Case 3: Simulation Training Program in Xi'an Vocational College of Science and Business

The ZTE ICT Talent Training Base in Xi'an Vocational College of Science and Business is a large ICT talent college built jointly by both parties. This Base is equipped with a complete set of 3G and 4G equipment, and transmission, access, and switching equipment involved in rail transit communications systems. ZTE has been training professional trainers for the Base through the Trainer Training Program. College students can be trained at the Base, and can have access to the up-to-date communications equipment. ICT training and certification activities for students from other universities and in-service personnel are also conducted in this Base.

Case 4: Taicang Training Base

To reduce structural unemployment of university graduates, eliminate human resources bottlenecks for enterprises, and improve the professional competence and technical expertise of university graduates, ZTE Universality established a training base in Taicang in 2013.

With the advantages as a high-tech company and its technical capabilities, ZTE Corporation has developed high-quality pre-service training courses, training exercises, and other training methods in the Taicang Base to transfer career competency, expertise, and technologies to students, aiming to train competitive talent and achieve a win-win situation. This Base provides pre-service education and training services for college students.

Employee Care

Employee Care

Talents are the most important resources of ZTE Corporation. Becoming a model corporation in the markets of different countries, and a trusted employer by different nationalities and cultures is ZTE's major strategic target.

ZTE Corporation defines its human resource strategy as "people-oriented," and has established a set of mechanisms to introduce, train, use, and stimulate global staff. ZTE Corporation rigorously observes the labor laws and makes continuous improvement in equal employment, benefits for employees and labor unions. The company places emphasis on the rights and interests of its employees, and by providing training and distinct vocational development channels, it helps employees with their individual growth. ZTE Corporation also shows concern for customer evaluations, increases human resource efficiency, and is dedicated to the achievement of win-win solutions for its customers, shareholders, employees, and the society.

Respect for Employees and Guaran–teeing Employee Rights

ZTE prohibits any discrimination for race, color, nationality, language, wealth, social origin, social status, age, gender, sexual orientation, race, disability, pregnancy, religion, political affiliation, union membership, or marital status during the recruitment, selection, promotion, discipline, development, welfare, and labor contract termination of employees.

ZTE Corporation does not employ child labor or any form of forced labor. ZTE Corporation does not tolerate any on-site or off-site harassment by the management or colleagues. ZTE Corporation respects every employee, and does not allow any form of physical punishment, mental or physical coercion, or verbal abuse. The company respects employees' rights of joining or not joining any association, including labor unions and collective bargaining. The company endeavors to create an open environment for employees to communicate freely with the management their ideas, concerns, or questions to solve workplace problems. ZTE Corporation encourages employees to share their ideas, questions, or suggestions.

ZTE Corporation is committed to providing a safe environment for all employees' health and safety, and to balance the employees' work and life.

Employee Diversification

By the end of 2013, the total number of individuals employed by ZTE Corporation Group was 69,093, among which 56,492 were employees of the parent company with an average age of 32. ZTE Corporation has 14,464 female employees, accounting for 25.6% of the total. ZTE Corporation and all of
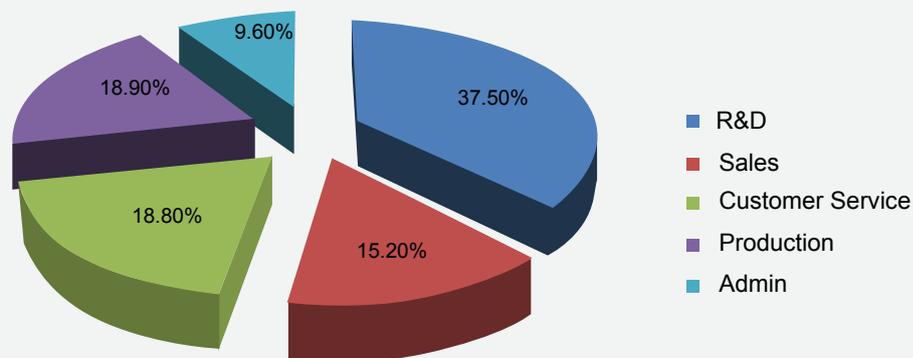
Figure 11 Categories of ZTE's Employees

its employees have entered into labor contracts according to the law. ZTE Corporation follows the strategy of international-ization of the staff, and pushes forward staff localization very firmly. The company has provided employment posts for local residents from more than 100 countries.

Based on their roles, ZTE's employees can be divided as follows:

● **According to the educational background, ZTE's employees can be divided as follows:**

0.70%

29.00%

29.40%

40.90%

■ Doctor
■ Master
■ Bachelor
■ Other
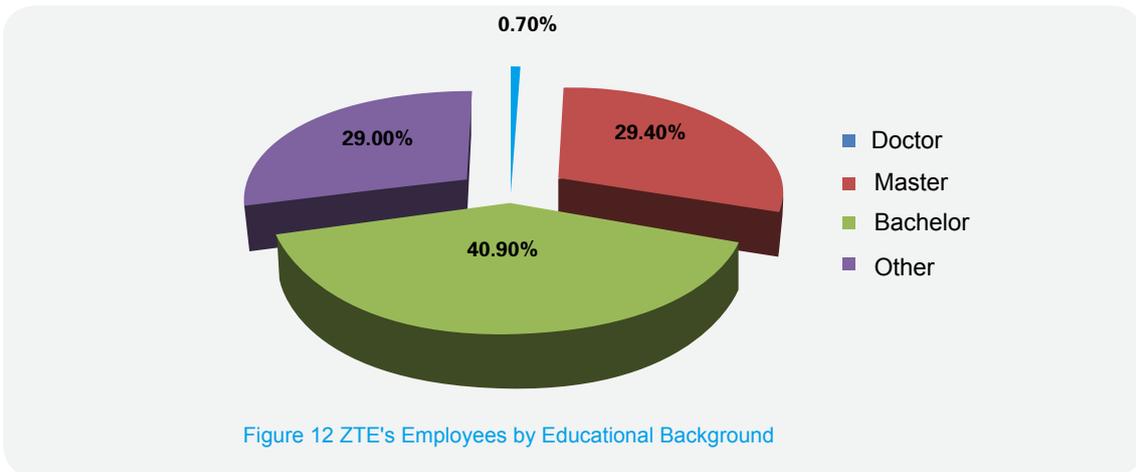
Figure 12 ZTE's Employees by Educational Background

● **According to their age, ZTE's employees can be divided as follows:**

0.94%

61.49%

37.57%

■ <30
■ 30-60
■ >50
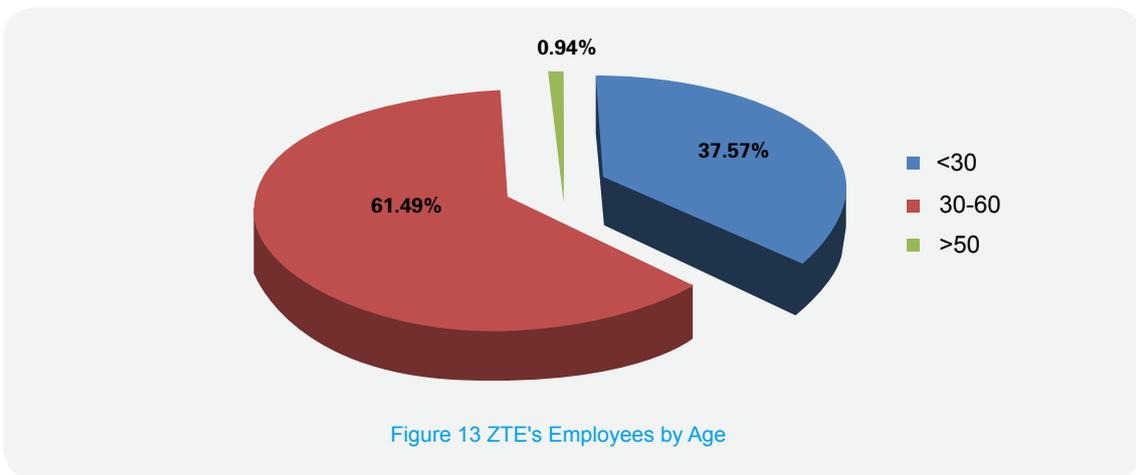
Figure 13 ZTE's Employees by Age

Female Employee Care

Every year, ZTE organizes several lectures and activities for female employees, involving women's health, marriage, fami-ly, and parent-child relationship.

For pregnant female employees, in addition to the maternity leave regulated in the national law, ZTE set up a special pre-natal leave. Female employees can apply for the pre-na-tal leave once they get pregnant.

ZTE also set up special dining areas for pregnant female employees and mother-baby rooms for lactating female em-ployees.

Compensation and Benefits

ZTE provides employees with appropriate remuneration and

benefits, which are closely related with employees' development, individual performance, and organizational performance. In order to establish long-term incentive mechanisms closely linked with ZTE Corporation's performance and long-term strategies, to improve the overall salary and remuneration system, and to achieve win-win agreements between ZTE Corporation and its employees, ZTE Corporation developed the stock option incentive program in 2013, and granted 102,989,000 shares of stock options to 1,528 employees on October 31, accounting for 3% of the total capital stock. This is another incentive measure taken by ZTE Corporation after the first stock option incentive program in 2007.

In addition to full payment of all statutory social insurances for each employee, ZTE Corporation also buys two commercial accident insurances for each employee. The labor union of the company provides commercial insurances for each employee and his/her spouse, including accident insurance and comprehensive insurance for dangerous diseases, and provides his/her children with comprehensive insurance. Each employee can choose to buy these insurances. Since 2001, the total claim amount of supplementary insurances organized by the Labor Union of the company has exceeded RMB 70 million.

Equal and Harmonious Communications

ZTE Corporation has created multiple internal communication channels for employees, and employees can keep timely and smooth communication with the ZTE management, colleagues, and partners through these channels, including ZTE Corporation's Chinese and English journals, the Share Website, internal forums, Instant Messenger (IM), ZTE president's mailbox, ZTE Operating Committee's mailbox, EAP periodicals, system journals, labor union, and employees' representatives.

In 2013, the internal Share website was put into operation, through which employees can raise any issue to and get feedback from the top management and other management personnel. In addition, the Top Management Online on the Share website has created a new mode of dialog between the corporate top management and employees.

Balance between Work and Life

ZTE Corporation places great emphasis on its corporate culture and cohesion of employees. ZTE Corporation appropriates funds for the construction of employees' cohesion and holds activities to promote employees' cohesion.

The internal Share website contains up to 76 cultural and recreational circles (such as the Magpie Bridge Square, Tai

Table 2 Major Benefits of Employees in ZTE Corporation

Major Benefits	Major Benefits
Five social insurances	Two commercial accident insurances
Personal protective equipments	Meal allowance
Annual leave with pay, maternity leave, and other national statutory holidays	Employee dining halls, mother-baby rooms, dining areas for pregnant female employees
Labor union activity fee	Free shuttle buses
Special pre-natal leave of female employees	Regular physical examinations
Annual leave with pay and family visits for overseas employees	Spouse accompanying policies for excellent employees overseas
International first-aid services for stationed or travelling employees	

Chi Club, Happy Train, Little Painters, Family Forum, Fishing Fun, and Xi'an Photography Lovers) and many associations (such as the Volunteers Association, Photographic Association, Car Club, Cycling Association, Outdoor Association, Dance Association, Badminton Association, Basketball Association, Football Association, and Psychological Association)

that hold diversified activities for employees to balance work and life.

ZTE Corporation has introduced flexible work schedules in some places. For example, employees in Beijing can avoid the peak hours to reduce the time spent on the way.

Case: ZTE Sports: Nourishing Yourselves and Keeping a Positive Mind

ZTE Sports is an activity sponsored by the top management and involving all management personnel and employees of the company.

ZTE Sports was launched in August 2013. The Chairman of the Board, President, EVPs, and SVPs all starred in the promotional video of ZTE Sports, encouraging employees to do sports and nourish themselves. The "ZTE Sports, I Want You" video, which was clicked more than 20,000 times, has drawn employees' attention to health and improved employees interest in sports.

In September 2013, the Management Personnel Fitness Program of ZTE Sports was implemented. Management personnel of the company were divided into four groups to participate in the program.

In October 2013, ZTE Micro Travel, Season II of ZTE Sports, was conducted in Shenzhen, Nanjing, Xi'an, Wuhan, and

Shanghai simultaneously. Nearly 2,000 employees and their family members participated in this activity, and posted the photos on their microblogs. A total number of 9,004 blog posts were created and 2,174,743 opinions were expressed on the topic of #ZTE Micro Travel# on that day.

In November 2013, ZTE Hiking, Season III of ZTE Sports, was launched, requiring the participants to walk at least three kilometers every day for 15 days during November 20 and December 20 and to post the routes on the Share website. The participants walked 71,495.644 kilometers in a month.

In addition, ZTE employees took an active part in many Marathon activities, including the Shanghai International Marathon, Shenzhen International Marathon, "Run for Love" Marathon, Dapeng New Year Marathon, and Xiamen International Marathon.

Employees' Career Development and Growth

ZTE Corporation actively expands its employees' individual development space, and provides them with a "three-channel" development mode system: technical channel promotion, business channel promotion, and management channel promotion. This system allows employees to realize their own value in combination with ZTE Corporation's value based on individual interests and special skills, and realize the synchronous growth along with ZTE Corporation. Each year, about 25 to 30 percent of the company's employees are promoted through the above mentioned channels. The percentage of employees receiving assessment of regular performance and career development is 100 percent.

To appraise achievements made by employees and teams, ZTE Corporation has set up various awards to facilitate commendations of employees. Since 2009, the company has set up the highest individual honor, the ZTE Gold and Silver Awards. In 2013, ZTE Corporation awarded 10 Gold Prize winners and 20 Silver Prize winners according to the opinions of expert judges and public judges.

ZTE Corporation considers the creation of a learning organization as an important part of the long-term corporate strategies. ZTE Corporation provides various training resources

and channels to build a sound training system. A four-level training system involving new employee orientation training, on-the-job training, further study, and managerial improvement training is built for all new employees. Considering the characteristics of adult learning, ZTE applies multiple training modes and methods. The training modes include systematic training, inviting lecturers from the outside, sending employees for lectures that are not given by ZTE, internal lectures, distance training, online learning, appointing a teacher to a new employee, and question & answer platform. The training methods include classroom lectures, field presentations, role playing, case analysis, educational games, project certification, and self-study.

In order to adapt to the international development of ZTE Corporation, the company delivers trainings to employees around the world via the ZTE eLearning website. ZTE eLearning provides rich learning opportunities based on the "Learning Cloud" concept of improving employees' ability. There are more than 6,800 multimedia courses covering technologies, management, marketing, occupational skill, enterprise culture, foreign languages, and case studies for employees to study. In countries and regions with poor network conditions, the ZTE offline learning tool can be used. Employees may study at any time according to their needs of work and career development. In order to enhance overseas employees' understanding and recognition of ZTE Corporation, to improve employees' quality and skills in an overall manner, and to promote cultural cohesion, ZTE Corporation arranged foreign employees to study in China or in local training centers, and gave them distance learning opportunities. All new employees have got the trainings.

ZTE Corporation has created a WeChat account named ZTE E-Learning, issuing 176 volumes and attracting 8,570 subscribers within nine months.

ZTE's employee training includes new employee training, business skill training, operations management training, and management personnel training. After the orientation training, a half-year or one-year training course will be arranged for new employees according to their posts. According to the post qualification criteria, regular employees can conduct self-learning and selectively attend centralized training ac-
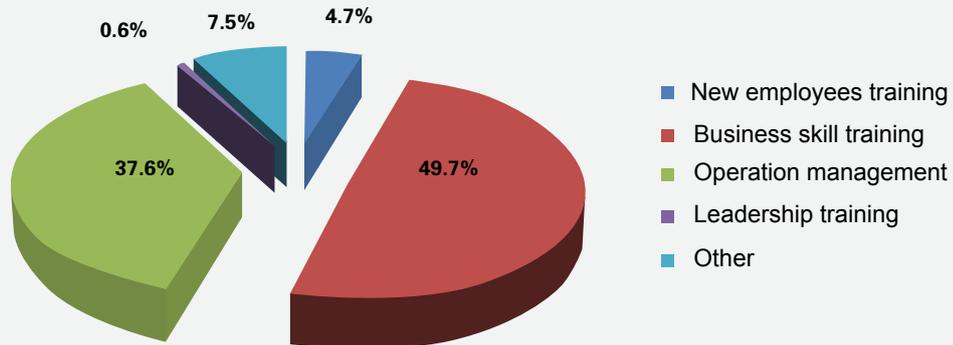
Figure 14 Employee Training

cording to their ability assessment results and career planning. ZTE Corporation also delivers comprehensive training courses concerning operations management through classroom training, online learning, and mobile learning. ZTE Corporation conducts reading classes and immersion training, and provides books review for the management personnel holding an office.

In 2013, the training with 2,271,239 enrollments and a total duration of 4,603,814.3 hours was attended by all employees. The training with 106,544 enrollments and a total duration of 644,651.5 hours was conducted for new employees, accounting for 4.7% of the total. The business skill training with 1,128,122 enrollments and a total duration of 2,483,099 hours was conducted, accounting for 49.7% of the total. The operations management training with 853,278 enrollments and a total duration of 1,176,382.9 hours was conducted, accounting for 37.6% of the total. The management personnel training with 13,421 enrollments and a total duration of 109,031.4 hours was conducted, accounting for 0.6% of the

total. The other training with 169,874 enrollments and a total duration of 190,649.4 hours was conducted, accounting for 7.5% of the total.

ZTE Corporation has established ZTE Classes with scores of colleges and universities to transfer the excellent practice and training systems and to solve the internship and employment problems for them. In addition, this program helps students integrate theory with practice, and make them adapt to the work environment as soon as possible, achieving a win-win situation.

Health and Safety

It is an essential duty for the company to care for the health and safety of its employees, and it directly relates to employees' life and the company's sustainable development. In 2005, ZTE headquarters got a certification of the OHSAS18001 Occupational Health and Safety Management System. In 2007, ZTE Shenzhen Xili branch got the certifica-
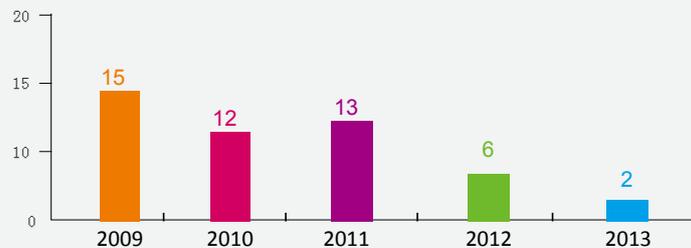

Figure 15 Number of Safety Accidents from 2009 to 2012

tion, and in 2009, ZTE Hangzhou branch got the certification. In 2010, besides manufacturing and R&D, the company started to apply the occupational health and safety management system to engineering installation and maintenance service delivery, from China to key overseas countries. ZTE Corporation has established National Occupational Health and Safety Management Systems in many overseas representative offices, and has passed the OHSAS18001 standards compliance audits and routine supervision audits conducted by renowned international certification institutions. To meet the market demands and internal operational risk management requirements, the global health and safety management has progressively involved all representative offices and major operations management flows. Engineering project health and safety management is an important component and covers all end-to-end processes of project management. Health and safety management is mapped and transferred to the whole supply chain of outsourcing services through the project outsourcing management flow.

Employee Assistance Program

The Employee Assistance Program (EAP) is a systematic and long-term benefit and support program conducted by ZTE Corporation for its employees. Since 2009, about ten thousand people have been provided various forms of EAP counseling services. EAP counseling has been widely accepted by ZTE employees, and has become an important means of emotional guidance and stress management.

During 2009 and 2013, ZTE EAP provided comprehensive services covering counseling, publicity, training, and crisis intervention.

● In 2013, ZTE Corporation provided 955 face-to-face psychological counseling services, and also provided counseling services for employees through email or telephone.

● In 2013, the articles on career, marriage, parenting, and physiological science published in the EAP column on the Share website were popular among the employees, with average monthly clicks of 44,000.

● Nine EAP training classes covering interpersonal relationships, marriage, love, and health were given in 2013, achieving high satisfaction. Some lectures were recorded and uploaded to the internal websites of the company.

● Five large-scale sports, hiking, and blind date activities were conducted in 2013, involving over 2,000 participates, and calling on employees to nourish themselves and keep a positive mind.

**Environmental
Protection**

Environmental Protection

The most urgent challenges to mankind are protecting the environment and coping with the climate change. ZTE Corporation combines environmental protection into every operational link of the company, and the life cycles of its products. With a scientific and rigorous attitude, ZTE applies product Life Cycle Assessment (LCA) to constantly create new products and services for more environmental protection efficiency. The company integrates green strategies through-out the product development, manufacturing, supply chain operations, logistics, engineering, and other operations, thus explores a green and environmental protection road.

In 2012, ZTE calculated the greenhouse gas emission and obtained the ISO14064-1 certification. In 2013, ZTE acted as one of the first movers to actively participate in the greenhouse gas emission rights trade, and obtained a certificate of greenhouse gas emission allowances.

In 2013, ZTE did not violate any environmental protection law, nor get any penalty for acting against environmental protection.

Climate Change and Reducing Greenhouse Gas Emissions

Climate change is one of the most significant challenges facing our world today. ICT has played an important role in the process of climate change and reducing greenhouse gas (GHS) emissions. The latest released research of the GeSI Smarter 2020:

the Role of ICT in Driving a Sustainable Future indicates that the ICT industry's footprint is projected to rise to 1.3 GtCO2e or 2.3 percent of global emissions by 2020. ICT- enabled solutions offer the potential to reduce annual emissions by an estimated 9.1 Gt-CO2e (seven times ICT direct emissions) by 2020, representing 16.5 percent of the projected total in that year. ICT adoption in the power sector, transportation, agriculture and land use, buildings, manufacturing, consumer and service could yield 2.0 GtCO2e in abatement (22% of total), 1.9 GtCO2e (21% of total), 1.6 GtCO2e (18% of total), 1.6 GtCO2e (18% of total), 1.2 GtCO2e (13% of total), 0.7 GtCO2e (8% of total) separately. Besides, ICT-enabled solutions create 29.5 million jobs and yield USD 1.9 trillion in savings

The efforts made by ZTE in mitigating climate change and reducing GHG emissions include: 1) reduced GHG emissions from the company's own operations; 2) through a multi-level technological innovation, developed green products, green technologies, and green solutions to help our customers and the whole society to reduce greenhouse gas emissions.

ZTE Greenhouse Gas Emissions

Based on the operating and control rights, ZTE calculated the greenhouse gas emissions of ZTE Shenzhen region, and then made the report on greenhouse gas emissions. ZTE also invited a third party to check and verify the report of greenhouse gas emissions, and passed the ISO14064-1 certification.
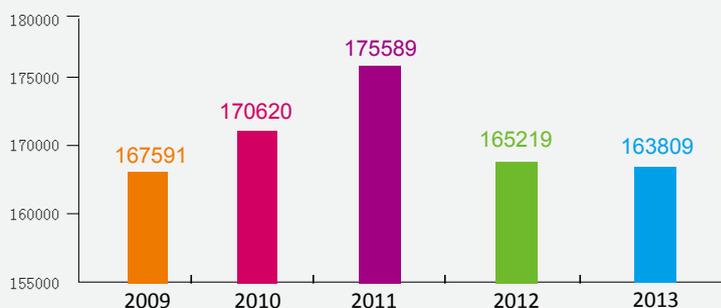
Figure 16 Carbon Emissions of ZTE from 2009 to 2013 (tCO2e)
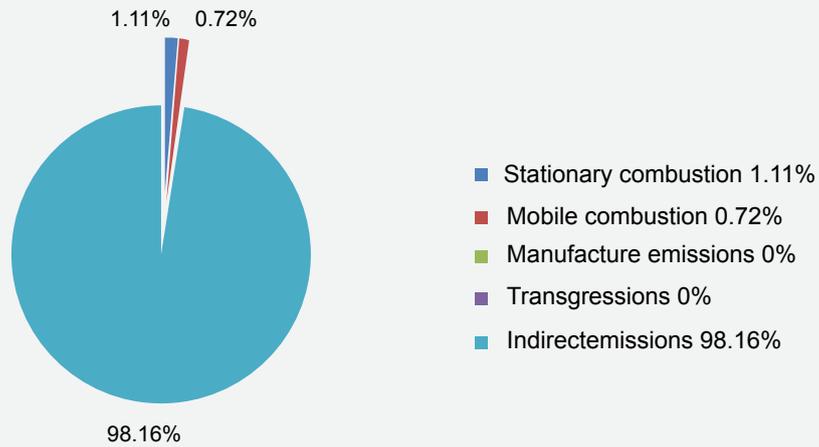
Figure 17 Carbon Emissions and Their Proportions of ZTE

Stationary combustion 1.11%
Mobile combustion 0.72%
Manufacture emissions 0%
Transgressions 0%
Indirectemissions 98.16%

Greenhouse Gas Emission Reduction Projects

The greenhouse gas emissions reduction projects of ZTE Shenzhen region during 2009 to 2013 are listed in the following table.

Reducing the Product Carbon Footprint and Impact to the Environment

ZTE is concerned about the environmental performance of the product life cycle. ZTE strictly complied with the principles

Table 3 GHG Emissions Reduction Projects of ZTE Shenzhen Region During 2009 to 2012

S.N.	Project	Electricity Savings (10,000 kWh/ year)	Carbon Emissions Savings (ton/year)
1	In 2010, installed a frequency converter for the air compressor of building B3 at the headquarters to change it from power frequency operation mode to frequency conversion operation mode, and thus saved more energy.	3.7	36.119
2	In 2010, installed a timer for each new drink machine. Every night from 20:00 pm to 8:00 am the next day (which is 12 hours), the new drink machines will automatically shut down.	6.1	59.55
3	In 2010, installed a timer for each coil machine in building 3 in Xili industrial park. The 1600 coil machines can shut down automatically when the employees get off work.	46.1	450.03
4	In 2009, made the air compressors of building B1 and B2 in Xili industrial park to work in frequency conversion operation mode, and changed their networking, and thus saved more energy.	83.94	838.31
5	In 2009, optimized the power supply lines, and disabled 13 low-load transformers, totally 17080KVA. Reduced the transformers' self-loss and the power consumption.	185.4	1851.59
6	In 2010, installed 50,000 timers for the lights of some office areas in Xili industrial park.	252	2460.02

S.N.	Project	Electricity Savings (10,000 kWh/year)	Carbon Emissions Savings (ton/year)
7	In 2010, according to the changes of the manufacturing technique, adjusted the temperature of factories from 24 ℃ to 26 ℃, and thus saved energy while satisfying the manufacturing technique requirement.	142.2	1388.16
8	In 2010, installed frequency converters for the frequency pumps of all the offices and factories, and saved 20% to 40% electricity.	254	2479.55
9	In 2010, in the manufacturing process, used the energy feedback energy-saving electronic loads to replace the aged loads, and used the inverter grid to output and feed back the power lost by aged power supplies to the grid for reuse, and thus saved 85% of electricity.	71.89	701.79
10	In 2011, improved the SMT production line by changing single production line to double production lines.	21.60	204.96
11	In 2011, implemented the project of wave soldering plus nitrogen. Its core idea is using nitrogen to reduce oxidation of the solder, and then the solder joint can be formed more easily due to the inert characteristics of nitrogen. In this way, the solder joint can be formed in an environment of 5 ℃ lower, with the same quality.	2.88	27.33
12	In 2011, changed the ordinary high-temperature room to high-temperature cabinet.	523.87	4971.00
13	In 2011, installed solar photovoltaic power generation equipment on the top of the office and factory buildings at headquarters, and the photovoltaic field area became more than 16,000 square meters. Installed more than 4500 pieces of polycrystalline silicon cell components, thus the total capacity reached 1.27 MWp, and the annual electricity generating capacity reached 1.36 million KWh.		1290.50
14	In 2012, installed solar photovoltaic power generation equipment on the top of the office and factory buildings in Xili industrial park, and the photovoltaic field area became more than 23,000 square meters. Installed more than 8880 pieces of polycrystalline silicon cell components, thus the total capacity reached 2.2 MWp, the expected annual electricity generating capacity was 2.4 million KWh, and the actual annual electricity generating capacity was 1.167 million KWh.		1090.44
15	In 2013, replaced all T5 lamps with LED energy saving lamps in Xili industrial park. The average saving rate of lighting was about 65%. About 3,055,716 kWh was saved all year round. Carbon emissions were reduced by about 2818.29 tons.	305.6	2818.29
16	In 2013, promoted self-high-temperature projects in Xili industrial park, and invested in 600 self-high-temperature cabinets. About 6,915,110.4 kWh was saved all year round. Carbon emissions were reduced by about 6,377.81 tons.	691.5	6377.81

Note: The carbon emissions were calculated using the grid emission factor of the year, which was released by the Chinese government.

and framework standards of the ISO 14040 environmental management and life cycle assessment, established comprehensive assessment capabilities of the product life cycles, set up an expert team of ZTE typical products such as mobile phones, multimedia terminals, network broadband terminals, bearer network equipment, and base stations. The expert team analyzed and improved 11 environmental indicators of the life cycles of these products, including: raw material depletion (RMD), energy depletion (ED), water depletion (WD), global warming (GW), ozone depletion (OD), air toxicity (AT), photochemical ozone creation (POC), air acidification (AA), water toxicity (WT), water eutrophication (WE), hazardous waste production (HWP).

ZTE analyzed the terminal products such as smart mobile phones, and found that for the terminals, greenhouse gas emissions, raw material consumption, and energy consumption mainly occur in the manufacturing phase, which is a major environmental hazard stage. Therefore, for the terminal products, to reduce the impact on the environment during the manufacturing phase, reducing greenhouse gas emissions is the critical task. Every year, ZTE establishes environmental protection objectives and greenhouse gas emissions objectives to reduce the impact on the environment.

Through analysis of the system products, ZTE found that the environmental impacts of the system products mainly occur in the use phase, therefore, low energy consumption is the ecological focus when designing the products.
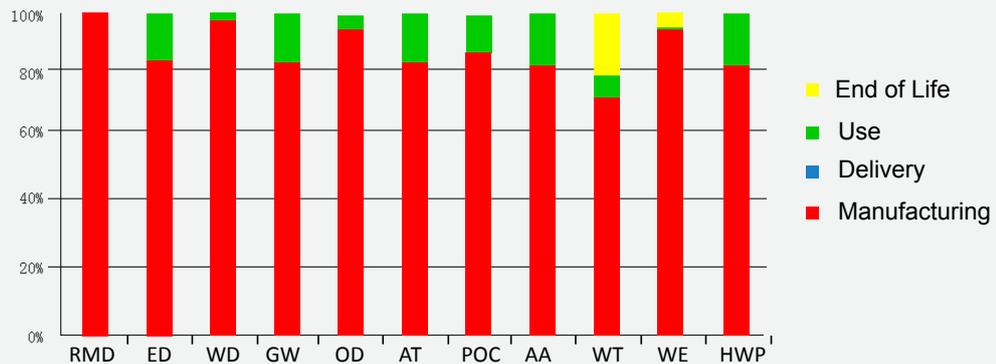

Figure 18 LCA Analysis Results of Smart Mobile Phones
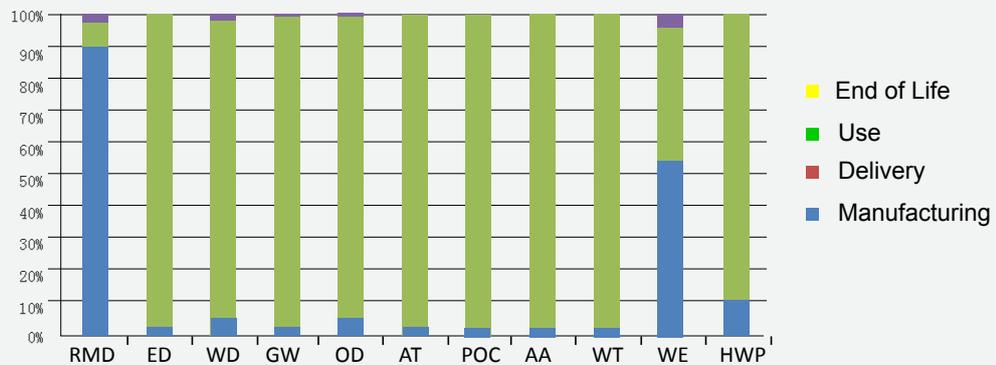
Figure 19 LCA Analysis Results of System Products

ZTE constantly enhances the management and control of hazardous substances, and the product design of environmental protection, thus reduces the product carbon footprints and impacts to the environment. For details, please refer to the Green Operations and Green Products sections of this report.

Green Cloud Conferences

The ZTE meeting shared services center (referred to as "meeting SSC") officially formed in 2010. Videoconferencing and conference calls reduced the number of business travels, and thus reduced transport vehicles emissions, energy consumption, and carbon emissions. In 2013, the company developed new initiatives in conference system optimization, meeting room management, and conference security, and made great strides in meeting services and security, which significantly reduced corporate travel costs and enhanced communications efficiency.

In 2013, the number of videoconferences reached 60,000, which was increased by 50.6% compared to 2012. Videoconferencing has become one of the main forms for remote communications in ZTE.

Green Operations

Energy and Resource Consumption

ZTE established "ZTE Energy Conservation Committee" to comprehensively manage and promote Energy conservation and consumption reduction from the company level. On the one hand, at the product level, ZTE adopts energy-saving measures and promotes clean production to improve efficiency and save energy. On the other hand, at the operating level, ZTE upgraded equipment, and removed the expired equipment or the equipment with high security risks, energy consumption, or pollution levels, to strengthen the daily energy management. With efforts on energy conservation following these two aspects, ZTE made energy conservation more concrete and operational.

Total Consumption and Consumption Structure of Energy and Resources

In 2013, the buildings of ZTE Corporation in Shenzhen consumed different types of energy equivalent to 20,836.187 tons of standard coal, of which purchased electricity accounted for 93.83 percent.

Water Consumption

The water used by ZTE Corporation is mainly from the urban water supply system, without impacts on rivers, lakes, underground water, or glaciers. No industrial water is involved during manufacturing. At present, ZTE Corporation only uses water in offices and for employees' personal needs. The company uses management measures, new technologies, and updated equipment to save water. In 2013, the whole
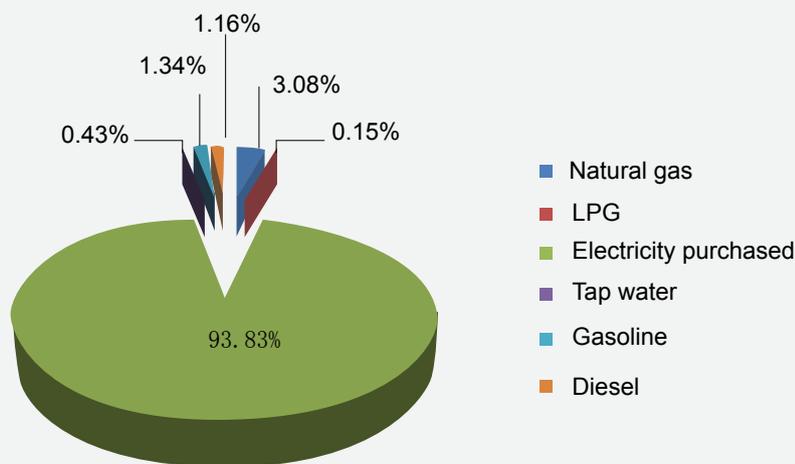
Figure 20 Energy and Resources Consumption Structure of ZTE in Shenzhen

company used 1.0524 million tons of water.

Wastewater

The production processes in ZTE are mainly assembly, so the manufacturing process does not produce any process wastewater. Sanitary wastewater is a general sewage, which comes from wastewater of the office toilets and dining hall kitchens, with no toxic and hazardous substances, or special substances emissions.

Oily wastewater that is generated from the canteen kitchen cleaning is first filtered through filters of a cleaning pool. After the preliminary filtering, solid debris is filtered out, and then the kitchen wastewater flows to a three-level grease trap for grease treatment. After the removal of major pollutants, the wastewater is discharged into the municipal sewer network.

Table 4 Wastewater Discharge Test Results of ZTE in Shenzhen, 2013

Index Name	Emission Limit [mg/L (pH dimensionless)]	Test Result [mg/L (pH dimensionless)]
pH	6-9	6.53
CODcr	110	21.4
BOD5	30	7.8
Animal and vegetable oils	15	0.65

Waste Gas

The waste gas generated by ZTE comes from process exhaust gas and generator exhaust gas in the manufacturing process. In accordance with the level-2 standard, Session II of the local standard Air Pollutant Release Standard DB44/27-2001 of Guangdong Province, all the waste gas is purified and then discharged through pipelines to the high altitude after reaching the required standard.

Table 5 Test Results of the Waste Gas Generated by ZTE in Shenzhen, 2013

Index Name/Year	Year 2013		Emission Standard	
	Emission Concentration (mg/m3)	Emission Rate (kg/h)	Max Allowable Emission Concentration (mg/m3)	Max Allowable Emission Rate (kg/h)
Non-methane hydrocarbons	2.26	2..97×10-2	120(L)	14(L)
Benzene	0.259	3.4×10-3	12	0.70
Toluene	0.126	1.65×10-3	40	4.3
Xylene	0.142	1.86×10-3	70	1.4
Lead	0.038	1.09×10-4	0.7	0.038
Tin	0.296	8.46×10-4	8.5	2.4
Tin	1.28	——	2	--

Noise

The noise of ZTE is generated by air conditioning units, air compressors, cooling towers, fans, pumps, and other auxiliary power equipment. ZTE uses imported or high-quality domestic equipment together with acoustic ceilings and walls in dynamic areas, strengthens routine equipment maintenance, and builds green belts to control the noise. The monitoring results show that the noise at the factory boundary meets the class II standards of the GB12348-90 Method of Measuring Noise at Boundary of Industrial Enterprises.

Table 6 Measurement Results of the Noise at the ZTE Factory Boundary in Shenzhen, 2013

Index Name/Year	Year 2013		Emission Standard	
	Day	Night	Day	Night
Noise (dB)	58.4	48.2	60	50

Waste and Disposal

Industrial waste produced by ZTE includes the general waste, hazardous waste, and recyclable waste. The general waste and recyclable waste are contracted to professional recyclers for disposal and recycling. The hazardous waste is processed by a hazardous waste treatment company authorized by the Environmental Protection Agency.

For the recyclable waste, ZTE makes environmental protection objectives every year, requiring that the recyclable waste be recycled in accordance with the goal of the recycle rate. In 2012, the recycle rate of the recyclable waste ranged from 80% to 95%.

Green Products

Green Design

ZTE Corporation adopted the concept of ecological design at the product design stage to minimize the impact on the environment during the products' life cycle. ZTE Corporation considers the principles of recyclable design, universal design and minimized design at the product design stage, and insists on the design requirements of the EU WEEE directive of recyclability and reuse rate of telecommunications equipment, with recyclability rates of more than 75 percent and reuse rates greater than 65 percent.

In 2013, ZTE continued to explore and promote the concept of ecological design at the network and product architecture design stage. By embedding energy saving design solutions, ZTE aimed to achieve the best energy-saving effect through the control of the R&D HPPD process. ZTE focused on the research on energy-saving technologies of power products, network access products, multimedia products, and Ethernet switch products. Based on the energy efficiency standards and requirements of EU ErP, CoC, Energy Star of North America, and China CQC, ZTE formulated its own enterprise standards of energy efficiency indicators and measurements to evaluate the energy efficiency of such products. In 2013, ZTE power products were certified by the 80 Plus Platinum efficiency level with the average working efficiency up to 92%, which reaches the industry-leading level.

As of 2013, ten ZTE mobile terminal products gained ULE certification, of which two passed the Platinum level. ULE is the latest comprehensive environmental certification for mobile phones, and complies with the standard ULE ISR 110 (UL

Environment - Interim Sustainability Requirements for Mobile Phones), covering hazardous substances, conflict minerals, products and packaging recyclability, recycling procedures, utilization of recycled materials, energy consumption, interface versatility, skin toxicological analysis, LCA, utilization of bio-based or water-based materials, battery directives, packaging directives, forest certification of paper materials, utilization of packaging space, CSR, EHS, and supply chain impact.

Hazardous Substances Management

ZTE Corporation conducts hazardous substances control strictly according to the requirements of the Corporate Social Responsibility Report QC080000 management system throughout the process from product design, procurement, distribution, production, to delivery, with up to 29 types of level-1 controlled substances and 151 to-be-declared substances. In addition, the company established environmental protection labs, achieved RoHS and halogen-free testing capability, and was certified by both CNAS and DILAC. In 2013, ZTE Corporation introduced the advanced environmental protection system WPA (Windchill Product Analytics) and utilized the internal IT system platform, to systematically capture and validate data of suppliers, collect contents of hazardous substances in materials, manage environmental compliance analyses, understand compliance with RoHS, REACH, and other relevant laws and regulations, and ensure that suppliers comply with the requirements of materials and substances. Moreover, the company carried out hazardous substance free process research in collaboration with a number of partners and professional organizations, to reduce the impact on the environment and consumers and achieve sustainable development.

Product Recovery

ZTE Corporation strictly abides by the waste electronic equipment regulations of various countries, and actively boosts the recovery of used products and resource recycling. The company has set up a professional reverse logistics disposal department responsible for green recovery and recycling work of ZTE Corporation. "Safe, Environmental, Professional" is the promise of the company in regard to equipment recycling.

In today's information society, the company attaches importance to information safety. For equipment recycling, the company will conduct a series of strict safety and environmental evaluations before deciding on disposal methods to ensure the information safety of the process and result of disposal, and to ensure that the disposal process is fully transparent and traceable. Green recycling is the company's basic requirement for recycled equipment disposal. The company ensures that recovery and disposal meet the requirements of domestic and international regulations.

The company maintains close cooperation with the world's leading environmental protection service providers and has built a recycled materials disposal network covering the whole world, thus realizing one-stop disassembly and recovery disposal of telecommunications equipment worldwide to dispose electronic waste in an environmentally friendly manner and to reuse resources. The company has set up a recovery disposal master control platform in Shenzhen and regional disposal platforms in various regions throughout China to realize local disposal and service of scrapped materials produced by the various regions. Overseas, the company cooperated with excellent environmental service providers in Asia, Europe, Latin America, and Africa to build regional recycled materials disposal platforms and track the recycled materials disposal process till the recovery disposal is completed, thus ensuring no resources that can be used will be wasted and realizing environmentally friendly disposal of waste.

In 2013, ZTE Corporation reused 96% of global recycling e-waste and disposed of 4% in an environmentally friendly manner. Furthermore, the company has the ability to assist operators in green disposal of waste equipment of other vendors. In 2013, ZTE Corporation provided one-site removal, recycling, and environmental disposal services of used equipment in large swap projects in Pakistan and Nigeria.

Green Solutions

ZTE Corporation pays close attention to green technology innovation of products and considers energy saving and emission reduction technology as a significant aspect of green technology innovation at the level of product appli-

cation. ZTE Corporation's green technology innovation has experienced a long period of development and research, and has continued to further improve the energy saving and emission reduction capability of the network. With respect to the equipment platform, the energy consumption of the SDR platform, ATCA platform, dynamic energy saving technology, energy saving technology based on software, innovative exchange architecture, and highly integrated design can be reduced by 50 percent. With respect to board-level and chip-level energy saving, the innovative technologies including component efficiency improvement, modular design, board density increases, chipset transceivers, and port power consumption control play a crucial role.

Smart Energy-Saving Solution

Currently, the overall global environmental situation continues to deteriorate. Some key watersheds and sea areas are severely polluted. Some regions and cities suffer from atmospheric haze. Emissions of major pollutants exceed the environmental capacity in many areas. As environmental pollution worsens in rural areas, heavy metals, chemicals, persistent organic pollutants, and soil and groundwater contamination emerge, which causes severe ecological damage, degradation of ecosystem functions, and fragile ecological environment in some areas. Environmental emergencies continue to pour in. Environmental pollution has become one of the important factors threatening human health, public safety, and social stability.

Relying on advanced equipment and environmental information systems, ZTE Corporation provides smart energy-saving integrated solutions on the basis of mobile Internet, cloud computing, Internet of Things, and environmental technology, aiming at online environment monitoring, smart energy-saving, and environmental waste recycling. Through real-time online management of pollution sources, the company provides scientific energy-saving solutions for efficient recycling and centralized green disposal of waste, to achieve automated, informatized, and intelligent energy-saving.

Application Case: Environment Monitoring Programs of Bao'an District, Shenzhen

As the major economic and industrial district of Shenzhen city, some environmental information projects have been carried out in Bao'an District. However, the projects are dispersed with relatively independent business systems which can only solve part of the information needs. Therefore, the requirements of a comprehensive intelligent management platform, an adequate environmental emergency command system, automatic detection of pollution sources, video management coverage expansion, and complete monitoring coverage are urgently needed.

ZTE Corporation provides integrated intelligent environmental monitoring solutions for the Environmental Protection Bureau of Bao'an District, including an environmental emergency command system, an environmental monitoring and integrated management system, a comprehensive environmental quality online management system, and a supporting infrastructure engineering and security system.

Through phased project planning and construction, the Environmental Protection Bureau of Bao'an District performs automated and intelligent environmental monitoring and supervision. ZTE helps the Environmental Protection Bureau of Bao'an District to achieve real-time automatic online monitoring of 725 key pollution sources, and integrate video surveillance, environmental data on-line monitoring, the 12369 dispatching system, and the environmental analysis system to connect the Environmental Protection Bureau, Inspection Team, Environmental Protection Office, and enterprises efficiently. This solution significantly shortens the response time of environmental emergencies, increases the decision-making speed, improves administrative performance, and enhances the level of government services.

Green New Energy

Currently, energy shortages have become a constraint on the development of many countries and regions. Global energy development is facing a huge crisis. With frequent outbreaks of nuclear leaks, oil spills and other energy disasters, safe, clean, environmentally friendly, and renewable energy is attracting more attention worldwide. As new green energy, solar energy is clean, renewable, safe, reliable, and cost effective, and attracting attention of many countries, particu-

larly those suffering from energy shortages.

In Africa and parts of Asia, power supply is extremely scarce. There are 580 million people on the African continent that cannot use commercial power, in spite of abundant sunshine in a vast territory. Natural and geographical conditions bring the advantages of abundant solar energy resources which make this continent become the "paradise" of renewable green energy.

With over 20 years' experience of energy development and utilization, ZTE Corporation, together with its partners, is the first Chinese enterprise to provide solar energy products and services for overseas customers, and create the largest solar power system for communication networks (9.18MW solar network, Ethiopia) in the global market. In 2013, ZTE Corporation collaborated with 15 countries and regions in Africa and Asia such as Ethiopia, Zimbabwe, Mozambique, Niger, and Pakistan, for the renewable solar energy projects, including the solar street lighting system, solar video surveillance system, household solar systems, solar pumping system, as well as communication base station solar hybrid power system, to meet the requirements of lighting, water, household electricity, and communication lines in different countries. ZTE green energy products and solutions bring light to thousands of families, establish peace in communities, and pave the way for smooth communications. After visiting the solar demonstration project constructed by ZTE in Niger, Niger government officials said, "ZTE's solar project is the best of the existing similar projects in Niger."

Green Packaging

Smarter2020 shows that, with the application of ICT technology and solutions in transportation, emission reductions in transportation could reach 1.9 GtCO2e (21% of total).

ZTE Corporation launches the concept of green logistics: green packaging to reduce the package types, and convenient storage of devices to save space. ZTE green logistics improve the efficiency of logistics turnover, reduce carbon emissions, and save a lot of transportation costs.

ZTE Corporation used to package products in general board turnover boxes, put them in aluminum foil bags, and then pack them in wooden cases. In 2013, the company replaced the original packaging with the new packaging of "carton + pallet" for delivery which optimizes the carton size and greatly improves the packing volume. The new packaging solution improves by 348%, the quantity of containers, and saves about RMB 445,000 of the procurement and transportation costs of packaging materials.

Fair Operation

Fair Operation

Compliance Management

Observing business ethics and abiding by the local laws and regulations are the basic principles for ZTE's global compliance operations. All ZTE management personnel and employees must strictly comply with the local laws and regulations, industry practices, and standards of ethics. ZTE has zero tolerance towards any illegal act and business ethics violation. The company issued the ZTE Corporation's Code of Business Conduct as the basic behavior of management cadres and ordinary employees. Moreover, the company released special compliance policies and processes for various business fields to guide specific acts of the management personnel and employees in business activities. ZTE Corporation adheres to the idea that "Compliance creates value and everyone is responsible for compliance," popularizes compliance ideas, and provides various compliance trainings, to

create a good environment and culture of compliance within the whole company. Furthermore, the company established a complete mechanism for compliance auditing, and provided a secure, anonymous and confidential complaint and information communication platform for employees, customers, suppliers, and partners by relying on tip-off telephone, email, and IT systems.

In 2013, in order to further promote overall compliance planning, ZTE Corporation established the Compliance Management Committee, and set up a compliance management team for each unit and department, to guide and supervise compliance operation of all business units of ZTE.

In 2014, ZTE Corporation will further carry out special compliance and specific business compliance tasks in key risk fields such as export control, and anti-corruption and anti-bribery. All business units and functional departments will independently perform compliance tasks to jointly promote compliance operation of the company.

Export Control

Conforming to the ZTE export compliance program and the program-based laws and regulations is an important requirement for ZTE operation. Therefore, ZTE Corporation and its subsidiaries must comply with any requirement that is related to or applicable to the transfer, release, re-export, sale or disposal of export controlled equipment, technical data, or technologies.

The Export Control Compliance Manual of ZTE stipulates provisions on the export compliance program, covering partner screening, license management, record management, violation reporting, auditing, re-export, and control requirements. In this manual, all business units of ZTE must strictly comply with the ZTE Corporation's Code of Business Conduct, export compliance program, import and export management measures, and operating guidelines of material inventory of import and export management in business activities. As the highest functional department that is responsible for formulating and implementing the export compliance program, policies, and procedures within ZTE Corporation, the Export Management Committee manages and controls the compliance status of R&D, logistics, sales, after-sales

services, and other aspects.

In 2013, the company invited specialized agencies to provide global export control compliance training. Employees can participate in the professional and authoritative online training anytime and anywhere, and obtain the externally accredited training qualification certificate.

Anti-Corruption and Anti-Bribery

ZTE Corporation firmly abides by the local anti-corruption and anti-bribery laws, and opposes unethical behaviors. We have a clear and simple attitude to corruption and bribery, that is, ZTE Corporation does not allow any form of corruption or bribery. ZTE Corporation preserves the values of transparency and integrity in communications with business partners and governments in all countries worldwide.

In 2013, ZTE Corporation established a complete anti-corruption and anti-bribery compliance system on the basis of the ZTE Corporation's Code of Business Conduct and Anti-corruption and Anti-bribery Policy and Compliance Guidance of ZTE Corporation, including clear and explicit global anti-corruption and anti-bribery policies and compliance guidelines,

gifts and entertainment, community involvement, sponsorship and philanthropy, and specific compliance policies and compliance approval processes in key risk fields.

In order to increase the anti-corruption and anti-bribery compliance awareness of all employees, improve the ability to identify and prevent corruption and bribery risks, and ensure effective implementation of the anti-bribery and anti-corruption policies, we continue to organize a variety of compliance training and communications for employees.

Subsidiary Governance

ZTE overseas subsidiaries are providing effective support for the global business of ZTE Corporation. Building a compliance governance structure for subsidiaries is always the cornerstone of ZTE's global business strategy. Overseas subsidiaries not only undertake the local operational business tasks, but also take the corporate social responsibilities of developing the local telecommunications industry and promoting the local employment. In addition to balancing the relationship between the headquarters (acting as an investor and decision-maker) and its subsidiaries (acting as an operation executor), ZTE Corporation requires its subsidiaries to strictly comply with the local corporate laws, labor laws, investment laws, technology export control laws, customs trade laws, intellectual property laws, and other regulatory requirements, and establish the value concept and brand image of compliance. Continuous compliance management not only safeguards the investment interests of the headquarters, but also expresses concern for the interests and needs of local investment partners, business partners, employees, unions, governments, and market order. ZTE Corporation has made a complete set of sustainable development and management plans. Based on the risk assessment, ZTE selects the subsidiaries with big compliance risks for special compliance rectification every year, to ensure the appropriate governance structure and compliance business conduct.

Trade Competition

ZTE Corporation believes that a fair and open market environment is the basis for healthy competition, as well as the enabling environment for enterprise development. ZTE Cor-

poration always observes business ethics and advocates fair competition. In accordance with ZTE Corporation's Code of Business Conduct, behaviors such as counterfeiting business identifiers and false propaganda are regarded as business ethics violations. In addition, anti-monopoly activity has also been included in the ZTE Corporation's Code of Business Conduct. ZTE has zero tolerance towards any suspected monopolistic conduct that hinders market competition. ZTE Corporation promotes fair competition, strictly complies with the local laws and regulations, creates the harmonious industrial chain and fair competition order, and provides legal and compliance training for related personnel to ensure business compliance.

Compliance Auditing and Supervision

ZTE establishes a platform for compliance reporting, showing no leniency towards any illegal act. Any management personnel and employee who breaks the law shall be punished. The Compliance Auditing Management Regulation is the basic criterion for ZTE Corporation to investigate illegal activities. ZTE's global employees and external partners can contact the compliance audit team through the compliance reporting platform in an anonymous, safe and confidential manner. A compliance audit consists of the following three parts: compliance review, audit of violations, and supplier audit.

-Compliance review: to regularly check the implementation of compliance systems and policies through self-review and review.

-Audit of violations: to investigate, track, and deal with violations and illegal activities through the compliance reporting platform.

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Tel: 0086-0755-26770858

-Supplier audit: to audit the compliance qualifications of ZTE's important suppliers, including the compliance environment, compliance awareness, and compliance system.

Compliance Training

Compliance training is an important part of the compliance program of ZTE Corporation. In 2013, the company launched a variety of compliance training sessions, such as special training in export control, compliance basics training and examinations for all staff, and anti-bribery compliance training. Furthermore, the Compliance Management Committee delivers and popularizes compliance knowledge to employees by sending emails or releasing intranet blogs regularly.

Information Security

Due to the international security events which occurred in 2013, many countries, organizations, and individuals expressed their common concerns about information security and product safety. In 2003, ZTE Corporation began to promote and implement the information security management system. ZTE was the first domestic company that passed the ISO/IEC 27001:2005, and obtained the certificate issued by a third-party certification authority. In 2011, ZTE Corporation was the first Chinese communications company that won the CC certificate from TüV Rheinland Nederland B.V., a Netherlands-based international CC security certification firm. As of the end of 2013, the branches in China, India, USA, UK, France, Germany, Netherlands, Turkey, and Hungary had certified by the ISO / IEC 27001:2005.

The company established the Information Security Management Committee with the President as the director and executive vice presidents and senior vice presidents as members of the committee. As the highest governing body of information security management of ZTE Corporation, the Information Security Management Committee is responsible for strategic planning, major decision-making, and resource coordination of the corporate information security. The Information Security Management Committee holds information security meetings regularly every quarter, conducts risk assessments for core businesses in accordance with international standards, proposes requirements of risk improvement, promotes the implementation, and carries out management reviews. The company set up a dedicated information security management department for routine office work of the In-

formation Security Management Committee. The department is responsible for promoting the construction of the corporate information security management system. In addition, the company set up an information security management team for each business unit, appointed the director of the business unit as leader of the team, and designated the supervisor and head of information security. They are responsible for promoting the construction of information security of their unit. the business unit in charge of the leadership of the head of Information Security Officer and the appointment of competent staff, responsible for promoting a comprehensive information security of the unit.

In accordance with the eleven provisions specified in the ISO/IEC 27001 standard, ZTE Corporation strengthened its own security control, and established an information security system. The company stipulated clear requirements in the fields of organization, business activities, IT systems, physical areas, and embedded the information security system into R&D, sales, logistics, human resources, finance, and other main business processes.

ZTE Corporation divides confidential information into the levels of secret, confidential, and top secret. Among them, customer information (including customer materials and customer data) is defined as confidential information or above. The company abides by the rules of work relevance, minimum authorization, and strict control. That is, relevant documents are defined as confidential or above to ensure that the core materials and data of customers are not disclosed.

Each employee must sign the Information Security Commitment Letter when signing the labor contract, and abide by ZTE's security management regulations. All in-service employees must receive information security training and examinations. The company provides specific security training regularly for commercial, technical, customer information management, and other key positions to improve employees' capabilities to deal with information security issues. The company sets up a three-level auditing system consisting of external information security audits, corporate-level audits, and self-audit of business units, and builds a information security audit team with over one hundred full-time and part-time auditors for daily information security audits. The com-

pany encourages all staff to report disclosure or theft of trade secrets, and gives protection and incentives to reporters. Especially in R&D management and marketing project management, security audits are penetrated into the HPPD process and the LTC process. In the Security Operation Center (SOC) system, the company imposes strict constraints on the whole process from information asset registration, risk assessments, to risk improvement, and sorts out all problems of information security audits and rectification. SOC regularly releases the data of information security to the leaders, management cadres, and employees of ZTE, including integrated indicators showing the information security status of each business unit and individual. It greatly improves the transparency, management and control, and security level of information security.

In recent years, ZTE Corporation investigated several cases of trade secret disclosure every year, which effectively cracks down on the theft of trade secrets, protects the security of the company's core assets, and guarantees normal operation.

Product Security

ZTE Corporation establishes the product lifecycle security guarantee system, and strictly abides by the ISO27001, ISO15408, and ITU.T X.805 standards. With the Product Safety Committee as the leading agency and the Safety Committee Office as the operational platform, the company continuously optimizes product security management structure, and constantly improves the product lifecycle security guarantee system in the fields of R&D, supply chain, man-

ufacturing, validation, service delivery, and security event management, to ensure safe products and solutions for customers.

ZTE Corporation is the first communications equipment manufacturer to get the FIPS certification in China. ZTE's CDMA/WiMAX, BN, CN, FN, GSM/UMTS, and TD products passed the CC certification. Among them, the ZTE CDMA/WiMAX NetNumen U31 was certified by the Netherlands CC Scheme, and became the first product of Chinese communications vendors that obtained the CC certification.

In the field of security evaluation, ZTE Corporation builds its product security laboratory as an independent security certification body within the company. The laboratory is equipped with the world's cutting-edge tools for known vulnerability scanning and unknown vulnerability discovery, to verify whether the product meets the requirements of security standards, baselines, and regulations from the perspective of customers.

In 2014, ZTE Corporation will continue to improve the product information security system, improve the security baselines and R&D standards of all products, optimize the supply chain security management, and establish the ZTE product security management system that satisfies the ISO28000 standard and supplier-oriented procurement security baselines, to integrate the critical product security requirements into all procurement, manufacturing, and delivery activities. Moreover, the company will establish an efficient mechanism for product security information release and emergency response, to ensure that all product security problems will be responded to within 24 hours.

Supply Chain CSR

ZTE Corporation realizes that ZTE Corporation's CSR is not only embodied in the improvement of its own responsibility, but also in pushing forward the continual improvement of ZTE Corporation's entire supply chains' corporate social responsibility. ZTE Corporation always cooperates with global suppliers, and performs continuous evaluations to measure and improve the level of corporate social responsibility of the parties involved, to push forward the benefits and improvement of the supply chains as a whole. By delivering the CSR requirements in the ZTE supply chain, every enterprise aims to be accountable to society.

In order to establish a more friendly cooperation, ZTE Corporation always makes it a goal to become the best customer of suppliers, and encourages suppliers to become enterprises accountable to the society, and shares technology, markets and management experiences with suppliers to help them grow.

ZTE Corporation and its suppliers work together in the fields of social responsibilities and environment management, and join efforts to build responsible, transparent, and green supply chains, for example:

Supply Chain CSR Management System

In 2013, ZTE Corporation continuously improved the supplier CSR management standards, effectively carried out the supply chain CSR management work, and urged the suppliers to continue to abide by and insist on all relevant laws and regulations of supplier CSR management of ZTE Corporation.
Supplier Code of Conduct and CSR Agreement
The ZTE Supplier Code of Conduct specifies the supplier CSR management standards, including:

-Abide by the local laws with the integrity of the law.
-Respect for human rights without violations against human rights in any form.
-Respect for employees' freedom of association and collective bargaining rights.

-Prohibit the use of forced or compulsory labor.
-Prohibit the use of child labor or employment. Take immediate remedial measures if any child labor or employment is found. The remedy should be able to protect their best interests.
-Ensure that underage workers will not engage in hazardous work.
-Prohibit discrimination on the grounds of race, color, age, gender, sexual orientation, disability, pregnancy, language, religion, political beliefs, union membership, marital status, national or social origin, social status, property, birth or other circumstances.
-Do not compel employees or prospective employees to take medical examinations in a discriminatory way.
-Prohibit insulting behaviors on employees.
-Comply with local legal requirements of staff working hours, wages and benefits, and vacations.
-Provide healthy and safe working environment for employees.
-Take measures to protect the environment and be committed to reducing the environmental impact to continue to improve environmental performance.
-Commercial acts, such as bribery, corruption, fraud, and money laundering, are prohibited.

All suppliers of ZTE Corporation must abide by the Supplier Code of Conduct and sign the CSR Agreement with the company.

Strict and Impartial Supplier Introduction

In order for suppliers to have a more definitive understanding of ZTE's CSR requirements, ZTE Corporation conducts CSR surveys in the registration module on its supply chain website. The company specifies a "CSR Zero Tolerance Policy" for new suppliers.

In addition, ZTE Corporation advocates diversity of supply chains during the process of suppliers' introduction, encour-

aging equal involvement by suppliers from different cultures and nationalities. At the same time, the company also instructs suppliers to develop their own diversified supply chains. For example, in an overseas country, ZTE Corporation asked the local key partners, including material suppliers, outsourced service providers, and logistics service providers, to provide the Black Economic Empowerment (BEE) certificate, and meet the requirement of level 4 and above. Otherwise, the company would gradually reduce cooperation until they meet the requirements of BEE.

In 2013, ZTE Corporation introduced 141 new suppliers, 73 of which were field evaluated in respect to CSR. Aiming at the statistical analysis of nonconformities, ZTE Corporation formulated a targeted and focused guidance improvement plan and required the suppliers to establish an effective CSR management system so as to improve CSR at the system level.

Continual CSR Improvement of Existing Suppliers

In addition to providing continuous training on CSR for suppliers, the audit and evaluation of the existing suppliers is also a focus of ZTE Corporation's CSR control.

In accordance with the risk assessment criterion, ZTE Corporation conducts risk assessments for suppliers every year, including plant location, plant size, capital nature, main production activities, volume of business, and CSR certification, and identifies high-risk, medium-risk, and low-risk suppliers. High risk suppliers are required to be field evaluated.

In 2013, ZTE Corporation made more effort in training full and part-time CSR auditors and arranged two classrooms and 14 field training sessions for part-time CSR auditors. The company also issued the supplier CSR management process, improved the supplier CSR auditing guidance tool kit, and signed the CSR agreement with 987 suppliers. In addition, the company updated the supplier CSR audit checklist, conducted field auditing and coaching for high risk suppliers, to continuously help the suppliers improve the CSR performance and reduce CSR risks.

Supply Chain CSR Training

In addition to the continued provision of CSR training for the personnel of ZTE Corporation, it is also a focus of concern for ZTE Corporation to help supply chain members continuously improve their overall CSR levels, share the best practices of CSR in the industry, and successfully implement the key factors of CSR.

In 2013, ZTE Corporation continued to carry out CSR training and field coaching for suppliers. ZTE Corporation worked much more in field auditing and coaching for high-risk suppliers for the sake of better target-oriented CSR training. The company provided the CSR training, including field auditing and coaching, for 135 suppliers, 389 managers and CSR technical personnel from suppliers. The company also invited professional tutors from third-party agencies to share optimal practices in the industry, customers' CSR demands, and CSR know-how. The training covered the trend of the international community to implement CSR and CSR characteristics of the communications industry; a summary of the enterprise health and safety and environmental management system; FAQs and improvement of human rights, business ethics and labor rights; FAQs and improvement of health and safety and environmental management systems; occupational health protection requirements and knowledge; and firefighting expertise. At the end of the training, the company carried out training assessments and the average training satisfaction score was higher than 85 marks.

Conflict Minerals

The mining of Gold, Tantalum, Tin, Tungsten, and other precious metals in the Democratic Republic of the Congo and its neighboring countries has resulted in serious human rights and environmental issues. Part of the mining activities in the region is related with conflicting armed groups that lead to a chronic and unstable situation in the region. These minerals are known as "conflict minerals", which can be widely used in information and communication technology products.

ZTE Corporation has joined the Global e-Sustainability Ini-

tiative (Gesi), one of the main tasks of which is to study the conflict minerals and formulate mineral conflict-related tools (for example, report template, audit guide, Conflict Minerals Free Smelters of tantalum, tin, tungsten and gold).

ZTE has developed a non-conflict minerals policy, that is, ZTE's Policy on Illicit Trade in Natural Resources, and released it in the company's official website. ZTE required all suppliers to sign the agreement of Conflict-free Metal Declaration of Commitment as a part of the formal procurement contract as a promise of no purchase or use of conflict minerals, and asked them to carry out the supply chain non-conflict mineral investigations in accordance with the EICC-GeSI template and submit the investigation report.

Future Challenges and Planning

ZTE Corporation has faced new challenges during the supplier CSR management process. Different suppliers are found with different CSR problems. Through the analysis of nonconformities, the distribution of major nonconformities is identified. ZTE's supplier CSR management is now focusing on how to further break down the audit results of nonconformities, how to help suppliers rectify the nonconformities, and how to make suppliers establish their effective CSR management system to upgrade their CSR level as a whole.

Social Welfare

Social Welfare

ZTE Corporation and its employees have been committed to contributing to the society, cities, and countries. In 2012, with the approval of the Ministry of Civil Affairs, the company set up the "ZTE Charity Foundation". In 2013, the ZTE Charity Foundation was launched officially. With the purpose of advocating public spirit, assuming corporate responsibilities, and promoting public welfare development, ZTE Corporation has been making all efforts to establish special public welfare brands, integrate public welfare resources, improve the Foundation, and encourage influential people in the industry and people from all fields to participate in the cause. By regulating the working system, improving the organizational structure, and enhancing transparency, the company has

conducted many public welfare activities in helping the vulnerable groups, disaster rescue, environmental protection, and scientific awards.

Earthquake Relief for Ya'an, Sichuan Province

On April 20, 2013, an M7 earthquake struck Lushan County, Ya'an City, Sichuan Province. In order to help people in disaster areas for temporary living, the ZTE Charity Foundation

immediately provided much-needed supplies, and sent the first batch of relief supplies to the disaster areas on the morning of April 22. In addition, ZTE Corporation arranged technical engineers to participate in the communications rescue work.

With the efforts of technical engineers, calls in the Baoxing CDMA network were available on April 21, enabling Baoxing to regain contact with the outside world. On April 22, 96% of mobile TD base stations were recovered. The call completion ratio reached up to 99.66%. On April 25, communications in disaster areas were basically recovered after rush repair by 189 technical engineers.

To have and to hold, to focus and to care, ZTE is here. The ZTE Charity Foundation always upheld its spirit. By taking advantage of its industrial strengths and resources, ZTE Corporation made cooperative efforts in disaster relief throughout the entire company, from Shenzhen headquarters, the background command center, product and terminal departments, and logistics and distribution departments, and donated RMB 3.037 million of terminal equipment and relief supplies to the disaster areas to ensure the smooth communications.

Assistance to Veterans of World War II

Since 2005, on the 60th anniversary of the victory of World War II, ZTE Corporation has launched the program named "Employees help Yunnan Veterans of World War II" which received the unanimous support of the whole company. Following the company's years of efforts, the World War II veterans gradually gained care and aid from the local government and the recognition and respect of society as well.

From May 6 to May 12, 2013, the company organized 18 employee volunteers for the tenth time to visit Longyang, Shidian, Changning, Longling, and Tengchong of Baoshan city, Yunnan province, and sent RMB 300,600 consolation money and daily necessities with a total value of RMB 359,000 to 167 war veterans and their families. As of this activity, ZTE Corporation made donations ten times, assisting 236 veterans 1, 360 times with a total of RMB 2.517 million.

The director of the United Front Work Department of Baoshan city said, "ZTE Charity Foundation is the charitable organization that assists veterans for the longest time with the largest amount of donations."

Care for Children

In 2013, in South Sudan, ZTE donated 1,000 customized school bags.

In 2013, in Greece, ZTE sponsored the graduation ceremony of the Arsakeio School.

In March 2013, in Serbia, as one of the sponsors in the local youth cube contest, ZTE provided the intelligent terminal phones as prizes.

In August 2013, in Poland, ZTE jointly held a charity volley-

ball tournament with the customer Polsat, to make donations to the sick and poor children. The company offered the game prizes.

In December 2013, in Poland, during Christmas, ZTE visited the Chotomow orphanage and sent Christmas gifts to the children.

In December 2013, in Algeria, ZTE donated DZD 1,000,000 to the SOS Children's Village.

Orphaned and Poor Children with Nephrotic Syndrome

In recent years, the refractory nephrotic syndrome child morbidity is increasing. If the children with kidney disease cannot be found during early detection, and receive timely and effective treatment, it may become chronic kidney disease, and ultimately chronic renal failure. Children will face the threat of death, or have to accept the more expensive long-term hemodialysis or kidney transplantation.

The ZTE Charity Foundation, together with the Shenzhen Children's Hospital, jointly implemented the "Welfare Project of Rescuing Children with Refractory Nephrotic Syndrome," and donated RMB 200,000 to Shenzhen Children's Hospital, to assist children with refractory nephrotic syndrome in receiving critical treatment and to help parents regain confidence in continuous treatment, so that children could live a normal, healthy, and happy life.

Meanwhile, Shenzhen Children's Hospital was responsible for creating a complete electronic file for children's treatment, including children's basic information, coordination and convergence of the assistance tasks, and tracking and evaluation of the children's rehabilitation status. The ZTE Charity Foundation and Shenzhen Children's Hospital jointly promoted the scientific news about prevention and treatment of nephrotic syndrome, and discussed the development direction of the assistance program.

In order to better help the children with nephropathy syndrome, in 2015, the ZTE Charity Foundation will work with Shenzhen Children's Hospital to build "V-CARE space" to provide space of physical and mental activities for children patients. This program aims to assist children in postoperative psychological adjustments, and provide counseling and training for children's families.

Season of Giving Joint Charity Program

In March 2013, ZTE Corporation, together with the Texas Legends, encouraged more people to raise money for The Boys & Girls Club of Collin County of Collin County, Dallas, through direct donations and new social media platforms, to help the kids aged 6-18 in this community to realize their dreams.

In 2013, ZTE and the Houston Rockets jointly organized two special community charitable activities and a charity night activity. That is, on November 26, more than 100 kids from the Boys & Girls Clubs, Casa de Esperanza and Kids Meals were attended a pre-Thanksgiving dinner on November 26 with Houston Rockets players and their families. After the meal, the kids watched a private screening of the newly released animated movie Free Birds on the center scoreboard screen at Toyota Center. On December 3, ZTE and the Rockets brought scores of kids from the Boys and Girls Club together with Dwight Howard, Terrence Jones, Francisco Garcia and Ronnie Brewer to go on a holiday shopping spree at Target. The kids raced through the aisles with the players to pick out their favorite toys and candies. On December 17, the kids also played bowling with Jeremy Lin and other players together.

"ZTE USA has been in the United States since 1998, and it has always been our tradition to give back to the community and make some positive impact," Cheng said. "I am glad that

the Houston Rockets and ZTE are like-minded and we have the opportunity to team up for this year's Season of Giving. The program gives local children an unforgettable experience with their favorite Rockets players and holiday gifts they might not otherwise receive."

Ted Brown, CEO of the Houston Rockets echoed Cheng's sentiments. "We have already given the kids a movie night, a holiday shopping spree with their favorite players. Some of the kids will also get to go bowling with players such as Jeremy Lin, James Harden, Patrick Beverley, Aaron Brooks and Omri Casspi," Brown said. "It's more than the material gifts," Brown said. "The joy of being with the players is priceless to the kids."

Disadvantaged and Vulnerable Groups

In order to help vulnerable groups in need and promote regional economic development, the ZTE Charity Foundation makes cash and material donations, and offers training and positions to the people that lose the ability of work or suffer from serious diseases, low-income people, and other vulnerable groups. In 2013, the ZTE Charity Foundation donated a total of RMB 372,600 to disadvantaged and vulnerable groups. Among them, it provided assistance to 16 people that suffered from unexpected events or major diseases with RMB 285,000 cash donations, and donated milk powder valued at RMB 87,600 to Ganzhou Bureau of Civil Affairs, Jiangxi Province to help the local poor children and orphans.

On October 15 2013, ZTE Corporation donated its latest Android-4.2 accessible smartphones to the China Disabled Persons Federation on the 30th International White Cane Safety Day in Beijing, to promote information technology accessibility and fair information. These smartphones were provided for people with visual impairments for free, helping them to enjoy the colorful and convenient life brought by the wireless communication technology.

Establishment of Good Samaritan Award

In order to uphold social justice, set a good example, and encourage courageous deeds, the ZTE Charity Foundation provides the Good Samaritan Award for the people who help others when they have problems or need something, or their families. In 2013, the ZTE Charity Foundation awarded Xia Zhengxun who saved a woman suffering a massive blood loss by car the Good Samaritan prize.

Donations to Schools

In September, 2013, the Ministry of Education and ZTE Corporation signed a strategic cooperation framework agreement in the field of higher vocational education. ZTE promised to donate R&D and training equipment valued at RMB 100 million to partner colleges and universities within five years, provide research capacity training for 200 teachers, and support 20 vocational colleges to establish "innovation bases of the ICT industry."

ZTE Corporation always pays close attention to the development of international talents and education in China. In November 2013, as a strategic partner, ZTE Corporation sponsored the 17th "FLTRP Cup" National English Debating Competition. The debating competition is organized by the Central Committee of the Communist Young League, and is hosted by FLTRP.

Environment Protection

In August 2013, ZTE Ethiopia Representative Office organized staff to plant 2,000 trees.

In November 2013, the fifth "Love Knows No Borders" International Charity Bazaar organized by the Ministry of Foreign Affairs was held in Beijing with the theme of "Water, Source of Life: Building Water Cellars for Poor Mountainous Areas in Yunnan Province." ZTE Corporation donated RMB 100,000 to build two water cellars in Jinping County and Malipo County (located in the Sino-Vietnamese border) of Yunnan Province, to solve drinking water problems of local 2,451 people and 565 animals.

CSR Awards

ZTE Corporation's efforts in CSR were widely acknowledged by governments, international organizations, and media. The following are some awards obtained by ZTE Corporation in 2013:

★ In September 2013, ZTE Corporation was named by 51job as one of the "2013 100 Best HRM Corporation."

★ In July 2013, ZTE Corporation was named by China HR as one of the "Best Employers of Chinese College Students".

★ In December 2013, ZTE's international CSR cases were selected in the Collection of International CSR Outstanding Cases in Chinese and Foreign Enterprises.

★ In December 2013, at the he first Annual Conference of Social Responsibility in Chinese Capital Markets jointly organized by the GRI and Securities Times, the Blue Book of Listed Companies: Annual Report on Social Responsibility Information Disclosure of Chinese Listed Companies (2013) was released. Due to the excellent communication mechanism with stakeholders, ZTE Corporation was selected in top ten of the "Social Responsibility Information Disclosure in Chinese Capital Markets".

★ In December 2013, at the 2013 China Corporate Citizenship Forum and the 10th China's Best Corporate Citizenship Award Presentation Ceremony jointly organized by the 21st Century Business Review and the 21st Century Business Herald, ZTE Corporation won the "China's Best Global Corporate Citizenship Award." 。

★ On December 6, 2013, the 3rd Chinese Corporate Development Forum and 2013 Top List of Corporate University Award Ceremony organized by the Overseas Education College of Shanghai Jiaotong University was held in Shanghai. ZTE University was awarded the "Annual Chinese Corporate University Social Responsibility Contribution."

★ In September 2013, ZTE Corporation was selected in the Hang Seng Corporate Sustainability Benchmark Index, Hang Seng A Corporate Sustainability Benchmark Index, Hang Seng A Corporate Sustainability Index, and Hang Seng China & HK Corporate Sustainability Index of the Hang Seng Corporate Sustainability Index Series.

★ In November 2013, the 2012 Corporate Social Responsibility Report of ZTE Corporation won the "Special Award–Supplier" of 2013 Golden Bee CSR China Honor Roll.

Glossary

This glossary contains definitions of certain technical terms used in this report as they relate to the Group. Some of these definitions may not correspond to standard industry definitions or usage.

2G   Second-generation mobile networks utilizing digital wireless technology to provide larger network capacity, improved voice quality and encryption and seamless international roaming for users. Existing mobile communications networks are mainly 2G GSM and CDMA utilizing GSM, GPRS and IS-95B technology for CDMA with a data supply capacity of up to 115.2Kbps, or 384Kbps in case of GSM featuring EDGE technology.

3G   Third-generation mobile networks supporting peak data rates of 144Kbps at mobile user speeds, 384Kbps at pedestrian user speeds and 2Mbps in fixed locations, although some initial deployments were configured to support just 64Kbps. ITU coordinates 3G standards through its IMT-2000 project and key standardization organizations such as 3GPP and 3GPP2.

4G   IMT-Advanced standards as defined by ITU, including LTE-Advanced and Wireless MAN-Advanced (802.16m) standards, supporting theoretical download rates of 1Gbit/s in fixed locations and 100Mbit/s in motion.

GSM   A global system for cellular mobile communications originated in Europe, which has been deployed in more than 170 countries using TDMA radio propagation technology.

CDMA   Code division multiple access, one of the technology standards for 2G mobile communications. It is a spread spectrum technology standard that assigns a pseudo-noise (PN) code to all voice and data bits, sends a scrambled transmission of the encoded voice over the air and reassembles the voice in its original format. By assigning a unique correlating code to each transmitter, several simultaneous conversations can share the same frequency allocations.

UMTS   A reference to WCDMA standards generally used in Europe. 3G technologies have been collectively referred to as UMTS (Universal Mobile Telecommunications System) by European Telecommunications Standards Institute (ETSI) since the early 1990s.

TD-SCDMA   Time division synchronous code division multiple access, a 3G technology developed by China to support voice and data transmission.

LTE	LTE (Long Term Evolution) refers to the long-term evolution of 3G technology with OFDM as the core technology, and is regarded as 4G in the making. LTE is being promoted by 3GPP and its major performance targets include maximum speeds of 100Mbps (download) and 50Mbps (upload) using 20MHz bandwidth. There are two types of LTE, distinguished by the mode of division duplex, namely FDD-LTE of frequency division and TDD-LTE of time division.
SDR platform	Software Defined Radio, a technology where different modes and protocols are implemented by modifications in software and configuration without hardware replacement. The SDR technology provides solutions to a multi-mode, multifrequency and scalable wireless system. The SDR platform is a new-generation multi-mode, multi-frequency and scalable wireless technology platform developed by ZTE.
UPP platform	Unified Packet Platform, a future oriented platform for medium- to high-end products developed by ZTE using IP packet as core technology. It supports a wide range of medium-to high-end products in various product lines such as bearer networks and core networks and raises the start-up thresholds of various products through standardisation and shared core components for better R&D efficiency and product competitiveness. It supports two in-depth measurements to satisfy general application requirements of carriers and corporate users.
V4 platform	A new-generation system platform designed and developed by ZTE to meet market demands for new-generation core network products, wireless base station controllers, services and wireline products. Its software is based on a sound framework with high availability of middleware and its hardware has been improved based on ATCA architecture.
ATCA platform	Advanced Telecom Computing Architecture, an advanced telecom computing structure announced by PICMG (PCI Industrial Computer Manufacturers Group) in 2002 to provide a standardised platform system architecture for telecom-grade applications. It is being extensively used in the telecommunications industry.
ICT	New products and services arising from the integration of IT (information technology) and CT (communications (i.e., the transmission of information) technology).

Wireless multiple network The fusion of wireless technologies with different protocols and fusion systems to achieve maximum network operating efficiency and consistency in terminal-users' experience. This includes the fusion of 2G, 3G, LTE and WLAN at the system equipment level and the terminal level.

Cloud Radio Cloud Radio is an innovative radio solution capable of automatic selection of optimal synchronisation modes based on the properties of the mobile networks and mobile bearer conditions. It can effectively reduce inter-cell interference in LTE networks and significantly boost network performance in the cell edge.

Smart pipe Relative to the "dummy pipe," the smart pipe facilitates optimisation of internet traffic flow through technologies such as flow sensor, classification and control, etc to enhance users' experience and deliver added value.

Internet of Things A network interconnecting all things in the physical world, characterised by comprehensive sensors, reliable transmission and smart processing and aiming at connection at any time, any location and among any objects. It can help to realize the organic integration of the human society with the physical world, so that humankind can manage production and life in a more detailed and dynamic way to generally enhance the level of informatisation of the society.

Cloud Computing A concept underlining the fusion of traditional computing technologies such as grid computation and distributed computation with network technology development. The core idea is to centralise the management and scheduling of massive computing resources connected through the network, forming a pool of computing resources that serve users on an as-needed basis. Cloud Computing is applied in business models such as SaaS, PaaS and IaaS.

Bearer network Bearer layer network that provides the basic bearer function for services. It directs each service information flow from its source to the destination according to various requirements of the service layer and schedules network resources on the basis of the attributes of each service requirement to ensure the functionality and performance of the service, providing QoS assurance and network security assurance for communications of different types and natures.

Core network Mobile network comprises a wireless access network and a core network, the latter of which provides services such as call control, billing and mobility.

PON The provision of optical access services to users through the use of passive optical network technology, offering functions such as Qos, flow management

and security control. PON can be distinguished into FTTH and FTTB, etc based on different destinations of optical connection, or GPON, EPON and 10G EPON, etc based on different standards.

PCT international patent PCT stands for Patent Cooperation Treaty. Patent applications filed pursuant to PCT are referred to as PCT international patent applications. A single filing of an international patent application under PCT will enable the applicant to demand patent protection for its inventions in numerous countries at the same time.

Mobile Internet Internet access service facilitated through mobile terminals such as smart phones/ handheld digital assistants, notebooks and Pad, etc. Enriched by the popularization of smart terminals, Mobile Internet services now include mobile computing, mobile music, smart phone games, positioning technology, wireless communities and wireless payments, etc.

GRI Index

No.	Perfomance Indicator	Relativity	Status	
1.Strategy and Analysis				
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	High	●	4
1.2	Description of key impacts, risks, and opportunities.	High	●	4
2.Organizational Profile				
2.1	Name of the organization.。	High	●	6
2.2	Primary brands, products, and/or services.	High	●	6
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	High	●	9
2.4	Location of organization's headquarters	High	●	6
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	High	●	7
2.6	Nature of ownership and legal form.	High	●	8
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	High	●	6
2.8	Scale of the reporting organization	High	●	6
2.9	Significant changes during the reporting period regarding size, structure, or ownership	High	●	6
2.10	Awards received in the reporting period.	High	●	57
Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	High	●	2
3.2	Date of most recent previous report (if any).	High	●	2
3.3	Reporting cycle (annual, biennial, etc.)	High	●	2
3.4	Contact point for questions regarding the report or its contents.	High	●	71
3.5	Process for defining report content	High	●	2
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	High	●	2
3.7	State any specific limitations on the scope or boundary of the report.。	High	●	2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	High	●	6
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	High	●	2

No.	Perfomance Indicator	Relativity	Status	Reference
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/ periods, nature of business, measurement methods).	Low	○	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Low	●	2
GRI Content Index				
3.12	Table identifying the location of the Standard Disclosures in the report.	High	●	62
Assurance				
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	High	○	
4.Governance, Commitments, and Engagement				
Governance				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	High	●	9
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	High	●	9
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	High	●	9
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.。	High	●	9
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	High	●	9
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	High	●	9
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	High	●	9
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	High	●	12
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	High	●	13
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	High	●	13

No.	Perfomance Indicator	Relativity	Status	Reference
Commitments to External Initiatives				
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	High	●	13
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	High	●	8
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	High	●	8
4.14	List of stakeholder groups engaged by the organization.	High	●	11
4.15	Basis for identification and selection of stakeholders with whom to engage.	High	●	11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	High	●	11
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	High	●	11
5.Management Approach and Performance Indicators				
Economic Performance Indicators				
Aspect：Economic Performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	High	●	6
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	High	●	6
EC3	Coverage of the organization's defined benefit plan obligations.	High	●	6
EC4	Significant financial assistance received from government.	High	○	
Aspect：Market Presence				
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	High	●	6
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	High	●	50
EC7	Procedures for local hiring and proportion ofsenior management hired from the local community at significant locations of operation.	High	●	26
Aspect：Market Presence				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	High	●	18
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	High	●	18
Environmental				
Environmental Performance Indicators				
Aspect：Materials				
EN1	Materials used by weight or volume	High	○	
EN2	Percentage of materials used that are recycled input materials	High	●	41

No.	Perfomance Indicator	Relativity	Status	Reference
Aspect：Energy				
EN3	Direct energy consumption by primary source。	High	●	39
EN4	Indirect energy consumption by primary source	High	●	39
EN5	Energy saved due to conservation and efficiency improvements。	High	●	39
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements	High	●	41
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	High	●	36
Aspect：Water				
EN8	Total water withdrawal by source	High	●	39
EN9	Water sources significantly affected by withdrawal of water。	Low	●	39
EN10	Percentage and total volume of water recycled and reused。	Low	○	
Aspect：Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Low	○	
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Low	○	
EN13	Habitats protected or restored	Low	○	
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Low	○	
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Low	○	
Aspect: Emissions, Effluents, and Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight	High	●	35
EN17	Other relevant indirect greenhouse gas emissions by weight	High	●	35
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	High	●	36
EN19	Emissions of ozone-depleting substances by weight	Low	○	
EN20	NO, SO, and other significant air emissions by type and weight	Low	○	
EN21	Total water discharge by quality and destination	High	●	39
EN22	Total weight of waste by type and disposal method	High	●	41
EN23	Total number and volume of significant spills	High	●	No spills
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Low	○	

No.	Perfomance Indicator	Relativity	Status	Reference
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff	Low	●	39
Aspect：Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation 。	High	●	41
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	High	●	41
Aspect：Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	High	●	No fine
Aspect：Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	High	●	42
Aspect：Overall				
EN30	Total environmental protection expenditures and investments by type	High	○	
Social Performance Indicators				
Labor Practices and Decent Work				
Aspect：Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	High	●	27
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	High	●	28
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees employees, by significant locations of operation	High	●	29
LA15	Return to work and retention rates after parental leave, by gender.	High	●	28
Aspect：Labor/Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements	High	○	
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	High	○	
Aspect：Occupational Health and Safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	High	○	
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region and by gender	High	●	32
LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	High	●	33
LA9	Health and safety topics covered in formal agreements with trade unions	High	○	
Aspect：Training and Education				
LA10	Average hours of training per year per employee by gender and by employee category	High	●	31

No.	Perfomance Indicator	Relativity	Status	Reference
LA11	Programmes for skills management and lifelong learning that upport the continued employoablity of employees and assist them in managing career endings.	High	●	31
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	High	●	31
Aspect：Diversity and Equal Opportunity				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	High	●	27
Aspect：Equal Remuneration for Women and Men				
LA14	Ratio of basic salary of men to women by employee category, by significant locations of operation.	High	●	28
Human Rights				
Human Rights Performance Indicators				
Aspect：Investment and Procurement Practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	High	●	27
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	High	○	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	High	○	
Aspect：Non–Discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken	High	●	27
Aspect：Freedom of Association and Collective Bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	High	●	Not found
Aspect：Child Labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	High	●	Not found
Aspect：Forced and Compulsory Labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	High	●	Not found
Aspect：Security Practices				
HR8	Percentage of security personnel trainedin the organization's policies or procedures concerning aspects of human rights that are relevant to operations	High	●	30

No.	Perfomance Indicator	Relativity	Status	Reference
Aspect：Indigenous Rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Low	○	
Aspect：Assessmen				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	High	●	30
Aspect：Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Low	○	
Society				
Social Performance Indicators				
Aspect：Local Communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	High	○	
SO9	Operations with significant potential or actual negative impacts on local communities	High	●	53
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Low	○	
Aspect：Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption 。	High	●	45
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures 。	High	●	45
SO4	Actions taken in response to incidents of corruption	High	●	45
Aspect：Public Policy				
SO5	Public policy positions and participation in public policy development and lobbying	High	○	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Low	○	
Aspect：Anti–Competitive Behavior				
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	High	●	Refer to ZTE's annual report
Aspect：Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	High	●	Refer to ZTE's annual report
Product Responsibility				
Product Responsibility Performance Indicators				
Aspect：Customer Health and Safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	High	●	49

No.	Perfomance Indicator	Relativity	Status	Reference
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	High	○	
Aspect：Product and Service Labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	High	○	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcome	High	○	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	High	●	23
Aspect：Marketing Communications				
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	High	○	
PR8	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorshipby type of outcomes	High	○	
Aspect：Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	High	○	
Aspect：Compliance				
PR8	Monetary value of significant fines for non-compliance with laws/regulations concerning the provision and use of products and services	High	●	Refer to ZTE's annual report

Status: ●: covered;
○: not covered

Index of 10 Principles of the UN Global Compact

Category	Principles	Reference
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.	Employee Care Supply Chain CSR
Labor standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labor, Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation.	Employee Care Supply Chain CSR
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Environmental Protection
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Fair Operation

Feedback Form for Readers

Dear readers:

Thank you for reading the Corporate Social Responsibility Report of ZTE Corporation for 2013. ZTE Corporation welcomes your suggestions on the CSR report 2013. Kindly please give your suggestions and opinions.

Preparatory Team of the Corporate Social Responsibility Report of ZTE Corporation for 2013

May 2014

Name						
Contact	Tel :			Email :		
Company						
Evaluation	Balance	Comparability	Accuracy	Timeliness	Reliability	Clarity
Corporate Governance						
Sustainability and CSR Management						
Bringing You Closer						
Employee Care						
Environmental Protection						
Fair Operation						
Supply Chain CSR						
Social Welfare						
Overall evaluation						
Your expectations of the next report						

Please give direct scores ranging from 1 to 5, with 1: minimum and 5: maximum.

You can fax your suggestions to: +86-755-26770985