ZTE Corporation

2025 CDP Corporate Questionnaire 2025

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
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09/22/2025, 03:21 am

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

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

Select from:
☑ CNY

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

(1.3.2) Organization type

Select from:
☑ Publicly traded organization

(1.3.3) Description of organization

As a global leading provider of integrated information and communication technology solutions, ZTE provides innovative technologies and integrated solutions for global operators, government and enterprise, and consumers. Founded in 1985 and listed on both the Hong Kong and Shenzhen Stock Exchanges, the company has been committed to providing innovative technologies and integrated solutions for global operators, government and enterprise, and consumers from over 160 countries across the globe. Serving over 1/3 of the global population, the company is dedicated to “enabling communication and trust everywhere for a better future”.
ZTE has completed end-to-end product lines and integrated solutions in the ICT industry. Bolstered with its all series of wireless, wireline, computing power, digital energy, devices and professional telecommunications services, the company has great capability of flexibly satisfying the diversified requirements and pursuits for rapid innovations of global operators, government and enterprise network customers. Currently, ZTE has fully served mainstream global operators, government and enterprise, and customers. With digital economy becoming the key driving force for the sustained and stable growth of the global economy, ZTE has been committed to becoming the “Driver of Digital Economy”, supporting the global digital transformation with innovative ICT technologies. The company continuously increases R&D investment and strengthens its core competitiveness. Up to 2024, ZTE had filed over 93,000 patents worldwide with 48,000 granted. So far, ZTE has been granted 11 Gold Awards, 3 Silver Awards and 39 Excellence Awards of China Patent Awards, ranking the first in the communications industry. In 2024, the company's R&D expenses totaled RMB 24.03 billion, accounting for approximately 20% of revenue, to enhance the competitiveness of products such as servers, storage, data center switches, and other data center products. As a member of the UN Global Compact and Global Enabling Sustainability Initiative (GeSI), ZTE remains steadfast in its commitment to implementing sustainable development principles worldwide. While proactively embracing high-quality development, ZTE, staying attuned to prevailing trends, takes proactive steps to anchor Environmental, Social, and Governance (ESG) principles within the company. ZTE has established a robust top-down

governance framework for sustainable development, seamlessly integrating ESG considerations into its corporate operations and growth strategies. Since 2009, ZTE has released its annual Sustainability Report for 17 consecutive years. In April 2024, ZTE's science-based targets, achieving greenhouse gas emissions reduction in line with the 1.5°C temperature rise limitation pathway and reaching net-zero emissions by 2050 at the latest, have been approved by the Science Based Targets initiative (SBTi). In 2024, ZTE was recognized with EcoVadis Gold Medal for sustainability excellence. In addition, the company was selected for the S&P Global's Sustainability Yearbook 2024 (China Edition) and honored with the title of "Industry Mover". Moving forward, ZTE will continue to promote sustainable development globally, leveraging technological innovation and international collaboration to inject digital vitality into efforts toward the United Nations Sustainable Development Goals, working toward a greener, more inclusive, and resilient future.
[Fixed row]

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

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2024	Select from: ☑ Yes	Select from: ☑ No

[Fixed row]

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

121298800000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

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

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

CNE000000TK5

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

Shenzhen Stock Exchange: 000063 Hongkong: 00763

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No
[Add row]

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

Select all that apply
☑ China

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

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

(1.24.2) Value chain stages covered in mapping

Select all that apply
☑ Upstream value chain
☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:
☑ Tier 4+ suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:
☑ All supplier tiers known have been mapped

(1.24.7) Description of mapping process and coverage

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

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

(1.24.1.1) Plastics mapping

Select from:
☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

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

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

☑ Preparation for reuse
☑ Recycling
☑ Waste to Energy
☑ Mismanaged waste

[Fixed row]

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

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

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

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

The most detail strategic plan which can be implemented and tracked powerfully in ZTE is usually within 3 years.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

10

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

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

Long-term

(2.1.1) From (years)

11

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

Select from:
☑ No

(2.1.3) To (years)

30

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

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

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

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	Select from: ☑ Both dependencies and impacts

[Fixed row]

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

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	Select from: ☑ Both risks and opportunities	Select from: ☑ Yes

[Fixed row]

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

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

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

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ End of life management

(2.2.2.4) Coverage

Select from:
☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply
☑ Tier 1 suppliers
☑ Tier 2 suppliers
☑ Tier 3 suppliers
☑ Tier 4+ suppliers

(2.2.2.7) Type of assessment

Select from:
☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:
☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply
☑ Short-term
☑ Medium-term
☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:
☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply
☑ Site-specific
☑ Local

☑ Sub-national
☑ National
☑ Not location specific

(2.2.2.12) Tools and methods used

Enterprise Risk Management

International methodologies and standards

Databases

Other

(2.2.2.13) Risk types and criteria considered

Acute physical

Chronic physical

Policy

Market

Reputation

Technology

Liability

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ NGOs
☑ Customers
☑ Employees
☑ Investors
☑ Suppliers
☑ Regulators
☑ Local communities
☑ Indigenous peoples

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

Select from:
☑ Yes

(2.2.2.16) Further details of process

ZTE has formulated the Operation Guide to ZTE's Strategic Risk Management， Risk Assessment and BCM Strategy Management Process, and the ZTE Risk Management Regulations. Environmental and Climate-related dependencies, impacts, risks, and opportunity assessment are integrated into the company-wide risk management process. ZTE's dual-carbon project team is responsible for identifying and assessing environmental and climate-related dependencies, impacts, risks, and opportunities. We also communicate with external experts every year to update our risk management methods, scope, and processes in a timely manner. ZTE Risk identification methods include brainstorming, structured/semi-structured interview, questionnaire, historical loss, checklist, fish bone diagram, and business risk decomposition. The risks to be identified include long-term risks, medium-term risks, and short-term risks. According to the risk value (risk value risk probability * risk impact degree), there are five levels: critical risk, high risk, moderate high risk, moderate risk, and low risk. The risk list will be updated quarterly. Direct operation, downstream and upstream value chains, and end of life management are covered in this process. For upstream value chains, we have extended to tier 1 and tier 2 suppliers. ZTE's business covers more than 160 countries and regions, and serves over 1/3 people worldwide. Our assessment covers the global locations, including global Acute physical risks, Chronic physical，Policy，Market，Reputation，Technology， and Liability risks & opportunities analysis. The impact on all stakeholders will be involved as well. ZTE conduct both qualitative and quantitative evaluation. Based on the identified environment and climate risks, ZTE will formulate the corresponding control objectives, KCP, and key control activities. In addition to evaluating the impact on the environment, ZTE will also evaluate the specific financial impact and strategic impact in accordance with the business development trend. If the financial impact of identified risks or opportunities exceeds 50 million RMB, they will be reported to the Board of Directors every six months, and submit them to the Board of Directors for review. Based on the identified opportunities and risks, since 2021, ZTE has set up the Top Ten climate change related projects. In 2024, ZTE has received official approval from the SBTi for its near-term 1.5°C target and long-term net-zero target，and published the ZTE Net-Zero Strategy White Paper as well. In August 2024, based on a comprehensive analysis on ESG risks and opportunities, to better incorporate the philosophy of sustainable development into its strategies and business activities, implement the Environmental, Social, and Governance (ESG) strategies and measures, and improve core competitiveness and sustainable development capabilities, ZTE upgraded the corporate governance system and established the Strategy and Sustainability Committee. In 2024, ZTE conducted a comprehensive analysis of climate change risks and opportunities, identified over 30 risks and opportunities, and incorporated them into management. Besides, we conducted quantitative modeling to assess the significant risks and opportunities involved, estimated the final financial impact, and more clearly evaluated the resilience of the company's sustainable strategy and business model.
[Add row]

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

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

Select from:
☑ Yes

(2.2.7.2) Description of how interconnections are assessed

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

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

(2.3.1) Identification of priority locations

Select from:
☑ Yes, we have identified priority locations

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

Select all that apply
☑ Direct operations
☑ Upstream value chain

(2.3.3) Types of priority locations identified

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

(2.3.4) Description of process to identify priority locations

The management of ZTE's BCM (business continuity management) system requires that the business impact analysis and risk assessment process shall be organized at least once a year. To effectively identify risks, each department of ZTE shall use diversified risk identification methods such as the risk loss list method and process analysis method to comprehensively identify long-term, medium-term, and short-term risks of ZTE. ZTE assesses the risk level in accordance with the probability and impact of the risk. According to the risk value (risk probability * risk impact degree), there are five levels: critical risk, high risk, moderate high risk, moderate risk, and low risk. Based on these five levels, ZTE implements risk grading management and control, and accurately locates the key control points and measures for different risks. The Operation Guide to Supplier Risk Management specifies the dimensions of supplier risk warning, including operational risks, legal compliance risks, and financial risks. Environmental risks are one of the dimensions of early warning. They are defined as "areas where natural disasters such as earthquakes and tsunamis have occurred in history". The responsible personnel need to evaluate the areas and products affected by the risks, and start the risk prevention or emergency mechanism for such risks, such as transferring the production capacity of risk products and increasing the safety stock. As specified in the Operation Guide to the Maintenance of Material Supply Resource Map Information of ZTE, when creating supplier information records, suppliers shall register the addresses, longitude, and latitude of suppliers and their production sites in the SCC system (https://supply.zte.com.cn/). The system will generate a supplier resource map in accordance with the supplier address information. Based on the supplier resource map, the supply location of materials can be queried. At the same time, considering factors such as environmental and climate risks, ZTE can determine whether a certain model, brand, or supplier's products are safe, or whether there are suppliers and their production sites in a key risk area. At the operation level, ZTE has five production bases in Shenzhen, Heyuan, Changsha, Nanjing, and Xi'an. The production resources of each base can be shared, and the production capacity can be backed up mutually. Through flexible production capacity strategies, the production continuity and production capacity requirements can be flexibly guaranteed.

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

Select from:
☑ No, we have a list/geospatial map of priority locations, but we will not be disclosing it
[Fixed row]

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

Risks

(2.4.1) Type of definition

Select all that apply
☑ Qualitative
☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:
☑ Revenue

(2.4.3) Change to indicator

Select from:
☑ Absolute decrease

(2.4.5) Absolute increase/ decrease figure

50000000

(2.4.6) Metrics considered in definition

Select all that apply
☑ Frequency of effect occurring
☑ Time horizon over which the effect occurs
☑ Likelihood of effect occurring

(2.4.7) Application of definition

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

Opportunities

(2.4.1) Type of definition

Select all that apply
☑ Qualitative
☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:
☑ Revenue

(2.4.3) Change to indicator

Select from:
☑ Absolute increase

(2.4.5) Absolute increase/ decrease figure

50000000

(2.4.6) Metrics considered in definition

Select all that apply
☑ Frequency of effect occurring
☑ Time horizon over which the effect occurs
☑ Likelihood of effect occurring

(2.4.7) Application of definition

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

C3. Disclosure of risks and opportunities

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

	Environmental risks identified
Climate change	Select from: ☑ Yes, both in direct operations and upstream/downstream value chain
Plastics	Select from: ☑ Yes, both in direct operations and upstream/downstream value chain

[Fixed row]

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

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China

(3.1.1.9) Organization-specific description of risk

Substantial environmental risks: financial compliance risks caused by the deepening of carbon emissions trading policies 1. Existing performance cost risk: ZTE's Shenzhen production base has been included in the local carbon market since 2014, and its carbon emissions account for about 20% of ZTE's total scope 1 &2 emissions. If ZTE's industrial added value increases or the carbon price rises (the current average annual increase in carbon prices in Shenzhen is about 8%), the cost of purchasing quotas may increase. 2. The risk of incremental expansion of the national carbon market: The Interim Regulations on the Management of Carbon Emission Trading have been implemented since May 2024. Subsequently, other four major bases including Nanjing, Xi'an, Heyuan, and Changsha may also be included in the national carbon market. The carbon emissions of the four major bases account for 70% of ZTE's total scope 1 &2 emissions. If the government's carbon quota allocation becomes stricter or the company's emission reduction progress lags behind, it may trigger significant cost increases. With the carbon price remaining unchanged and the company's emission reduction progress not meeting expectations, the estimated annual quota cost of the company will reach 3.6 million yuan; In a positive context, the company achieved its energy-saving goals through green and energy-saving technological upgrades, achieving zero quota gaps.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

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

Select all that apply

☑ Medium-term

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

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

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

This risk will lead to an increase in compliance and other operational costs, including the cost of replacing and retrofitting high-energy consuming equipment, as well as expenses for purchasing carbon quotas.

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

Select from:
☑ Yes

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

0

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

22809000

(3.1.1.25) Explanation of financial effect figure

We adopt a scenario based dynamic model, combined with historical cost trends, policy extensions, and emission reduction measures for calculation: Future total cost equals ∑ {proportion of regional emissions x regional unit carbon cost x (1+annual increase in carbon price) ^ n} In 2024, the cost of carbon emission quotas for ZTE's Shenzhen region is around 800000 yuan, accounting for approximately 20% of the company's scope 1&2 carbon emissions. In the next five years, assuming an average annual increase of 8% in regional unit carbon costs, and that all five bases of ZTE are included in carbon emission quota management (accounting for approximately 90% of the company's total scope 1&2 carbon emissions), the highest cost of purchasing carbon emission quotas will be: 1. The annual expenditure amount of the five major bases is: 90% * (800000 yuan/20%)=3.6 million yuan 3. The total expenditure for 5 years is ∑ (n=5) {360 * (1+8%) ^ n}=22.809 million yuan The above is the maximum expenditure cost. In fact, we have accumulated rich experience in energy conservation and emission reduction through the upgrading of green technologies and strengthening energy control in recent years. We believe that there is a high probability that ZTE's actual emissions in the future will not exceed the carbon quota allocated by the government, so ZTE does not need to pay additional carbon quota costs, and the cost paid is zero.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

(3.1.1.27) Cost of response to risk

35000000

(3.1.1.28) Explanation of cost calculation

To continuously carry out energy conservation and emission reduction work and reduce the purchase of carbon quotas, the company needs to pay costs including: 1) construction costs for the energy management system, 2) development costs for the electric and carbon visualization APP systems, 3) replacement and renovation costs for high energy consuming equipment, 4) energy-saving promotion costs, and 5) construction costs for photovoltaic power plants (EMC mode, ZTE's cost is 0). The sum of all these costs is the risk response cost, which is approximately 35 million yuan per year. (Note: This cost is not only applicable to this risk, but also applicable to other opportunities or risks.)

(3.1.1.29) Description of response

ZTE has implemented measures to reduce energy consumption, including 1) setting carbon emission reduction targets, 2) utilizing the energy management system and independently developed electric and carbon visualization APP systems to deeply manage the company's electricity consumption, 3) enhancing energy conservation awareness among all employees, 4) replacing old and high consumption equipment, and implementing energy-saving and emission reduction measures such as equipment renovation, etc., and 5) continuously increasing the use of self built photovoltaic energy storage integration to cope with risks. Through the above measures, ZTE has achieved certain results: 1) In 2024, ZTE's operational carbon emissions (Scope 1 and Scope 2) decreased by 45.7% year-on-year; 2) By 2024, the installed capacity of photovoltaics reached 39.8MW, a tenfold increase compared to the benchmark year (2021); 3) The accuracy rate of electric visualization in the park is 98.7%; 4) Since 2021, ZTE has significantly reduced the amount of carbon quotas it needs to purchase, with a compound annual decrease of 34.1%.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

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

(3.1.1.9) Organization-specific description of risk

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

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Disruption in production capacity

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

Select all that apply

☑ Long-term

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

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

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

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

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

Select from:

☑ Yes

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

0

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

265495000

(3.1.1.25) Explanation of financial effect figure

In 2024, according ZTE's annual report, the book balance of ZTE's raw materials and materials under subcontract processing was RMB26549.5million yuan. Nearly 20% of the company's suppliers (including IC factories) are located in areas vulnerable to weather. For these 20% suppliers, if the material preparation costs was absorbed into daily business activities, the minimum anticipated financial effect figure in the long-term is zero. If it cannot be absorbed, the material preparation cost will be increased by 5%, and the annual maximum anticipated financial effect figure in the long-term is 26549.5 *20 %*5% RMB 265.495million.

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

(3.1.1.27) Cost of response to risk

37500000

(3.1.1.28) Explanation of cost calculation

In 2024, the book balance of ZTE's raw materials and materials under subcontract processing was RMB26549.5million yuan. Provision for impairment is RMB3747.85 million yuan. The provision for impairment is about 14 % of the book balance. For the 20% of the company's suppliers located in areas vulnerable to weather, the material preparation cost is about 5%, and the value is RMB 265.495 million （26549.5 *20 %*5%）. For the increased material preparation cost, the provision for impairment is RMB37.5million Yuan （ 265.495* 14%）. And ZTE's cost to the risk is RMB37.5million Yuan.

(3.1.1.29) Description of response

ZTE ‘s measures against material supply interruption include but are not limited to: 1)Implements safety material preparation and reserves safety stock for identified high-risk materials. 2)Implement multi-point supply. The high-risk materials will be supplied from multiple regions and multiple suppliers. 3)Implement spot inventory adjustment. When a supply interruption event occurs, find the spot goods from the spot market. ZTE Implements the above measures to avoid the occurrence of Supply Chain interruption events to the maximum extent. ZTE promote diversity in procurement, build a robust network of resources and channels, empower suppliers, enhance anti-fragility, and continuously improve both supply chain and value chain resilience for reliable material supply. ZTE utilize advanced technologies such as AI, big data, and IoT to achieve digital management of supply chain, enhance information transparency, monitor the supply chain status in real time, predict potential risks, and take timely preventive measures. In 2024, ZTE collaborated with upstream and downstream business units and stakeholders to strengthen end-to-end, multi-scenario BCM drills. Throughout the year, 10 BCM drills were organized, covering various scenarios, such as data center network interruptions, theft, and production and supply disruptions caused by heavy rain, earthquakes, and extreme weather. To ensure production continuity, the company developed coping strategies including capacity transfer, and production plan adjustment to adapt to disruptions of various lengths of time. In 2024，There were no cases of incomplete tasks in the company's manufacturing due to anomalies.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Reputation

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ China

(3.1.1.9) Organization-specific description of risk

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

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

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

Select all that apply

☑ Long-term

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

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

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

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

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

Select from:

☑ Yes

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

0

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

17480000000

(3.1.1.25) Explanation of financial effect figure

At present, the customers who require ZTE to establish SBTi and propose to detailed environmental and climate change requirements for ZTE mainly come from European and American customers. For non European and American customers, ZTE currently does not have any risk of being unable to meet their environmental and climate change requirements. According to ZTE's 2024 annual report, ZTE's revenue from Europe, Americas and Oceania in 2024 was RMB 17480million. If ZTE can meet the requirements of customers, it will not have an impact on the reduction of business revenue. If ZTE cannot meet the requirements of customers, the biggest extreme possibility is the loss of market share for European and American customers, which is 17480 million RMB.

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

(3.1.1.27) Cost of response to risk

45000000

(3.1.1.28) Explanation of cost calculation

The customer's request has accelerated ZTE's process of setting SBTi targets. ZTE SBTi targets has been approved in 2024. In order to achieve SBTi targets, the costs include: 1)Energy management and carbon management informatization construction 2)High energy consumption equipment replacement and renovation 3) Management, training, promotion, and ecological construction expenses 4) Construction of Photovoltaic Power Stations 5) Develop energy-efficient products and solutions. (This cost is integrated into ZTE's investment and is no longer calculated separately) 6) The cost of hiring consulting firms to establish a carbon management system and conduct carbon verification 7) LCA software to calculate product carbon footprint 8) Purchase green electricity or green certificates, etc The sum of all these costs is the risk response cost, which is approximately 45 million yuan in 2024. (Note: This cost is not only applicable to this risk, but also applicable to other opportunities or risks.)

(3.1.1.29) Description of response

The customer's request has accelerated ZTE's process of establishing and achieving scientific carbon targets. In May 2023, ZTE announced its participation in the Science Based Targets Initiative (SBTi). In April 2024, ZTE officially passed the validation for the 1.5 target and long-term net zero target of the SBTi. The main measures being taken by ZTE include: 1) Deeply manage ZTE's electricity consumption using the energy management center system and independently developed electric and carbon visualization APP systems 2) Internal energy-saving and carbon reduction training, low-carbon guidance and audit for suppliers, and value chain

collaborative carbon reduction actions 3) Replace old and high consumption equipment, equipment renovation, etc. to reduce energy consumption 4) Continuously increasing the construction of photovoltaic facilities 5) Develop energy-efficient products and solutions. 6) Hiring consulting firms to establish a carbon management system and conduct carbon verification 7) Introducing LCA software to calculate product carbon footprint 8) Purchase green electricity or green certificates Through the above measures, in 2024 1)ZTE achieved absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year. 2)ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures. 3)ZTE completed carbon footprint assessments for 53 products and collaborated with third-party organizations to complete the carbon footprint certification of 3 products. 4)ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Policy

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Italy
☑ Spain
☑ France
☑ Greece
☑ Sweden
☑ Hungary
☑ Ireland
☑ Bulgaria
☑ Slovakia
☑ Czechia
☑ Denmark
☑ Estonia
☑ Finland
☑ Germany
☑ Luxembourg
☑ Netherlands

☑ Slovenia

(3.1.1.9) Organization-specific description of risk

The EU Carbon Border Adjustment Mechanism (CBAM) has been implemented, and imported steel materials and products, aluminum materials and products are subject to taxes. Since 2026, carbon tariffs will be officially paid, and the proportion of free carbon quotas for imported products will be reduced year by year until they are completely abolished by 2034. The European Commission launched a public consultation in July 2025 to include downstream products of steel and aluminum in the scope of CBAM, but the specific types and scope have not yet been determined. Among ZTE's products exported to the European Union, the products currently involved in carbon emission declaration are mainly iron and steel products and aluminum products used for spare parts, such as equipment panels, brackets, and heat sinks. As the export subject, ICT equipment products do not involve carbon tariffs and the tax amount is not large. But one possibility is that in the future, ZTE's steel and aluminum products involving carbon tariffs will no longer be limited to a small number of spare parts, but will be expanded to steel and aluminum components of ICT equipment products as export entities. The above factors may lead to the risk of ZTE facing significant carbon tariffs by 2034.

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Increased compliance costs

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

Select all that apply
☑ Long-term

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

Select from:
☑ Likely

(3.1.1.14) Magnitude

Select from:
☑ Medium

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

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

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

Select from:
☑ Yes

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

1420000

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

26040000

(3.1.1.25) Explanation of financial effect figure

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

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

(3.1.1.27) Cost of response to risk

1000000

(3.1.1.28) Explanation of cost calculation

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

(3.1.1.29) Description of response

Since 2023, ZTE has trained metal suppliers on CBAM. In 2024， 1)ZTE organized online training for 64 suppliers in the interpretation of the EU's Carbon Border Adjustment Mechanism (CBAM). 2)Based on EU's Carbon Border Adjustment Mechanism (CBAM), ZTE developed the "Guidelines for Metal Product Manufacturers to Comply with the EU Carbon Border Adjustment Mechanism (CBAM)" and the "Simplified Communication Template for Metal Product Manufacturers on the EU Carbon Border Adjustment Mechanism (CBAM)." 3) ZTE guided 31 metal product manufacturers in conducting carbon emission accounting in accordance with CBAM requirements and applied the resulting data in related emission declarations. After mastering the carbon emission calculation method and CBAM requirements, these suppliers have gradually implemented some energy-saving and emission reduction measures, such as increasing the procurement proportion of recycled metal raw materials, deploying photovoltaics on the roof of the factory, using lower emission fuels in the heat treatment process, improving processes to reduce waste, etc.
[Add row]

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

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Revenue

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

0

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

Select from:
☑ Less than 1%

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

0

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

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

ZTE's revenue comes from the sales of ICT products and solutions, mainly serving the telecommunications industry. Both ZTE's own and its customers' businesses are not threatened by climate risks. In 2024, ZTE's "Green Digital Path" strategy was well implemented, resulting in good environmental performance in operations, supply chain, products, and other aspects, effectively ensuring the market competitiveness of products without significant revenue losses due to environmental issues.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ OPEX

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

800000

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

Select from:
☑ Less than 1%

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

0

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

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

According to Shenzhen's annual carbon quota allocation plan for 2024, ZTE needs to purchase carbon quotas at a cost of about 800,000 RMB. The proportion of OPEX is small (less than 1%).
[Add row]

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

Select from:
☑ Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply
☑ Shenzhen pilot ETS

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

Shenzhen pilot ETS

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

4.71

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

16.8

(3.5.2.3) Period start date

12/31/2023

(3.5.2.4) Period end date

12/30/2024

(3.5.2.5) Allowances allocated

99423

(3.5.2.6) Allowances purchased

24162

(3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

1636.24

(3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

121948.37

(3.5.2.9) Details of ownership

Select from:
☑ Facilities we own and operate

(3.5.2.10) Comment

N/A
[Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Since 2014, the ZTE has been included in Shenzhen Pilot ETS as the first batch of enterprises. The government allocates carbon quotas to ZTE each year.If the carbon emissions of ZTE in the current year exceed the allocated carbon quotas, ZTE need to buy the carbon quotas. To this end, ZTE has formulated a systematic strategy to reduce carbon emissions, lower quota purchase costs, and ensure compliance through technological innovation and management optimization. The detail measures taken by ZTE are as follow: 1. Governance and Compliance: By obtaining ISO 14064 & ISO 50001 & ISO14001 certifications, we ensure the scientific and transparent quantification of greenhouse gas emissions, and ensure that global operations comply with environmental regulations 2. Emission reduction targets and climate action: ZTE sets ambitious emission reduction targets based on the Science Based Carbon Target (SBTi). Starting from September 2022, ZTE has implemented an internal energy quota system, allocating quantitative energy indicators to R&D, production, administrative and other units according to business needs. Energy consumption data will be publicly disclosed every month and included in the annual assessment of each unit. In 2024, ZTE's carbon emissions in the Shenzhen area decreased by 24.6% compared to the base year (2021) 3.Technological energy conservation: By 2023, the Xili Industrial Park in Shenzhen completed the frequency conversion renovation of the wind cabinet, achieving a comprehensive energy saving rate of 50%; In 2024, ZTE continued to promote the green

upgrading of equipment, including the energy-saving project of the main engine in Xili Park and the variable frequency transformation of the air compressor in the Science and Technology Park. The project planning and approval have been completed in 2024, and it is expected to be completed in 2025; In addition, Shenzhen has strengthened the maintenance of photovoltaic panels to ensure the stable operation of photovoltaic power stations, with a total photovoltaic power generation of 2.271 million kWh in 2024 4. Energy saving management: Starting from Q4 2023, the Shenzhen region will implement extreme energy-saving measures. While ensuring business operations, it will implement a "turn off as many as possible" policy, promptly shutting down all unused electrical equipment to achieve excellent management results. 5. Carbon data compliance and transparent disclosure: In April each year, a third-party organization is commissioned to complete carbon verification in accordance with the requirements of Shenzhen ETS, submit it to the government, and publicly disclose the data to ensure compliance 6. Future plan: In the future, ZTE will continue to monitor policy developments in the global carbon emissions trading system, analyze the impact of policy changes on the company in a timely manner, and develop corresponding response strategies. ZTE will strengthen its learning and training on carbon trading related laws and regulations to ensure strict compliance with legal requirements during its participation in carbon trading. At the same time, ZTE will set annual goals based on scientific carbon targets and decompose them into various units to implement energy-saving and emission reduction measures, reduce the company's annual carbon emissions, and lower the company's quota procurement costs.

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

	Environmental opportunities identified
Climate change	Select from: ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

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

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ China

(3.6.1.8) Organization specific description

According to the International Energy Agency (IEA) NZE scenario, in order to achieve the 1.5 ° C temperature rise limit target under the Paris Agreement, the energy industry will undergo profound changes in the coming decades, with a huge demand for investment in digital energy. ZTE has nearly 30 years of experience in digital energy solutions. In the past, as a leading ICT digital energy solution provider, ZTE mainly focused on the ICT industry, providing digital power, energy storage, temperature control and other energy solutions. The trend of global climate transition and energy change has expanded the capacity of the ICT digital energy market and driven the upgrading and replacement of products. In addition, industries such as electricity, parks, and transportation have larger demand scales, which are tens of times larger than the ICT market. This provides us with huge demand traction for expanding new markets and deriving new solutions. In the future, ZTE may use its leading digital energy technology to enter the global climate change core business, creating green and low-carbon oriented new energy solutions for various industries, covering end-to-end business scenarios on the power generation side, grid side, and user side.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

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

Select all that apply

☑ Long-term

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

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:
☑ High

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

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

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

Select from:
☑ Yes

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

50000000000

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

100000000000

(3.6.1.23) Explanation of financial effect figures

Industry organizations expect that from 2024 to 2030, the cumulative investment scale of digital energy facilities such as photovoltaics, energy storage, smart grids, and energy conservation in China will exceed 10 trillion yuan. Based on the distribution of the industrial chain and the market competition pattern, ZTE Corporation can set its market share target at around 0.5% to 1%, with the potential to achieve a cumulative revenue of 50-100 billion yuan. The median expectation is (500+10000)/2 equal 75 billion yuan.

(3.6.1.24) Cost to realize opportunity

30000000000

(3.6.1.25) Explanation of cost calculation

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

(3.6.1.26) Strategy to realize opportunity

In December 2021, ZTE established the Digital Energy Operation Division and increased its investment in digital energy for the R&D, production, and sales of new products. Data center energy: We construct data centers with high availability which is conducive to green energy conservation, quick and easy fabrication, smart management and security and reliability. A full range of prefabricated modularised solutions have been introduced to meet the varying requirements for new or converted full-scenario solutions ranging from ultra-large to micro sizes. We have fostered capabilities in full-stack data centre solution under the intelligent computing scenario and end-to-end delivery, whilst launching a complete range of proprietary liquid cooling products such as immersive liquid cooling, cold-board liquid cooling, EDU and blind-mate connection cabinet, and other innovative products such as modularised AHU and integrated power module. Our Binjiang Liquid Cooling Smart Computing Centre has adopted a cold-board liquid cooling solution with a PUE level as low as 1.1. Data centre orders from the overseas market for 2024 increased by 100%, year-on-year. Communication energy: ZTE has launched the “zero-carbon” energy net solution V3.0 to explore green power application, network energy efficiency and smart maintenance on the back of network power conservation. On the back of key innovative technologies such as sPV, ultra-high-efficiency conversion, smart backup and storage, smart power distribution, smart temperature control and AI multi-energy scheduling, we have been focused on implementation of minimal site, green machine room, green industrial complex and energy operation, among others. Communication energy storage: ZTE has continued to make intensive efforts in the development of communication energy storage and supported storage integration and multiple forms of energy storage conducive to low-carbon energy consumption. ZTE has been a leading supplier in the communication energy storage sector with a growth rate of over 30% in terms of annual dispatch of lithium batteries for 2024. In the domestic market, we have made breakthroughs in a number of carriers for our station site PV solutions, In the overseas market, we have made breakthroughs for international carriers in connection with a full range of products such as power source, batteries and station site PV solutions. Orders from international tower manufacturers increased by 60% year-on-year.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ China

(3.6.1.8) Organization specific description

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

(3.6.1.9) Primary financial effect of the opportunity

Select from:
☑ Reduced direct costs

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

Select all that apply
☑ Long-term

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

Select from:
☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:
☑ Medium

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

Reduce the operating costs associated with purchasing energy / electricity.

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

Select from:
☑ Yes

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

211500000

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

211500000

(3.6.1.23) Explanation of financial effect figures

In 2024, about 75% of the designed capacity of photovoltaic power in ZTE Shenzhen, Heyuan and Nanjing Binjiang has been connected to the grid for power generation, with an annual power generation of over 29 million kWh. The unit price of photovoltaic power generation is lower than the grid unit price (discounts vary in different regions). Based on the difference in unit price and the total photovoltaic power generation, the company expects to save about 8 million yuan in electricity bills annually. In addition, it is expected that the company's photovoltaic projects in Changsha and Xi'an will be smoothly connected to the grid by 2025, with an annual power generation of 6 million kWh, and an estimated annual savings of about 1.4 million yuan (estimated at a 70% discount to the power grid). The total annual electricity cost savings will be about 9.4 million yuan. Calculated based on 25 years of operation of photovoltaic equipment, taking into account attenuation, and assuming a total attenuation of 10%, the long-term revenue can be obtained: 940 X 25 X (1-10%) equal 211.5 million yuan.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

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

(3.6.1.26) Strategy to realize opportunity

ZTE has already or is currently constructing large-scale rooftop photovoltaic facilities in various parks across the country. Based on the years of operation of the Shenzhen photovoltaic power station, ZTE continues to increase the use of self built photovoltaic new energy that integrates light and storage, achieving spontaneous self use of electricity and grid connection of surplus electricity. In 2024, about 75% of the designed capacity of photovoltaic power in ZTE Shenzhen, Heyuan, and Nanjing Binjiang has been connected to the grid for power generation, with an annual power generation of over 29 million kWh. The construction of photovoltaics in Xi'an and Changsha is ongoing, and we are also actively promoting scenarios such as facade photovoltaics and carport photovoltaics. It is expected that by 2025, the

local photovoltaic power generation will reach 5% to 10% of the company's total electricity consumption.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:
☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply
☑ China

(3.6.1.8) Organization specific description

1) CDP and a client of ZTE have jointly developed a framework that specifically addresses GHG emissions in the supply chain, serving as the basis for a new environment related supply chain financing plan. ZTE has been invited to share the environmental performance scores with the financing banks, so that we have the opportunity to receive preferential financing rates based on the ranking of scores. 2) ZTE’s deposits with a bank are placed in an ESG-linked deposit product whose interest rate is indexed to the ESG score assigned by an independent rating agency.

(3.6.1.9) Primary financial effect of the opportunity

Select from:
☑ Increased access to capital at lower/more favorable rates

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

Select all that apply
☑ Short-term

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

Select from:
☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:
☑ Low

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

1)As a supplier, ZTE Corporation is required to disclose sustainable development information and obtain preferential financing rates for sustainable development under the financing bank, effectively reducing financing interest expenses. 2)If ZTE's ESG rating from a third-party agency meets the bank's ESG-linked deposit product threshold, the company can earn a higher interest rate than that of conventional deposits.

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

Select from:
☑ Yes

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

100000

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

320000

(3.6.1.23) Explanation of financial effect figures

1) If ZTE's sustainable development rating and performance meet the requirements set by banks, ZTE can get corresponding sustainable development preferential financing rates, such as a 5 basis point reduction in interest rates. For projects that utilize sustainable development preferential financing rates, financing interest can be reduced by approximately RMB 50,000 to 120,000 annually. 2) The ESG-linked deposit product is projected to add approximately RMB 50,000 to 200,000

annually in deposit interest for ZTE.

(3.6.1.24) Cost to realize opportunity

45000000

(3.6.1.25) Explanation of cost calculation

To meet the ESG rating requirements of banks, ZTE has taken a series of measures, including improving its internal management system, setting scientific carbon targets, and implementing a series of energy-saving and emission reduction measures. The costs include: 1)Energy management and carbon management informatization construction 2)High energy consumption equipment replacement and renovation 3) Management, training, promotion, and ecological construction expenses 4) Construction of Photovoltaic Power Stations 5) Develop energy-efficient products and solutions. (This cost is integrated into ZTE's investment and is no longer calculated separately) 6) The cost of hiring consulting firms to establish a carbon management system and conduct carbon verification 7) LCA software to calculate product carbon footprint 8) Purchase green electricity or green certificates, etc The sum of all these costs is the opportunities response cost, which is approximately 45 million yuan in 2024. (Note: This cost applies not only to this opportunity, but also to the response to other opportunities or risks)

(3.6.1.26) Strategy to realize opportunity

In order to seize this opportunity, ZTE has taken a series of measures to enhance its ESG rating and performance, including improving its internal management system, setting scientific carbon targets, and implementing a series of energy-saving and emission reduction measures. 1)In April 2024, ZTE's scientific carbon targets was approved by SBTi. 2)In May 2024, as witnessed by CSO and other stakeholders, ZTE has released the White Paper of ZTE's Zero Carbon Strategy. 3)Energy management and carbon management informatization construction: self-developed electricity and carbon visual APP 4)High energy consumption equipment replacement and renovation 5)Management, training, promotion, and ecological construction 6)Construction of Photovoltaic Power Stations 7)Develop energy-efficient products and solutions. 8)Hiring consulting firms to establish a carbon management system and conduct carbon verification 9)LCA software to calculate product carbon footprint 10)Purchase green electricity or green certificates, etc In 2024, ZTE CDP has made CDP 'A List' for two consecutive years. ZTE was recognized with EcoVadis Gold Medal for sustainability excellence, ranked among the top 4% globally. Additionally, the company has been included in the FTSE4Good Index Series for the ninth consecutive year and selected as a constituent of the Hang Seng Corporate Sustainability Index Series for the 13th year.
[Add row]

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

Climate change

(3.6.2.1) Financial metric

Select from:
☑ Revenue

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

5800000000

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

Select from:
☑ 1-10%

(3.6.2.4) Explanation of financial figures

In 2024, ZTE's digital energy business revenue was 5.8 billion yuan, accounting for about 4.8% of the company's revenue. The compound growth rate in the past three years was 26%.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ OPEX

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

8000000

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

Select from:
☑ Less than 1%

(3.6.2.4) Explanation of financial figures

In 2024, about 75% of the designed capacity of photovoltaic power in ZTE Shenzhen, Heyuan and Nanjing Binjiang has been connected to the grid for power generation, with an annual power generation of over 29 million kWh. The unit price of photovoltaic power generation is lower than the grid unit price (discounts vary in different regions). Based on the difference in unit price and the total photovoltaic power generation, the company expects to save about 8 million yuan in electricity

bills annually.ZTE's OPEX expense in 2024 is CNY 37.4 billion. The proportion of saved electricity fees to the OPEX is less than 1%.
[Add row]

C4. Governance

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

(4.1.1) Board of directors or equivalent governing body

Select from:
☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:
☑ More frequently than quarterly

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

Select all that apply
☑ Executive directors or equivalent
☑ Non-executive directors or equivalent
☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:
☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

ZTE acknowledges the importance of Board diversity for corporate governance and has formulated the Board Diversity Policy as part of the Working Rules for Nomination Committee of the Board of Directors (Page 7), which primarily provides that: When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, gender, age, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, expertise, skills and know-how. It can be downloaded via: https://www.zte.com.cn/content/dam/zte-site/investorrelations/en_company/ZTE%20CORPORATION%20Working%20Rules%20for%20Nomination%20Committee%20of%20the%20Board%20of%20Directors.pdf

(4.1.6) Attach the policy (optional)

ZTE Corporation Working Rules for Nomination Committee of the Board of Directors.pdf
[Fixed row]

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

	Board-level oversight of this environmental issue
Climate change	Select from: ☑ Yes
Biodiversity	Select from: ☑ Yes

[Fixed row]

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

Climate change

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

Select all that apply
☑ Board chair
☑ Director on board
☑ Chief Executive Officer (CEO)
☑ Chief Operating Officer (COO)

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

Select from:
☑ Yes

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

Select all that apply

☑ Individual role descriptions

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

Select from:

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

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

Select all that apply

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

(4.1.2.7) Please explain

The Board of Directors are accountable to the general meeting of shareholders and exercise the following functions and powers: 1)to determine ZTE's business plans and investment proposals; 2)to formulate ZTE's proposed annual financial budgets and final accounts; 3)to draw up plans for any material acquisition, repurchase of ZTE's shares, merger, changing in the form, division or dissolution of ZTE; 4)to decide on the set up of ZTE's internal management structure; 5)to appoint or remove ZTE's president and the secretary to the Board of Directors; to appoint or remove senior officers, including the EVP and chief financial officer of ZTE, based on the recommendations of the president, and to decide on their remuneration as well as matters relating to rewards and penalty; 6)to formulate the basic management system of ZTE; 7)to supervise the disclosure of ZTE's information; 8)to decide on matters relating to foreign investment, purchase or sale of assets, mortgage of assets, provision of other guarantees, entrusted asset management and connected transactions by ZTE within the scope of authority conferred by the general meeting. These responsibilities include those related to climate change, such as: 1)The board of directors approves ZTE's annual sustainable development strategy, major projects and related work plans, and regularly listens to reports from the Sustainable Development Management Committee to ensure that ZTE's sustainable objectives are achieved. The board of directors reviews the company's annual report and sustainability report. Environmental protection and carbon emission reduction are important contents of ZTE's sustainability report. 2)On a quarterly basis, the ESG team report to the senior leaders, such as the Chairman, President, CSO and other Top management, reporting ZTE's ESG strategy and implementation plan, including budgets, challenges, risks, opportunities and progress of SBTi.

The impacts of latest sustainable development directives on the company will be reported as well. In 2023, ZTE joined SBTi after approval by top management.In April 2024, the target was approved by the SBTi. 3)In 2021, with the approval of the Chairman, ZTE restructured the level-2 unit: Product operation division of digital energy. 4)In 2024, with the approval of the Chairman, ZTE established the Strategy and Sustainability Committee. The Chairman serves as the director of the Committee; the President is the deputy director, and all the EVPs and the head of Strategy and Investment are standing members of the Committee. 5)In March 2025, the board of directors and senior management have been re-elected. The new board of directors reviewed and approved the appointment of the company's president and EVPs. Upon corporate deliberation and the Chairman's authorization,SVPs were appointed, including the approval of the Chief Strategy Officer (whose responsibilities encompass overseeing climate change strategy).
[Fixed row]

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

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

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

(4.2.3) Environmental expertise of the board member

Experience

[Fixed row]

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

	Management-level responsibility for this environmental issue
Climate change	Select from: ☑ Yes
Biodiversity	Select from: ☑ Yes

[Fixed row]

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

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

Engagement

Policies, commitments, and targets

Strategy and financial planning

Other

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

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

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

In August 2024，the Strategy and Sustainability Committee is established by integrating the functions of the Strategy Committee and the work related to sustainable development. The Chairman serves as the director of the Committee; the CEO is the deputy director, and the head of Strategy and Investment (CSO Chief Strategy Officer) are standing members. The main responsibilities of CSO includes: 1) Formulates medium and long-term corporate strategic plans (corporate strategy including climate issues), promotes the implementation of corporate strategies, monitors and evaluates the implementation status, and makes timely responses and adjustments. 2) Takes charge of the daily operation of the Committee, and takes the lead in high-level discussion of major strategic issues to provide decision-making support for major strategic issues. 3) Plans and manages ZTE's strategic objectives, strategic tasks, and strategic resources to ensure the reasonableness of strategic objectives, the correctness of directions, and the effectiveness of resources. 4) Builds ZTE's strategic organizations and optimizes the strategic processes and systems to continuously improve the maturity of the company's strategic management. 5) Takes charge of strategic cooperation and ecological construction 6) Plans and implements capital operation projects, such as major mergers and acquisitions, asset sales, and capital operation projects. 7) Looks for new business fields and directions for the long-term development of ZTE. Based on this, CSO can incorporate climate issues into ZTE's strategy and long-term planning, and regularly / irregularly report to the Chairman and CEO. As the director and deputy director of the Committee, the chairman and CEO will submit significant topics of strategy and sustainable development to the board of directors for consideration in a timely manner to ensure that the objectives, plans, and transformation plans of ZTE's strategy and sustainable development are achieved.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Other

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

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

Select from:
☑ As important matters arise
[Add row]

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

Climate change

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

Select from:
☑ Yes

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

10

(4.5.3) Please explain

To ensure the fulfillment of ZTE's sustainable development goals, since 2023, the completion of dual-carbon project goals has been linked to the annual performance appraisal scores and bonuses of the senior management who are closely related to the project, such as the CTO, Chief Strategy Officer, and SVPs in charge of Supply Chain and Administration Affairs and Real Estates. In 2024, the impact of appraisal results on performance bonuses of relevant senior management ranged from 3% to 10%. It has been disclosed in ZTE's Sustainability Report
[Fixed row]

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

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

Strategy and financial planning

Emission reduction

Resource use and efficiency

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

ZTE provides climate change-related monetary incentives to CTO, Chief Strategy Officer (CSO), Senior Vice President (SVP) in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates. ZTE's dual-carbon strategy implementation project team is led by the CSO. This project includes three sub-projects in R&D, Supply Chain, and Operation which is led by CTO, SVP in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates. ZTE has established SBTi and set annual energy conservation targets, and the targets are broken down to each unit. Short-Term incentives: The completion of dual-carbon project goals has been linked to the annual performance appraisal scores and bonuses of the senior management who are closely related to the project, such as the CTO, CSO, and two SVPs. In 2024, the impact of appraisal results on performance bonuses of relevant senior management ranged from 3% to 10%. Long-Term incentives: To support the fulfillment of its long-term strategic objectives, ZTE has designed and launched the "Three-Year Award Plan" since 2019, which is mainly aimed at SVP (including CSO, SVP in charge of Supply Chain, and SVP in charge of Administration Affairs and Real Estates) and core high-potential employees of ZTE. At the end of 2024, Three-Year (2025–2027) Incentive Program was launched for the third period.This reward plan calculates the bonus amount that can be redeemed and distributed in accordance with the achievement of annual performance objectives. The OKR evaluation result of the dual-carbon project, as an additional item, has a certain impact on the annual performance appraisal score of each SVP.

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

The climate change-related monetary incentives to CTO, Chief Strategy Officer (CSO), Senior Vice President (SVP) in charge of Supply Chain, and SVP in charge of

Administration Affairs and Real Estates，reflect the ZTE’s commitment to climate change and the importance attached to the climate transition plan, and help the leaders invest more resources, time and energy to achieve the targets, promote and accelerate the implementation of ZTE's climate commitment and climate transition plan, and improve ZTE's core competitiveness and market share.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

(4.5.1.2) Incentives

Select all that apply

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

Emission reduction

Resource use and efficiency

Policies and commitments

Engagement

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

ZTE has established a dual-carbon project team to set up project objectives and milestones each year, and rewards are made according to the project progress and milestone completion status. After energy conservation targets are achieved, a certain proportion of the amount shall be deducted as rewards for the corresponding team members. Short-Term incentives： awards for improvement of employee awareness on environmental and climate change issues， suppliers capability

improvement for compliance with environmental requirements awards, awards for excellent energy-saving products and solutions, carbon project milestone and objectives achievement awards, carbon emission reduction targets achievement awards etc. In 2024, according to the achievement of the ZTE's energy conservation targets, the total amount of rewards granted by the ZTE was about RMB 2 million Yuan. Long-Term incentives: To support the fulfillment of its long-term strategic objectives, ZTE has designed and launched the "Three-Year Award Plan" since 2019, which is mainly aimed at SVP and core high-potential employees of ZTE. At the end of 2024, Three-Year (2025–2027) Incentive Program was launched for the third period.This reward plan calculates the bonus amount that can be redeemed and distributed in accordance with the achievement of annual performance objectives. Some members of the management team have also been included in the incentive list of the three-year reward plan due to their excellent performance, such as helping the company achieve its dual carbon goals and improving its ESG rating.

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

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

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

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain

(4.6.1.4) Explain the coverage

ZTE Corporation has released ZTE's Zero Carbon Strategy White Paper. In the white paper, ZTE's scientific carbon targets are listed, covering scope 1, 2, and 3, including short-term targets, long-term targets, and net zero targets, as well as a roadmap to achieve these goals, Including the fourth phase by 2050: 100% of electricity consumption will be renewable energy, and detail action plans. The white paper clearly states the management's commitment, governance, and resource allocation. ZTE's green and low-carbon strategy based on digital intelligence innovation, focusing on four key dimensions: Green Operation, Green Supply Chain, Green Digital Infrastructure, and Green Empowerment is also disclosed in the White Paper. This strategy aims to build a green pathway for digital economy, internally promoting its own green initiatives and externally empowering industry energy conservation and carbon reduction. ZTE's Zero-Carbon Strategy White Paper：https://www.zte.com.cn/content/dam/zte-site/res-www-zte-com-cn/green_lowcarbon/pdf/ZTE%20Net-Zero%20Strategy.pdf.

(4.6.1.5) Environmental policy content

Environmental commitments

Climate-specific commitments

Additional references/Descriptions

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

Select all that apply
☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:
☑ Publicly available

(4.6.1.8) Attach the policy

ZTE Net-Zero Strategy White Paper .pdf
[Add row]

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

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

Select from:
☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply
☑ Global e-Sustainability Initiative
☑ Science-Based Targets Initiative (SBTi)
☑ UN Global Compact

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

1.Joined GeSI in 2011, ZTE actively participated in GeSI activities. In 2023, ZTE joined GeSI Circularity Working Group and regularly discussed the circular economy topics with other team members. 2. ZTE joined the UN Global Compact in 2009, and actively participated in various activities of the UN Global Compact. In 2011, the ZTE’s founder was interviewed by the UN Global Compact on sustainability topics. In 2020, ZTE's CEO participated in the "CEO in Action" of the UN Global Compact. In 2023, ZTE's IPTV/OTT Big Video project in Turkey was selected into UNGC's Private Sector Case Studies—On Advancing Corporate Sustainability Towards High Quality Belt and Road Cooperation to Facilitate the Implementation of the Sustainable Development Goals. 3. In May 2023, ZTE joined SBTi as part of its efforts to contribute to the global endeavor for green and sustainable economic development. In April 2024, ZTE's science-based targets, achieving greenhouse gas emissions reduction in line with the 1.5C temperature rise limitation pathway and reaching net-zero emissions by 2050 at the latest, have been approved by the SBTi.
[Fixed row]

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

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

Select all that apply

☑ Yes, we engaged directly with policy makers

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

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

Select from:

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

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

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

SBT-Commitment-Letter-ZTE Corporation 20230510.pdf

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

Select from:

☑ No

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

ZTE has a rigorous internal approval process for joining, renewing, and exiting external activities or organizations to ensure that the activities and organizations in which the company participates are compliant and meet the company's climate change strategy. Before joining the organization, the responsible person need to learn more about: 1) Organizational structure and function, organizational mission and objectives, work plan/project summary. Member types, responsibilities and rights, and corresponding membership fees. 2) Organizational Member Analysis 3) Organizational Influence 4) IPR, Non-Disclosure Agreement, and other Legal and Compliance issues 5) Whether the positioning, objectives, and work plan of the ZTE in the organization are consistent with the company's climate change strategy. ZTE can join this organization only after being reviewed and approved by the internal expert team and the management.
[Fixed row]

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

Row 1

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

Resolution 73 'Information and communication technologies, environment, climate change and circular economy' of International Telecommunication Union (ITU) World Telecommunication Standardization Assembly

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

Select all that apply

☑ Climate change

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

Environmental impacts and pressures

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

Select from:

☑ Global

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

Select from:

☑ Support with no exceptions

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

Select all that apply

☑ Participation in working groups organized by policy makers

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

law, or regulation (currency)

0

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

Resolution 73 underscores the critical role of ICTs in addressing climate change, environmental sustainability, and the circular economy. It provides a comprehensive framework for ITU-T's standardization efforts, emphasizing the need to align with global sustainability goals, such as the UNFCCC and the 2030 Agenda for Sustainable Development. Key directives include: Priority Areas for Standardization: Development of ITU-T Recommendations to reduce GHG emissions, enhance energy efficiency, and promote circular economy practices (e.g., modular design, e-waste management, and sustainable procurement). Focus on ICT-enabled solutions for sectors like energy, transportation, and agriculture to achieve SDGs. Collaboration and Awareness: Coordination with other SDOs (e.g., ISO, IEC) to avoid duplication and leverage best practices. Promotion of awareness through portals, e-learning, and pilot projects, especially in developing countries. Innovation and Resilience: Support for emerging technologies (e.g., oceanic sensing, smart grids) and climate-resilient infrastructure. Emphasis on "sustainable-by-design" ICT solutions with low carbon footprints. Guidance for ZTE's Participation in ITU-T: Strategic Alignment: ZTE can align its R&D and standardization proposals with Resolution 73's priorities, such as green networks, energy-efficient devices, and circular economy practices (e.g., recyclable materials). Collaborative Engagement: Actively contribute to ITU-T Study Group 5 and liaise with other sectors/SDOs to shape globally relevant standards. Projects and Advocacy: Partner with ITU on green projects in developing countries, showcasing ZTE's sustainable solutions (e.g.,Green ICT empowerment, smart energy). Data and Reporting: Adopt ITU-T methodologies for environmental impact assessments and share best practices via ITU's Global Portal. By leveraging Resolution 73's framework, ZTE can strengthen its leadership in sustainable ICT standardization, enhance its global reputation, and drive innovation aligned with planetary boundaries.

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

Select from:

☑ Yes, we have evaluated, and it is aligned

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

Select all that apply

☑ Paris Agreement

Row 2

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

Greenhouse gases - Quantitative methods and requirements for carbon footprint of products - Mobile telecommunication handset (T/CCSA 607 - 2024)) / base station equipment (T/CCSA 611 - 2025)

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

Select all that apply

☑ Climate change

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

Environmental impacts and pressures

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

Select from:

☑ National

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

Select all that apply

☑ China

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

Select from:

☑ Support with no exceptions

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

Select all that apply

☑ Participation in working groups organized by policy makers

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

0

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

ZTE actively engages in the development of a number of carbon - related standards, especially product carbon footprint standards, within the China Communications Standards Association (CCSA), the leading industry SDO in China. We've deeply participated in the development and publication of the carbon footprint quantification standard of mobile phone(T/CCSA 607 - 2024) and jointly with operators leading the carbon footprint quantification standard of base station equipment (T/CCSA 611 - 2025). The former one was officially released in November 2024 and was selected for the Recommended List of Group Standards for Carbon Footprint Accounting Rules of Industrial Products by the Ministry of Industry and Information Technology and three other ministries in early 2025 as the first batch, and the latter one passed the review in 2024, was released in early 2025, and was selected for the Recommended List in mid-2025 as the second batch. Through the participation in standard development, verification and subsequent promotion, our company has effectively promoted the standardization of product carbon footprint quantification in the industry and contributed to the green development of the industry.

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

Select from:
☑ Yes, we have evaluated, and it is aligned

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

Select all that apply
☑ Paris Agreement
[Add row]

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

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

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

Select all that apply

☑ Climate change

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

Select from:

☑ Consistent

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

Select from:

☑ Yes, we publicly promoted their current position

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

Information and communication technologies (ICTs) play a crucial role in climate monitoring, climate change adaptation and early warning systems; as well as in mitigation measures like boosting energy efficiency, building green networks and developing circular economies. At the same time, the rapid uptake of data and devices increases the sector's own energy consumption, emissions, material use and e-waste worldwide. ITU-convened and partner-led, Green Digital Action aims to enhance collaboration, fast-track industry-wide commitments to addressing climate challenges, and put digital solutions at the forefront of climate action. The COP29 Presidency has announced Green Digital Action(GDA) as one of the 14 global initiatives under its Action Agenda. The purpose of presidency-led initiatives is to advance climate action, encourage non-party stakeholder engagement, and support the COP29 vision to enhance ambition and enable action. The outcome Declaration aims to accelerate climate-positive digitalization and emission reductions in the Information and Communication Technology sector and enhance accessibility of green digital technologies. ZTE's position is consistent with ITU's position and endorsed 'COP29 Declaration on Green Digital Action' submitted by ITU to COP29. https://cop29.az/en/pages/cop29-green-digital-action-declaration-non-states

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

0

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

Select from:
☑ Yes, we have evaluated, and it is aligned

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

Select all that apply
☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

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

Select all that apply
☑ Climate change

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

with

Select from:
☑ Consistent

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

Select from:
☑ Yes, we publicly promoted their current position

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

ZTE is actively engaged in United Nations climate conferences and international industry forums, aligning our green digital transformation strategy with international policy frameworks and sharing China's solutions with the global community. We sent senior representatives to participate in COP29, the annual grand event in the field of climate change. Through exhibition and presentation platforms, we exchanged views on global climate change policies and technological developments with the President of COP29, the Secretary - General and Deputy Secretary - General of ITU, Chinese government leaders, H.E. of various countries, and VPs of enterprises face to face, introducing ZTE's green digital transformation strategy and progress. In addition, ZTE acted as an invited guest to present at events of ITU GDA, participated in the high-level seminar between China MIIT and ITU as a round-table conference guest, and presented in the 2024 ITU&ETSI joint sustainability summit, etc., to publicize the company's best practices in the implementation path of green digital transformation and external reporting and disclosure. By participating in these international exchange activities, on the one hand, ZTE establishes direct communication channels with policymakers, keeps abreast of policy trends and orientations in a timely manner, and provides our views and suggestions for policy and regulation makers. On the other hand, ZTE's green practice experience provides references for other companies in the industry, promotes strengthened cooperation and exchanges within the entire industry in addressing climate change, and jointly explores the path of sustainable development.

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

0

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

Select from:
☑ Yes, we have evaluated, and it is aligned

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

Select all that apply
☑ Paris Agreement
[Add row]

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

Select from:
☑ Yes

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

Row 1

(4.12.1.1) Publication

Select from:
☑ In mainstream reports, in line with environmental disclosure standards or frameworks

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

Select all that apply
☑ GRI
☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Water
☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply
☑ Strategy
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities
☑ Value chain engagement
☑ Dependencies & Impacts
☑ Biodiversity indicators
☑ Public policy engagement
☑ Content of environmental policies

(4.12.1.6) Page/section reference

P52-67 Environmental Section of the Sustainability Report P77 Biodiversity Protection P110-115 Supplier CSR Management P125-126: 2024 Sustainability Performance

(4.12.1.7) Attach the relevant publication

ZTE Corporation Sustainability Report 2024 Designed final.pdf

(4.12.1.8) Comment

The report can be downloaded https://www.zte.com.cn/content/dam/zte-site/investorrelations/en_announcement/ZTE_Sustainability_Report_2024_EN.pdf
[Add row]

C5. Business strategy

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

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually
[Fixed row]

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

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

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

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

Macro and microeconomy

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1) NZE scenario energy assumptions: various energy supply and demand trends, trends in the proportion of new energy sources such as photovoltaics and energy

storage systems, expected new capacity additions, and energy-saving investment forecasts 2) Policy assumption: There is uncertainty regarding the coverage and price level of carbon pricing and taxes 3) Global, Chinese, ICT industry and customer emission reduction targets, net zero targets, and supplier emission reduction targets. Part of the goals are still unclear and there is uncertainty 4) ZTE's ICT business scale, product sales, and energy consumption trend 5) Future price of new energy 6) There is uncertainty in ZTE's new energy business expectations, such as market share

(5.1.1.11) Rationale for choice of scenario

According to TCFD guidance, ZTE has chosen to analyze the climate transition risks and opportunities faced by the company based on the NZE scenario. The NZE scenario points out that in order to achieve the 1.5 ℃ temperature rise control target by 2050, the world needs to implement long-term energy transformation, energy efficiency improvement, and behavioral changes. The NZE scenario also elaborates on the main technological paths, construction, and investment rhythms. The NZE scenario will affect the transformation requirements of the country, society, industry, and market for companies, such as emission and energy efficiency constraints, energy transformation pace, and policy incentives. These transformation requirements are reflected in certain risks. If ZTE does not meet the transformation requirements, it may face consequences such as decreased product competitiveness, market losses, and damaged brand image. If ZTE strives to meet the requirements of transformation, what climate transformation goals need to be set, what measures need to be taken to achieve the goals, whether the required cost can be borne, and whether it needs to be evaluated based on the energy data provided by the NZE scenario model. The NZE scenario also guides the development opportunities of related technologies and businesses, such as the size of new energy markets (photovoltaics and energy storage etc.). The energy scenario description and model data of NZE are important decision-making basis for ZTE's investment management field.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:
☑ SSP5

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

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

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply

- ☑ 2030
- ☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1. AR6 SSP5-RCP8.5 Scenario-based climate assumptions: Emission, GDP, energy structure & price. And the severity and geographical distribution of climate disasters such as high temperature, typhoons, and floods. Based on the acquisition difficulty, these assumptions use different regional granularities. 2. Policy assumptions: Government response requirements for high-temperature and typhoon disasters, such as limited operation conditions and shutdown conditions. 3. Industry and market assumptions: Revenue and product market capacity 4. Organizational assumptions of ZTE: Including revenues, product sales, energy consumption and emission intensity, production facilities, suppliers, and logistics channel attributes.

(5.1.1.11) Rationale for choice of scenario

According to TCFD guidance, ZTE has chosen SSP5-RCP8.5 scenario to assess the worst-case climate physical risks faced by the company. With climate change, severe weather conditions such as extreme high temperatures, heavy rainfall, and water resource pressure may become more severe and frequent, impacting ZTE's operations. The SSP5-RCP8.5 scenario is the most pessimistic scenario of the IPCC, representing the poor possibility of insufficient global efforts to reduce emissions and ineffective mitigation of climate disasters. Although it is considered unlikely by the academic community, this scenario can help ZTE assess the upper limit of physical damage. Based on RCP8.5 scenario analysis, it can help us determine major losses such as personnel injury, asset damage, production and supply chain shutdown in more extreme situations, and formulate response strategies accordingly to avoid events that have a significant impact on the company's business continuity. The SSP5-RCP8.5 scenario can also affect some of ZTE's transformation strategies, but it is far less direct than the NZE scenario.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:
☑ SSP1

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical
☑ Policy
☑ Market

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2030
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

1. AR6 SSP1-RCP1.9 Scenario Climate Assumptions: Emissions, GDP, Energy structure and prices; And the severity level and geographical distribution of climate disasters such as high temperatures, typhoons, and floods; According to the difficulty of acquisition, these assumptions use different regional granularities. 2. Policy assumptions: Government response requirements for disasters such as high temperatures and typhoons, such as limiting operating conditions and suspending work; 3. Industry and market assumptions: revenue, product market capacity 4. Organizational assumptions of ZTE: Including revenues, product sales, energy consumption and emission intensity, product sales, production facilities, suppliers, and logistics channels;

(5.1.1.11) Rationale for choice of scenario

According to TCFD guidance, ZTE chose to analyze the relatively light climate physical risks faced by the company based on the SSP1-RCP1.9 scenario. With the efforts of the global community, the trend of climate deterioration such as climate change, extreme high temperatures, heavy rainfall, and water resource pressure may be effectively alleviated, and the impact on ZTE's business activities and assets may be relatively small. SSP1-RCP1.9 is the IPCC's most optimistic scenario, describing a world where global carbon dioxide emissions are reduced to net zero around 2050. ZTE needs to estimate the relatively mild physical risks in this favorable situation. The SSP-1.9 scenario can help ZTE assess the lower limit of climate physical risks and develop a reasonable corporate climate strategy combined with the SSP5-RCP8.5 scenario. The SSP5-RCP1.9 scenario can also affect some of ZTE's transformation strategies, but it is far less direct than the NZE scenario.
[Add row]

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

Climate change

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

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

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

Scenario analysis shows that the possibility and magnitude of physical climate disasters such as high temperatures, floods, water scarcity, and rising sea levels that ZTE is affected by are limited. The financial impact indicators in the short and medium term are relatively small, and in the long term, they may intensify with climate change, but the expected losses are much smaller than the revenue scale. Scenario analysis also indicates that the uncertainty faced by ZTE is mainly due to transformation risks, including: 1) The uncertainty of business growth and transformation: ZTE pursues business expansion and the implementation of intelligent computing business transformation, which may lead to difficult to accurately predict emissions growth. 2) Uncertainty in value chain emissions reduction: Some upstream and downstream partners have limited emission reduction ambitions, and the medium & long-term emission reduction results are uncertain, which may have a significant impact on ZTE's emissions, especially Scope 3 emissions. 3) Changes in carbon pricing policies: Countries actively formulate policies to promote the reduction of greenhouse gas emissions, including carbon quotas, carbon tariffs, etc. These uncertainties may lead to significant consequences such as ZTE's inability to achieve SBTi targets, reduced product sales revenue, and increased supply chain costs. ZTE's important response strategies and measures include: 1) Continuously promote the "Green Digital Path" strategy, continuously reduce operational emissions, develop low-carbon products and solutions, and ensure the sustainability of development. Starting from 2024, the intelligent computing market is showing an explosive trend. Based on previous low-carbon data center products, ZTE continues to invest in green and low-carbon server research. ZTE's full range of servers support liquid cooling, and high-performance liquid cooled servers have industry-leading performance, which can meet diverse computing scenarios such as intelligent computing and high-performance computing. At the same time, the company's liquid cooled servers adopt multiple security mechanisms to ensure application reliability, use AI optimization technology to reduce energy consumption, and support minimalist delivery and intelligent operation and maintenance through elastic architecture solutions. The company's liquid cooled servers have been commercialized by domestic operators. 2) Accelerate the promotion of collaborative emission reduction among suppliers: The company's dual-carbon strategy requirements have been integrated into supplier management IT systems, including agreement signing, on-site audits, and performance assessments. The carbon inventory data calculated via the BOM-based emission factor method for purchased materials has been visualized on IT systems. Based on the "SMART Model for Dual-Carbon Governance" and the "Eight Steps for Dual-Carbon Governance of Suppliers," in 2024, ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures. 3) In 2024, Based on EU's Carbon Border Adjustment Mechanism (CBAM), ZTE developed the "Guidelines for Metal Product Manufacturers to Comply with the EU Carbon Border Adjustment Mechanism (CBAM)" and the "Simplified

Communication Template for Metal Product Manufacturers on the EU Carbon Border Adjustment Mechanism (CBAM)." ZTE guided 31 metal product manufacturers in conducting carbon emission accounting in accordance with CBAM requirements and applied the resulting data in related emission declarations. Under ZTE's guidance, metal product manufacturers have implemented numerous low-carbon innovation measures, accumulating valuable experience for future carbon tax responses.
[Fixed row]

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

(5.2.1) Transition plan

Select from:
☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:
☑ Yes

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

Select from:
☑ Yes

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

To achieve ZTE's zero-carbon vision and Science Based targets, ZTE has formulated Green Digital Path strategy based on digital intelligence innovation, focusing on four key dimensions: Green Operation, Green Supply Chain, Green Digital Infrastructure, and Green Empowerment. This strategy aims to build a green pathway for digital economy, internally promoting its own green initiatives and externally empowering industry energy conservation and carbon reduction. According to the strategy, ZTE has formulated a series of important implementation stages, as well as goals and milestones for different business areas.ZTE implements different emission reduction measures throughout the carbon emission cycle to form a complete closed loop and finally achieve the true and complete "zero-carbon" long-term goal. Emission reduction methods include behavior change, energy switching, energy efficiency improvement, and carbon offset & removal. For all emission sources in the value chain, ZTE will seek emission reduction solutions in accordance with the above methods. Early efforts mainly focused on behavioral changes and energy efficiency improvement measures. The advantage of these two measures is that they are easy for ZTE to independently control and implement quickly. With the development of new energy technologies, market, and policy, the focus of ZTE actions is gradually shifted to energy switching measures. The long-term net zero target needs to rely more on carbon offset & removal measures. Such measures are in the supplementary status or exploration phase. ZTE is continuously following

up the development of related technologies and industries, actively attempting to implement them. ZTE has set up four transformation phases, each of which has set corresponding targets. Phase 1: reduce operational emissions by over 30% by 2025. Phase 2: By 2030, achieve short-term scientific carbon emission targets; Phase 3: Achieving operational carbon neutrality by 2040; Phase 4, by 2050, aims to achieve a net zero target.At each stage, ZTE has set important targets for different business areas, such as procurement emission targets, product carbon reduction targets, renewable energy acquisition targets, fleet electrification targets, etc. Following up the targets, ZTE's various organizational levels and departments identify and develop numerous specific emission reduction measures. Currently, ZTE has implemented a series of energy-saving and emission reduction measures.

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

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

At the board level: the key issues will be reported. The chairman and CEO and other senior management, will review environmental and climate change related issues, including ZTE's climate change strategy and 1.5 degree transformation plan, risks, opportunities, goals, budget and specific measures. AP (Action Plan) tasks will be issued in accordance with the decisions made by ZTE leaders. Each responsible unit will be required to take corresponding technical and management measures to ensure the implementation of ZTE's sustainable development goals and targets. The Strategy and Sustainable Development Committee of ZTE shall organize regular reviews and follow-up. The board of directors reviews ZTE's Sustainability report annually, and environmental protection and climate change are important contents of the report which is publicly released. When shareholders and investors wish to have a detailed understanding of the company's ESG issues, they will request a response from ZTE through questionnaires, emails, and other means, and ZTE will provide timely feedback. ZTE is committed to driving investor relations initiatives and enhancing communications with its shareholders to increase investors' understanding of the Company. In addition to the regular reports and interim announcements published by ZTE, the Company also publishes on its official website corporate news and information and updates on the Company's solutions and products and ESG to provide investors with information of the Company's latest developments in a timely manner. The Company enables investors to fully express their views by setting up investors' hotline, e-mail, the investors relations interactive platform of Shenzhen Stock Exchange and investors' questions collected prior to results presentation. At the same time, to facilitate the Company's communication with investors, the Company reports its operating conditions and financial data as well as responds to investors' and analysts' questions through results presentation. The Company regards the convening of its annual general meeting as one of the most important annual events for the Company. All Directors and key senior management members attend the meeting on a best effort basis and are engaged in dialogue with the shareholders to answer their queries, including performance, green solutions, and competitive advantages.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

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

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

willingness and action towards low-carbon transition like ZTE.

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

In 2024 1) Green operation: Implement various emission-reduction initiatives. Through technology energy-saving measures such as dynamic resource pool sharing, intelligent remote control, air thermodynamic optimization etc, ZTE reduces resource consumption. Besides, ZTE continually increase the construction of photovoltaic facilities. In 2024, ZTE achieved absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 & Scope 2 emissions compared to the previous year.ZTE's annual photovoltaic power generation exceeds 29 million kWh. 2) Green supply chain: Promote collaborative emission reduction in the supply chain. ZTE has incorporated ESG including climate change requirements into the entire supplier management process. ZTE collaborates with suppliers to explore emission reduction opportunities from multiple dimensions, including low-carbon product design, energy-saving process improvement, energy-saving equipment transformation, and reuse of recyclable materials. ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures. Besides, ZTE Heyuan Base has obtained the "National Green Factory" certification, and Xi'an, Changsha, and Nanjing Binjiang Bases have obtained provincial-level green factory certification. 3) Green Digital Structure: Focusing on improving product energy efficiency and building a zero carbon network end-to-end. In 2024, ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase through measures such as development of innovative models, energy-saving technology innovation, development of high-density and low-power boards, improvement of energy efficiency of power products, and increased proportion of green energy at communication sites. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle, thanks to measures including the use of low-carbon materials (such as PCR), structural weight reduction design, and reduced energy consumption in transportation. Over the past three years, the comprehensive energy efficiency of all products sold by ZTE has increased by more than 35%. 4) Green Empowerment of Industries: Committed to enabling energy conservation, carbon reduction, and efficiency enhancement in all industries. ZTE has launched a green and precise cloud network solution based on the "Digital Nebula" architecture, which comprehensively utilizes 5G communication, Internet of Things, and big data analysis technologies to explore over a hundred 5G innovative applications in 15 industries, helping to promote the digital transformation and upgrading of thousands of industries, including the construction of new power systems with new energy as the main body, as well as energy conservation and emission reduction.

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

ZTE Net-Zero Strategy White Paper .pdf,ZTE Corporation Sustainability Report 2024 Designed final.pdf

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

Select all that apply

☑ No other environmental issue considered

[Fixed row]

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

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

Select from:

☑ Yes, both strategy and financial planning

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

Select all that apply
☑ Products and services
☑ Upstream/downstream value chain
☑ Investment in R&D
☑ Operations
[Fixed row]

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

Products and services

(5.3.1.1) Effect type

Select all that apply
☑ Opportunities

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

Select all that apply
☑ Climate change

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

The opportunities brought by environmental and climate change to ZTE are: developing low-carbon products and solutions will enhance the company's competitiveness, increase market share and revenue. In response to this opportunity, ZTE's strategy is to continuously launch low-carbon products and solutions to enhance product competitiveness. Detail measures include: 1)Focus on improving product energy efficiency and reducing product carbon emissions. In 2024, ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase through measures such as development of innovative models, energy-saving technology innovation, development of high-density and low-power boards, improvement of energy efficiency of power products, and increased proportion of green energy at communication sites. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle, thanks to measures including the use of low-carbon materials (such as PCR), structural weight reduction design, and reduced energy consumption in transportation. Over the past three years, the comprehensive energy efficiency of all products sold by ZTE has increased by more than 35%. 2)Develop green products and solutions, such as: Data centers: ZTE construct data centres with high availability which is conducive to green energy conservation, quick and easy

fabrication, smart management and security and reliability. A full range of prefabricated modularised solutions have been introduced to meet the varying requirements for new or converted full-scenario solutions ranging from ultra-large to micro sizes. Data centre orders from the overseas market for 2024 increased by 100% year-on-year. Communication energy: ZTE has launched the “zero-carbon” energy net solution V3.0 to explore green power application, network energy efficiency and smart maintenance on the back of network power conservation. On the back of key innovative technologies such as sPV, ultra-high-efficiency conversion, smart backup and storage, smart power distribution, smart temperature control and AI multi-energy scheduling, we have been focused on implementation of minimal site, green machine room, green industrial complex and energy operation, among others. Communication energy storage: ZTE has continued to make intensive efforts in the development of communication energy storage and supported storage integration and multiple forms of energy storage conducive to low-carbon energy consumption. ZTE has been a leading supplier in the communication energy storage sector with a growth rate of over 30% in terms of annual dispatch of lithium batteries for 2024.
3) Add features and functions related to addressing climate change, energy conservation, and emission reduction to ZTE's digital solutions for various industries, empower green transformation in various industries, and expand the commercial value of the solutions.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply
☑ Risks
☑ Opportunities

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

Select all that apply
☑ Climate change

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

In the upstream and downstream value chain, ZTE faces the following risks and opportunities: If suppliers lack the ability and driving force related to climate change, fail to take effective energy-saving and emission reduction measures, it will lead to difficulties in reducing carbon emissions in the upstream of ZTE's Scope 3, which in turn will lead to difficulties in reducing ZTE’s scope 3 carbon emissions, unable to meet legal and regulatory requirements and customer demands, and ZTE will also be unable to achieve the SBTi targets. On the contrary, it can enhance the green and low-carbon competitiveness of ZTE's products, meet or even exceed legal and customer requirements, and help ZTE expand its market share. In response to such risks and opportunities, ZTE's strategy is to work closely with suppliers to reduce carbon emissions, minimize environmental impact, better meet climate change related laws and regulations and customer requirements, while ensuring the achievement of the SBTi targets. Specific measures include: 1) Empower suppliers to enhance their climate change capabilities, guide them in calculating their GHG emissions, set climate change targets, and develop energy-saving and emission reduction measures. In 2024, 89 suppliers were organized to conduct dual carbon training, 64 suppliers were organized to participate in CBAM training, 100 top suppliers were guided to conduct greenhouse gas inventory, and 31 metal product manufacturers were guided to account for their CBAM carbon emissions. 2) Incorporate climate change requirements into the entire supplier management process, including supplier agreements and codes of conduct, on-site audits, training and coaching, performance evaluations, and bidding procurement. In 2024, ZTE conducted dual carbon audits on 156 suppliers and tracked the closure of non conformities. 3) Collaborate with suppliers to conduct low-carbon innovation research and jointly reduce product carbon footprint. In 2024, through the above measures: 1) In 2024, ZTE's telecom products achieved an 8.39% reduction in physical

emissions intensity during the use and maintenance phase. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle 2) Out of ZTE's more than 300 strategic core suppliers, 83 suppliers have participated in CDP evaluations and publicly disclosed their information. 3) In collaboration with one supplier, ZTE has implemented low-power design for antenna products from the source, adopting a modular integration solution featuring low insertion loss. The solution enables larger coverage areas for base stations with the same input power, or lower input power for the same coverage area. For example, a 1 dB increase in antenna gain can reduce the transmission power of the equipment by 20%.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

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

Select all that apply

☑ Climate change

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

The opportunity brought by climate change to ZTE's investment in R&D is that developing low-carbon products and services will enhance the company's competitiveness, increase market share and revenue. In response to this opportunity, ZTE's strategy is to continue investing in R&D of low-carbon products and services. Specific measures include: 1) ZTE Corporation has laid out over 500 green 5G innovation patents, relying on self-developed high-performance chips, high-efficiency amplifiers, and leading structural designs, using technology to increase efficiency and reduce consumption, and working together with customers to build 5G green networks. our HI-RAN (Hybrid Intelligent-RAN) intelligent energy conservation solution has fulfilled the strategy of having one energy-saving device at each station. On the back of a 95% accuracy in prediction, an additional 15% of energy-saving gains could be achieved in deep sleep mode with the cutoff of carrier wave. Our pioneer AAU and RRU supporting the automatic start/stop function reduces energy consumption during idle hours to a minimum of 5W and 3W, respectively, to achieve minimum energy consumption of network elements. 5)2) ZTE has established an expert team to conduct carbon footprint assessments for all product categories. In 2024, ZTE completed carbon footprint assessments for 53 products and collaborated with third-party organizations to complete the carbon footprint certification of 3 products. 3) ZTE is a member of more than 200 international standardization organizations, industry alliances, scientific associations and open source communities, including ITU, 3GPP, ETSI, NGMN, IEEE, CCSA, 5GAIA and AII. ZTE actively participates in technology cooperation in the low-carbon field of the industry, and has contributed technical solutions to the industry by participating in the preparation of 5 external carbon footprint accounting team standards, including CCSA and China Electronic Energy Conservation Technology Association. Over the past three years, the comprehensive energy efficiency of all products sold by ZTE has increased by more than 35%. In the future, ZTE will continue to promote the above work and make adjustments as necessary based on the company's strategy, stakeholder needs, and the development of advanced technology.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

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

Select all that apply

☑ Climate change

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

Risk: With ZTE's business continues to grow, there may be a significant increase in operational energy consumption and carbon emissions (Scope 1&2). If effective measures are not taken, it will lead to the following major risks: 1. Unable to achieve the scientific carbon target (SBTi), facing regulatory penalties and rising carbon quota procurement costs; 2. Weakening the confidence of investors and customers in the company's commitment to low-carbon transformation. Opportunity: 1. Financial benefits: Saving energy cost; 2. Operation optimization: Energy efficiency improvement synchronously drives production efficiency; 3. Reputation premium: Strengthen ESG brand image, attract green investment and customer orders. In response to this risk and opportunity, ZTE's strategy is to "use digital energy-saving technology+clean energy substitution to absolutely reduce operational carbon emissions while increasing revenue". Specific measures include: 1. Digital Energy and Carbon Management: Deploy an energy management system and self-developed "Electric Vision" and "Carbon Vision" apps to achieve real-time monitoring and intelligent scheduling of energy throughout the entire chain, 2. Technical energy-saving transformation: replace high energy consuming equipment, implement energy-saving projects such as air conditioning frequency conversion transformation and air compressor frequency conversion transformation; 3. Clean energy transformation: Continuously building photovoltaic facilities. In 2024, ZTE's self built photovoltaic power generation exceeded 29 million kWh, an increase of more than 5 times compared to 2023; 4. Enhance the awareness of energy conservation among all staff and carry out "maximum energy-saving" work during holidays. Implementation effectiveness: In 2024, ZTE's Scope 1 and 2 carbon emissions decreased by 13.4% year-on-year, while also bringing tens of millions of yuan in energy-saving benefits to ZTE. In the future, ZTE will continue to promote the above work and make adjustments as necessary based on the company's strategy and the needs of stakeholders.

[Add row]

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

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues
☑ Direct costs
☑ Indirect costs
☑ Access to capital
☑ Capital expenditures
☑ Acquisitions and divestments

(5.3.2.2) Effect type

Select all that apply
☑ Risks
☑ Opportunities

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

Select all that apply
☑ Climate change

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

More investment in climate change related R&D, low-carbon products and services, and the adoption of a series of GHG emission reduction measures will bring opportunities to ZTE, enhance ZTE's competitiveness, increase market share and revenue. The increase in GHG emissions from ZTE's operations, insufficient capacity and driving force related to climate change in the upstream supply chain, will bring compliance risks and increased costs to ZTE, making it impossible to achieve the established scientific carbon targets. In response to the risks and opportunities, ZTE has evaluated the financial impact, including the direct and indirect costs, the income/return target for investment in new business opportunities includes capital expenditures, acquisitions, and divestments. Decisions regarding significant risks and opportunities may trigger strategic tasks and corresponding financial budget planning, which will ultimately be implemented during the ZTE's annual budget preparation, three-year strategic rolling plan preparation etc. 1) Revenue: ZTE utilizes its existing business and technological advantages to provide customers with green and low-carbon ICT products, bringing revenue growth to ZTE. For example, in 2024, ZTE's overseas market data center orders increased by over 100% year-on-year. 2) Direct/indirect costs: In 2024, the Group’s total expenditure in environmental treatment and protection amounted to approximately RMB56,557,000, which has been applied in the energy-saving conversion of equipment at R&D, production and administration facilities etc. The physical risks caused by extreme weather disasters such as high temperatures, typhoons, and floods brought about by climate change may result in production and supplier shutdowns, asset losses, as well as increased direct/indirect costs. 3) Capital expenditure: In 2024, ZTE's R&D expenses amounted to RMB24031.5 million, which includes R&D investment related to climate change. 4) Acquisition and divestment: In 2016, as reviewed by the Board of Directors, ZTE purchased the Zhuhai Guangtong Bus Co., Ltd., and established ZTE Smart Vehicle Co., Ltd. ZTE intelligent registered capital 915 million yuan CNY, of which ZTE holds 86.39%. 5) Financing channels: ZTE has participated in a financing project for a certain client that can utilize ESG preferential financing rates, based on the current ESG rating of ZTE, it can enjoy prime rate, with a 5 basis point reduction in interest rates.
[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition	Methodology or framework used to assess alignment with your organization’s climate transition
	Select from: ☑ Yes	Select all that apply ☑ Other methodology or framework

[Fixed row]

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

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:
☑ Other, please specify :Maintain a consistent budget with the ZTE's investment to achieve SBTi goals

(5.4.1.5) Financial metric

Select from:
☑ OPEX

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

56557000

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

0.24

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

0.5

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

1

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

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

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

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	Select all that apply ☑ Carbon

[Fixed row]

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

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply
☑ Drive energy efficiency
☑ Identify and seize low-carbon opportunities
☑ Setting and/or achieving of climate-related policies and targets

(5.10.1.3) Factors considered when determining the price

Select all that apply
☑ Alignment to scientific guidance
☑ Alignment with the price of allowances under an Emissions Trading Scheme

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

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

(5.10.1.5) Scopes covered

Select all that apply
☑ Scope 1
☑ Scope 2
☑ Scope 3, Category 3 - Fuel- and energy-related activities (not included in Scope 1 or 2)

(5.10.1.6) Pricing approach used – spatial variance

Select from:
☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:
☑ Evolutionary

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

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

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

29.2

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

70

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

Select all that apply

☑ Capital expenditure
☑ Operations
☑ Risk management
☑ Opportunity management

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

Select from:

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

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

50

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

Select from:

☑ Yes

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

During internal operations, we take the price of carbon quotas into full consideration, and carry out energy conservation and emission reduction projects to reduce carbon emissions, thereby reducing the cost of carbon quotas. ZTE has implemented energy quota system internally. According to business requirements, ZTE issues quantitative energy quotas to R&D, production, and administrative units every year, and publicizes the power consumption of each unit every month. When developing and designing products, we take into account the carbon emissions and prices of product materials, operations, and use, and develop energy-efficient products to reduce product carbon emissions, and then reduce the company's costs and customer costs. ZTE has set up the Energy Conservation and Emission Reduction Project Award. For the carbon emissions reduced by the project, a certain proportion is allocated to the team members according to the saved costs. The internal carbon pricing is regularly adjusted with the adjustment of market prices. Through internal carbon prices linked to market prices, ZTE further analyzed the cost to achieve SBTi and transition plan, ensuring that they are financially viable and do not place financial burdens on ZTE.
[Add row]

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

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: ☑ Yes	Select all that apply ☑ Climate change ☑ Plastics
Customers	Select from: ☑ Yes	Select all that apply ☑ Climate change ☑ Plastics
Investors and shareholders	Select from: ☑ Yes	Select all that apply ☑ Climate change
Other value chain stakeholders	Select from: ☑ Yes	Select all that apply ☑ Climate change

[Fixed row]

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

Climate change

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

Select from:

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

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

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 76-99%

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

The Suppliers accounting for Top90% of the ZTE purchase amount

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

Select from:

☑ 76-99%

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

300

Plastics

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

Select from:

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

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

Select all that apply
☑ Contribution to supplier-related Scope 3 emissions
☑ Impact on plastic waste and pollution

(5.11.1.3) % Tier 1 suppliers assessed

Select from:
☑ 76-99%

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

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

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

Select from:
☑ 76-99%

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

25
[Fixed row]

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

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:
☑ Yes, we prioritize which suppliers to engage with on this environmental issue

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

Select all that apply

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

(5.11.2.4) Please explain

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

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

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

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

Select all that apply

☑ Material sourcing
☑ Procurement spend
☑ Product lifecycle
☑ Reputation management

☑ Leverage over suppliers
☑ Strategic status of suppliers
☑ Supplier performance improvement
☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to plastics

(5.11.2.4) Please explain

1)ZTE has developed criteria for assessing plastic supplier dependencies and/or impacts on the environment. We engage with the suppliers having substantial impact. 2)The greater the influence on suppliers, the easier for ZTE to engage with them. For such suppliers, we prioritize cooperation; 3)Plastic procurement belongs to material procurement, so we prioritize cooperation with material procurement suppliers; 4)The larger the procurement amount, the stronger the willingness of suppliers to cooperate. We prioritize cooperation with suppliers who account for the top 90% of ZTE's procurement amount; 5)Suppliers who value their brand and reputation more are more motivated to engage with ZTE; 6)Strategic core suppliers are more supportive of ZTE's various task, including plastic; 7)We conduct performance evaluations of suppliers every month and apply the results to bidding and procurement, which will affect the supplier's contract share. We will provide training and coaching to suppliers with poor performance to improve their capabilities as well.
[Fixed row]

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

Climate change

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

Select from:
☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

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

Select from:
☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

ZTE has incorporated the environmental requirements into the Supplier CSR Agreement and the Supplier Code of Conduct. As part of the supplier contract, the Supplier CSR Agreement must be signed by all suppliers during qualification certification. Otherwise, the supplier cannot pass the certification. During the cooperation process, ZTE will conduct CSR on-site audit for suppliers. For the non-conformances found in the audit, ZTE will assist suppliers take corrective /

preventive actions, and track, verify, and close the NCs through the website （https://supply.zte.com.cn） In addition, ZTE will track and report the rectification progress of these NCs every month. If the NCs are not closed within due date, the score will be deducted in the supplier performance appraisal. The supplier performance appraisal result will be applied in the bidding purchase, and then affect the supplier's contract share. When a supplier seriously violates environmental requirements and refuse to correct, the supplier may be disqualified. The Supplier Code of Conduct has been released to global suppliers at:https://supply.zte.com.cn/UI/Web/Application/kxscm/kxsup_manager/Portal/article.aspx?aid=2765
[Fixed row]

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

Climate change

(5.11.6.1) Environmental requirement

Select from:
☑ Disclosure of GHG emissions to your organization (Scope 1, 2 and 3)

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Certification
☑ First-party verification
☑ On-site third-party audit
☑ Second-party verification
☑ Supplier self-assessment
☑ Off-site third-party audit
☑ Supplier scorecard or rating
☑ Grievance mechanism/ Whistleblowing hotline

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

Select from:
☑ 100%

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

Select from:
☑ 76-99%

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

Select from:
☑ 100%

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

Select from:
☑ 76-99%

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

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

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
☑ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance

(5.11.6.12) Comment

ZTE integrates climate change requirements into supply chain management and requires suppliers and sub-suppliers to follow the same requirements, including: The suppliers need to set emissions reduction targets, formulate emissions reduction measures, and report carbon emission data to ZTE and disclose them to the public. New supplier Introduction and Qualification: The suppliers are required to fill in the Supplier CSR Self-Evaluation Form and sign CSR agreement. And ZTE will arrange on site audit to new suppliers. For existing suppliers, ZTE conducts onsite environmental audits in three forms: 1)Integrated audit: Environmental performance was assessed together with quality audits. 2)Special audit: A comprehensive and systematic environmental assessment. 3)External audit: The third party is invited to implement on site audit to high risk suppliers. In 2024, ZTE conducted onsite CSR audits for 261 production suppliers (56 new suppliers and 205

existing suppliers, representing 86.90% of the top 90% suppliers by procurement amount). ZTE conducts monthly performance appraisals on suppliers. The appraisal results are used for supplier grading, bidding and procurement, and as a reference for selecting outstanding suppliers. Environmental requirements is included in the item E of performance appraisal of suppliers, accounting for 5% of the total. The whistle blowing channels for global suppliers has been publicized in ZTE's website.

Climate change

(5.11.6.1) Environmental requirement

Select from:
☑ Setting a science-based emissions reduction target

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Certification
☑ First-party verification
☑ On-site third-party audit
☑ Second-party verification
☑ Supplier self-assessment
☑ Off-site third-party audit
☑ Supplier scorecard or rating
☑ Grievance mechanism/ Whistleblowing hotline

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

Select from:
☑ 100%

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

Select from:
☑ 26-50%

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

Select from:
☑ 100%

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

Select from:
☑ 26-50%

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

Select from:
☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:
☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply
☑ Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
☑ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance

(5.11.6.12) Comment

ZTE has developed the " SMART Model" to guide suppliers in effectively carrying out climate change work from: strategy, management, accounting, reduction, and transmission. Based on this Model", ZTE has issued a "A Letter Regarding Requirements for ZTE Suppliers to Start Dual-Carbon Strategy Planning" to guide global suppliers to conduct GHG inventory, set GHG emission reduction targets (including SBTi targets), formulate GHG emission reduction measures, and publicly disclose GHG emission information. The milestones set by ZTE in the "ZTE Zero Carbon Strategy White Paper" include: Phase 3: By 2040, 80% of the procurement from suppliers committed to SBTi targets Phase 4: By 2050, 100% of the procurement from suppliers committed to SBTi targets To achieve the goal, ZTE has taken a series of measures: 1) ZTE has incorporated climate change requirements into the entire supplier management process. ZTE continually conducts audits and training to empower suppliers. In 2024, 89 suppliers were organized for dual carbon training, and 100 top suppliers were guided to conduct GHG inventory; Dual carbon audits was conducted to 156 suppliers and the NC was tracked. 2) "GHG Emissions and Emissions Reduction Questionnaire" was issued to suppliers to collect information on suppliers' GHG emissions, targets, reduction measures, public disclosure channels, and SBTi targets.
[Add row]

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

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

Financial incentives

Information collection

Innovation and collaboration

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 1 suppliers
☑ Tier 2 suppliers

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

Select from:
☑ 76-99%

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

Select from:
☑ 76-99%

(5.11.7.8) Number of tier 2+ suppliers engaged

300

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

ZTE works closely with suppliers to reduce carbon emissions, ensuring achieve SBTi targets, compliance with customer and relevant laws and regulations such as CBAM. ZTE criteria for measuring the success effect of cooperation with suppliers: achieve ZTE's scientific carbon target requirements inline with the milestones 1)ZTE commits to reach net-zero GHG emissions across the value chain by 2050. ZTE commits to reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput by 2030 from a 2021 base year. 2)By 2040, 80% of the procurement from suppliers committed to SBTi targets； By 2050, 100% of the procurement from suppliers committed to SBTi targets The detail cooperation activities includes: 1) ZTE's environmental and climate change requirements have been integrated into supplier management and IT systems, including agreement signing, on-site audits, and performance assessments. The carbon inventory data calculated via the BOM-based emission factor method for purchased materials has been visualized on IT systems. Dual carbon audits was conducted to 156 suppliers and the NC was tracked. 2)ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures; organized online training for 64 suppliers in the interpretation of CBAM; 40 suppliers attended online training in the CDP's updates on the disclosure process;arranged 51 suppliers to participate in an online seminar on "CDP Scope 3 Emissions Management." Besides, ZTE guided 31 metal product manufacturers in conducting carbon emission accounting in accordance with CBAM requirements and applied the resulting data in related emission declarations. 3) Collaborate with suppliers to conduct low-carbon innovation research. The measures we have taken have been successful. 1) In 2024, ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle. 2) Out of ZTE's more than 300 strategic suppliers, 83 suppliers have participated in CDP and publicly disclosed their information. 3) In collaboration with one supplier, ZTE has implemented low-power design for antenna products. A 1 dB increase in antenna gain can reduce the transmission power of the equipment by 20%.

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

Select from:

☑ Yes, please specify the environmental requirement :Empower suppliers in establishing a dual carbon management system, calculating GHG emissions, setting carbon reduction targets, implementing reduction measures, and publicly disclose carbon emission information.

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

Select from:

☑ Yes

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Circular economy

(5.11.7.3) Type and details of engagement

Capacity building

Information collection

Innovation and collaboration

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 1 suppliers
☑ Tier 2 suppliers

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

Select from:
☑ 76-99%

(5.11.7.8) Number of tier 2+ suppliers engaged

25

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

ZTE continues to promote the use of Post-Consumer Recycled (PCR) materials in products, as well as plastic-free packaging, plastic reduction, and plastic substitution to achieve resource recycling. 1.Plastic-Free Packaging: In 2024, ZTE expanded the application scope of plastic-free packaging to heavier and more complex devices, achieving technological breakthroughs and quickly applying this solution to other home terminal products for mass shipping. The solutions include replacing plastic bags with paper cards, paper trays, and paper bags, and eliminating sealing tape from interlocking paper boxes, thus saving 20 tons of plastic packaging materials annually. 2.PCR Material Use: ZTE continues to advance the use of PCR materials in CPE products. For system terminal products, we have piloted the use of 95% PCR materials in certain products, following the existing 85% application. For mobile terminal products, some plastic structural components have achieved 100% PCR material use. 3.Ban on Non-Environmentally-Friendly Plastics: All foam-based cushioning materials have been replaced with environmentally-friendly EPE and EPP materials, eliminating the use of non-environmentally-friendly EPS materials. 4.Packaging Recycling and Reuse: ZTE has designed multi-purpose packaging (e.g., packaging that can be used as a bookshelf after removal) to extend the life cycle of packaging materials. Additionally, the company has intensified the recycling of pallets, recovering over 20,000 pallets annually (with the recycling rate reaching 50%), each of which weighs approximately 9 kg. As such, over 180 tons of packaging materials are saved annually. 5.Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle, thanks to measures including the use of low-carbon materials (such as PCR), structural weight reduction design, and reduced energy consumption in transportation. 6.In 2024, ZTE partnered with 89 recycling organizations globally. Throughout the year, 660 tons of metals and 70 tons of organic plastics from scrap materials were reused.

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

Select from:
☑ Yes
[Add row]

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

Climate change

(5.11.9.1) Type of stakeholder

Select from:
☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

Innovation and collaboration

(5.11.9.3) % of stakeholder type engaged

Select from:
☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ 76-99%

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

According to greenhouse gas accounting rules, a significant portion of emissions from ZTE and its customers overlap and affect each other, and emission reduction requires collaborative efforts from both parties. ZTE's carbon emissions directly affect the energy consumption costs and carbon emissions of customers' network operations, as well as the achievement of customers' carbon emission targets. ZTE has set scientific carbon targets. ZTE has also taken multiple measures to

support its customers' carbon reduction targets. ZTE communicates its climate change strategy, targets, and achievement status to customers through various channels which include the company's regular disclosure of sustainability reports, response to customer climate survey questionnaires, CDP public disclosure, ESG progress review, release of zero carbon strategy white papers, product solution communication, website, exhibition, etc., to ensure that the progress can be conveyed to all customers of ZTE (100% of customers). In addition, ZTE frequently implements joint activities with customers to promote carbon reduction innovation. Common forms include Supplier Engagement Programme, joint deployment of green technologies, and joint development of green standards.

(5.11.9.6) Effect of engagement and measures of success

Effect of engagement: 1) In 2024, ZTE's near and long-term targets against the SBTi net-zero criteria have been approved. 2)Reduced carbon emissions of both ZTE and its customers: In 2024, ZTE implemented various energy-saving and emission-reduction initiatives, achieving absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year. ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity and terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle. 2) Improvement of customers' ESG evaluation score for ZTE: In 2024, a certain customers' ESG evaluation score for ZTE continued to improve; 3) Improvement of ZTE's ESG rating: In 2024, ZTE secured our place on the CDP A List, and won Ecovadis gold medal for the first time; 4) The competitiveness of ZTE's products continues to improve: in 2024, ZTE's overseas market data center orders increased by over 100% year-on-year. Measures of success: 1)Approval of ZTE's SBTi targets and achievement of annual carbon emission targets. 2)Customers' supplier evaluation score for ZTE continues to improve. 3) ZTE's ESG ratings continue to improve. 4) ZTE's Low carbon products gain customer recognition and the market share continues to increase.

Climate change

(5.11.9.1) Type of stakeholder

Select from:
☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

Innovation and collaboration

(5.11.9.3) % of stakeholder type engaged

Select from:
☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ Less than 1%

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

ZTE is a company dually listed in Shenzhen and Hong Kong, with a shareholder base exceeding 450,000. The trust and support of shareholders and investors are important supports for the stable development of the company. At present, capital markets both domestically and internationally are placing increasing emphasis on corporate capabilities to address climate change and sustainable development performance. ESG performance has become one of the key factors influencing investment decisions, particularly among international institutional investors. ZTE has established regular communication mechanisms with its shareholders and investors, including holding annual general meeting, results presentation, setting up investors' hotline, e-mail, etc., to communicate with shareholders and investors. In 2024, the company held its annual general meeting and a live streaming results presentation. During the meeting, the management presented the annual performance to shareholders and investors, and discussed information on the company's business development, including its capabilities and layout in the field of intelligent computing, as well as its expansion in the digital energy market. In addition, the company periodically participates in securities investment strategy meetings and roadshows to communicate with shareholders and investors about the company's progress in "connectivity + computility".

(5.11.9.6) Effect of engagement and measures of success

Effect of engagement: Through full and transparent communication with shareholders and investors on ESG, climate change, etc., it can enhance their understanding of the company's ESG strategy & practice value and strengthen their confidence in the company's long-term development potential. Measures of success: The continuous improvement of the company's ESG rating; Stable growth in the shareholding ratio of long-term value investors. In 2024, ZTE's ESG rating continued to improve:, ZTE secured our place on the CDP A List for the second time, and won Ecovadis gold medal for the first time. ZTE has been selected for the S&P Global's Sustainability Yearbook 2024 (China Edition) and honored with the title of "Industry Mover". On December 31, 2024,ZTE's market value increased by 52% compared to December 31, 2023.

Climate change

(5.11.9.1) Type of stakeholder

Select from:
☑ Other value chain stakeholder, please specify :Employees

(5.11.9.2) Type and details of engagement

Education/Information sharing

Innovation and collaboration

(5.11.9.3) % of stakeholder type engaged

Select from:
☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ 1-25%

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

The achievement of energy conservation and carbon reduction goals requires the deep participation of all employees, including: enhancing employees' awareness of energy conservation, cultivating habits of energy conservation and emission reduction, providing energy-saving suggestions, optimizing work processes, participating in technological innovation, etc ZTE has improved employee awareness and participation through its internal official account, public mailbox, various energy-saving activities, employee training, etc. All employees (100%) can participate. Relying on its internal digital learning platform, ZTE systematically carries out "dual carbon" capacity building, covering the background of climate change, the necessity of emission reduction, and the implementation path of the ZTE's climate change strategy.

(5.11.9.6) Effect of engagement and measures of success

Effect of engagement: 1. The awareness of energy conservation and carbon reduction among all employees has been enhanced, and the employees have a deeper understanding of the correlation between emission reduction targets and personal behavior; 2. Forming a consensus on low-carbon culture in ZTE and laying the ideological foundation for the implementation of energy-saving measures 3. Support ZTE in achieving scientific carbon targets and annual energy-saving goals
Measures of success: 1. Reduction in operational electricity consumption and Scope 1&2 carbon emission: In 2024, ZTE achieved absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year. 2. Employee training participation rate and exam pass rate: In 2024, more than 5 special training sessions were organized through both online and offline channels. The core course "Dual Carbon Strategy and Energy Conservation Awareness Enhancement" reached a total of 45000 people, with a total learning frequency exceeding 114000 times and a participation rate of over 60%; The pass rate of the course exam has reached 100% 3. Improvement of employees' energy-saving awareness: The execution rate of shutting down computers, lighting, air conditioning and other equipment after work significantly increased by 2024; The number of cases of not turning off lights has decreased from dozens of cases per month to only 2-3 cases, a decrease of over 90%.
[Add row]

C6. Environmental Performance - Consolidation Approach

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

Climate change

(6.1.1) Consolidation approach used

Select from:
☑ Operational control

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

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

C7. Environmental performance - Climate Change

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

Select from:
☑ No

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

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☑ No

[Fixed row]

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

Select all that apply
☑ 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
☑ ISO 14064-1

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

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

(7.3.1) Scope 2, location-based

Select from:
☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:
☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

On December 26, 2024, the Ministry of Ecology and Environment issued the "Announcement on the Release of 2022 Electricity CO2 Emission Factors" (hereinafter referred to as the "Announcement"), which updated the average emission factor of the national power grid for 2022 to 0.5366 t CO2/MWh. At present, there are no other updated notices regarding emission factors. ZTE has calculated the carbon emissions for 2024 based on this emission factor.
[Fixed row]

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

Select from:
☑ No

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

Scope 1

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

79182.39

(7.5.3) Methodological details

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

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

725424.18

(7.5.3) Methodological details

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

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

725424.18

(7.5.3) Methodological details

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

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

8976005.44

(7.5.3) Methodological details

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

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

2363.62

(7.5.3) Methodological details

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

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

166293.81

(7.5.3) Methodological details

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

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

304171.59

(7.5.3) Methodological details

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

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

34.16

(7.5.3) Methodological details

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

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

137482.85

(7.5.3) Methodological details

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

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

64180.95

(7.5.3) Methodological details

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

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

9330.66

(7.5.3) Methodological details

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

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

193350.52

(7.5.3) Methodological details

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

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

88830249.97

(7.5.3) Methodological details

Estimated sales volume of products in the current year 1. Calculate the total carbon data generated per hour during the use of the product based on the rated power of the product. 2. Average daily operation duration (in hours) of various products within the service life of products 3. Calculate the lifespan of different types of products in the company. 4. Count the sales of different types of products in 2021. Grid emission factor database, which comes from the basic database of LCA evaluation software GaBi and uses the grid emission factor. Total carbon emissions = Total of 1*2*3*4

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

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

61.14

(7.5.3) Methodological details

ZTE has classified the waste materials to: hazardous waste, general waste and recyclable waste. According to the different types and characteristics of waste, ZTE

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

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

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

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

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

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Irrelevant. All downstream nodes are included in the above calculation.
[Fixed row]

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

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

43102.16

(7.6.3) Methodological details

Based on the invoice, calculate the actual consumption and usage of the company, multiply it by the emission factor, and finally get the carbon emissions of Scope 1 On December 26, 2024, the Ministry of Ecology and Environment issued the "Announcement on the Release of 2022 Electricity CO2 Emission Factors" (hereinafter referred to as the "Announcement"), which updated the average emission factor of the national power grid for 2022 to 0.5366 t CO2/MWh. At present, there are no other updated notices regarding emission factors. ZTE has calculated the carbon emissions for 2024 based on this emission factor.
[Fixed row]

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

Reporting year

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

393636.08

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

393636.08

(7.7.4) Methodological details

Scope 2 carbon emission calculation formula: AD * EF All activity data (AD) for Scope 2 emissions are divided into three categories: 1. There are a total of 22 domestic R&D and production bases, accounting for 90% of the total emissions in Scope 2. All data from these bases are uploaded in the energy management system for real-time measurement, and power consumption data is directly exported from the system. After verification with the invoice data of the power supply

company, accurate data is obtained. 2. Domestic and overseas representative offices: Each representative office reimburses based on the invoice list provided by the lessor for water and electricity expenses. The relevant reimbursement receipts are verified by SSC financial personnel to obtain power consumption data. 3. Subsidiaries holding shares: obtained through offline statistics by each subsidiary based on the charged electricity amount indicated on the invoice provided by the power supply company. 4. On December 26, 2024, the Ministry of Ecology and Environment issued the "Announcement on the Release of 2022 Electricity CO2 Emission Factors" (hereinafter referred to as the "Announcement"), which updated the average emission factor of the national power grid for 2022 to 0.5366 t CO2/MWh. At present, there are no other updated notices regarding emission factors. ZTE has calculated the carbon emissions for 2024 based on this emission factor.
[Fixed row]

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

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

1414433.56

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Hybrid method

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

47.01

(7.8.5) Please explain

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

(2021)), all are added together to obtain the total carbon emissions. The total carbon emissions of this category are equal to the sum of the above two items.

Capital goods

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

3026.55

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Asset-specific method

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

5

(7.8.5) Please explain

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

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

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

136074.85

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

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

90

(7.8.5) Please explain

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

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

31896.54

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

0

(7.8.5) Please explain

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

Waste generated in operations

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

1584.76

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Waste-type-specific method

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

0

(7.8.5) Please explain

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

Business travel

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

89223.7

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

0

(7.8.5) Please explain

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

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

67066.11

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

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

0

(7.8.5) Please explain

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

Upstream leased assets

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

9560.24

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Hybrid method

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

100

(7.8.5) Please explain

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

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

251550.55

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Distance-based method

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

0

(7.8.5) Please explain

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

Processing of sold products

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

0

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

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

0

(7.8.5) Please explain

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

Use of sold products

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

48642087.54

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average product method

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

0

(7.8.5) Please explain

Estimated sales volume of products in the current year 1. Calculate the total carbon data generated per hour during the use of the product based on the rated power of the product. 2. Average daily operation duration (in hours) of various products within the service life of products 3. Calculate the lifespan of different types of products in the company. 4. Count the sales of different types of products in 2024. Grid emission factor database, which comes from the basic database of LCA evaluation software GaBi and uses the grid emission factor. Total carbon emissions Total of 1*2*3*4

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

12412.22

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Waste-type-specific method

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

20

(7.8.5) Please explain

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

Downstream leased assets

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

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

29431.97

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

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

100

(7.8.5) Please explain

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

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

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

12888.46

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Investment-specific method

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

50

(7.8.5) Please explain

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

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

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

[Fixed row]

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

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

[Fixed row]

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

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.1.4) Attach the statement

ISO14064 Cert 2025EN.pdf

(7.9.1.5) Page/section reference

P1

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-1

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.2.5) Attach the statement

ISO14064 Cert 2025EN.pdf

(7.9.2.6) Page/ section reference

P1

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-1

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Row 1

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Franchises
☑ Scope 3: Investments
☑ Scope 3: Capital goods
☑ Scope 3: Use of sold products
☑ Scope 3: Upstream leased assets
☑ Scope 3: Downstream leased assets

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

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.3.5) Attach the statement

ISO14064 Cert 2025EN.pdf

(7.9.3.6) Page/section reference

P1

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-1

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

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

Select from:
☑ Decreased

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

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

2861.68

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.6

(7.10.1.4) Please explain calculation

The consumption of renewable energy mainly comes from two ways: purchasing green certificates and self built photovoltaic power generation. 1.In this reporting year, ZTE purchased 5333 off-site green certificates in 2024, each with a unit of 1000 kWh of electricity, totaling 5.333 million kWh of green certificates purchased. According to the average factor of the power grid of 0.5366, after calculating the reduction of 2861.68 metric tons of CO2e. Total Scope 1&2 carbon emissions in 2023 is 504436.25 tons. The reduction percentage can be obtained as follows: 2861.68 / 504436.25 equal 0.6% 2. Self built photovoltaic power generation reached 29.7027 million kWh, an increase of 24.8824 million kWh compared to 4.8203 million kWh in 2023. Due to the construction of a self owned photovoltaic power station in our own factory area, the carbon emissions calculation for Scope 2 is based on the electricity measured on the State Grid invoice, which does not include the self owned photovoltaic electricity. Therefore, based on the original carbon emission inventory list, the existing carbon emissions have not been reduced. 3. ZTE has not purchased green electricity externally.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

40472.39

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

8.02

(7.10.1.4) Please explain calculation

Through a series of energy-saving and carbon emission measures, ZTE reduced a total of 67698.01 metric tons of CO2 emissions in Scope 1&2 in 2024. Taking into account changes in output increment, methodological reduction, and renewable energy consumption, the other emission reduction activities reduced a total of 40472.39 metric tons of CO2 emissions. Total Scope 1&2 carbon emissions in 2023 is 504436.25 tons. The percentage reduction: 40472.39/504436.25 equal 8.02%.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

irrelevant

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

irrelevant

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

irrelevant

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

3607

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

0.72

(7.10.1.4) Please explain calculation

In 2024, the company's R&D and production activities saw an increase in business volume, resulting in an increase of 3607 tons in carbon emissions from R&D and production activities. The total emissions of ZTE's Scope 1 and Scope 2 in 2023 are 504436.25 tons. Percentage increase: 3607/504436.25 equal 0.72%

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

24363.93

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

4.83

(7.10.1.4) Please explain calculation

On December 26, 2024, the Ministry of Ecology and Environment released the latest update on the average emission factor of the national power grid, which is 0.5366 tons CO2/MWh. At present, there are no other updated notices regarding emission factors. ZTE has calculated the carbon emissions for 2024 based on this emission factor. On February 7, 2023, the Ministry of Ecology and Environment issued a notice on the management of greenhouse gas emission reports for power generation industry enterprises from 2023 to 2025 (hereinafter referred to as the "Notice"). The carbon emissions for 2023 were calculated based on the emission factor of 0.5703t CO2/MWh published in the Notice. Based on the total purchased electricity consumption of about 720 million kWh in 2024, the carbon emissions reduced due to changes in emission factors are 24363.93 tons. The total emissions of ZTE's Scope 1 and Scope 2 in 2023 are 504436.25 tons, resulting in a reduction percentage of 4.83%: 24363.93 / 504436.25

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

no change

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

no change

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

irrelevant

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

irrelevant
[Fixed row]

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

Select from:
☑ Location-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ No

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

Select from:
☑ Yes

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

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☑ CO2

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

32390.6

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

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

2855.06

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

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

1055.3

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

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

6801.2

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:
☑ PFCs

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

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 6

(7.15.1.1) Greenhouse gas

Select from:
☑ SF6

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

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 7

(7.15.1.1) Greenhouse gas

Select from:
☑ NF3

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

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)
[Add row]

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

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
China	43102.16	393636.08	393636.08

[Fixed row]

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

Select all that apply
☑ By facility

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

Row 1

(7.17.2.1) Facility

Shanghai R&D

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1690.12

(7.17.2.3) Latitude

31

(7.17.2.4) Longitude

121

Row 2

(7.17.2.1) Facility

Nanjing R&D

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

4586.11

(7.17.2.3) Latitude

32

(7.17.2.4) Longitude

118

Row 3

(7.17.2.1) Facility

Nanjing Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3237.81

(7.17.2.3) Latitude

39

(7.17.2.4) Longitude

116

Row 4

(7.17.2.1) Facility

ChangSha Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1781.29

(7.17.2.3) Latitude

28

(7.17.2.4) Longitude

112

Row 5

(7.17.2.1) Facility

Xi An R&D

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2654.86

(7.17.2.3) Latitude

34

(7.17.2.4) Longitude

108

Row 6

(7.17.2.1) Facility

Shenzhen R&D and Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2032.25

(7.17.2.3) Latitude

22

(7.17.2.4) Longitude

113

Row 7

(7.17.2.1) Facility

HeYuan Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1037.66

(7.17.2.3) Latitude

23

(7.17.2.4) Longitude

114

Row 8

(7.17.2.1) Facility

Xi An Manufacturing Site

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

556.29

(7.17.2.3) Latitude

34

(7.17.2.4) Longitude

108

Row 9

(7.17.2.1) Facility

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

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

25525.77

(7.17.2.3) Latitude

0

(7.17.2.4) Longitude

0

[Add row]

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

Select all that apply

☑ By facility

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

Row 1

(7.20.2.1) Facility

Shanghai R&D

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

19264.94

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

19264.94

Row 2

(7.20.2.1) Facility

Nanjing R&D

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

75716.61

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

75716.61

Row 3

(7.20.2.1) Facility

Nanjing Manufacturing Site

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

76058.54

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

76058.54

Row 4

(7.20.2.1) Facility

ChangSha Manufacturing Site

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

16701.92

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

16701.92

Row 5

(7.20.2.1) Facility

Xi An R&D

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

49850.46

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

49850.46

Row 6

(7.20.2.1) Facility

Shenzhen R&D and Manufacturing Site

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

66323.99

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

66323.99

Row 7

(7.20.2.1) Facility

HeYuan Manufacturing Site

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

26980.35

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

26980.35

Row 8

(7.20.2.1) Facility

Xi An Manufacturing Site

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

14995.47

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

14995.47

Row 9

(7.20.2.1) Facility

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

Overseas Representative Office ZTE Major Holding Subsidiary

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

47743.8

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

47743.8
[Add row]

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

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

43102.16

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

393636.08

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

393636.08

(7.22.4) Please explain

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

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

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

0

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

0

(7.22.4) Please explain

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

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

Select from:
☑ Yes

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

Row 1

(7.23.1.1) Subsidiary name

14 operating subsidiaries with controlling stakes

(7.23.1.2) Primary activity

Select from:
☑ Telecommunications services

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

Select all that apply

☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

2607.36

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

5678.38

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

5678.38

(7.23.1.15) Comment

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

[Add row]

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

Row 1

(7.27.1) Allocation challenges

Select from:

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

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

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

Row 2

(7.27.1) Allocation challenges

Select from:

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

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

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

Row 3

(7.27.1) Allocation challenges

Select from:

☑ Doing so would require we disclose business sensitive/proprietary information

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

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

Row 4

(7.27.1) Allocation challenges

Select from:

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

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

Gradually refine emission factors

Row 5

(7.27.1) Allocation challenges

Select from:

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

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

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

[Add row]

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

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

Select from:

☑ Yes

(7.28.2) Describe how you plan to develop your capabilities

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

[Fixed row]

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

Select from:
☑ More than 0% but less than or equal to 5%

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

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☑ Yes
Consumption of purchased or acquired electricity	Select from: ☑ Yes
Consumption of purchased or acquired heat	Select from: ☑ No
Consumption of purchased or acquired steam	Select from: ☑ Yes
Consumption of purchased or acquired cooling	Select from: ☑ Yes
Generation of electricity, heat, steam, or cooling	Select from: ☑ Yes

[Fixed row]

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

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

133977.99

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

133977.99

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

5333

(7.30.1.3) MWh from non-renewable sources

720528.69

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

725861.69

Consumption of purchased or acquired steam

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

14393.14

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

14393.14

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

2436.5

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

2436.50

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

29702.7

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

29702.70

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

35035.7

(7.30.1.3) MWh from non-renewable sources

871336.32

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

906372.02
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: ☑ No
Consumption of fuel for the generation of heat	Select from: ☑ Yes
Consumption of fuel for the generation of steam	Select from: ☑ No
Consumption of fuel for the generation of cooling	Select from: ☑ No
Consumption of fuel for co-generation or tri-generation	Select from: ☑ No

[Fixed row]

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

Sustainable biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Coal

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

68872.71

(7.30.7.8) Comment

N/A

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

65105.28

(7.30.7.8) Comment

N/A

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

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

N/A

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

133977.99

(7.30.7.8) Comment

N/A
[Fixed row]

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

Electricity

(7.30.9.1) Total Gross generation (MWh)

29702.7

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

29702.7

(7.30.9.3) Gross generation from renewable sources (MWh)

29702.7

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

29702.7

Heat

(7.30.9.1) Total Gross generation (MWh)

0

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

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

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

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

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

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

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

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

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

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

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

0

[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:
☑ China

(7.30.14.2) Sourcing method

Select from:
☑ Unbundled procurement of energy attribute certificates (EACs)

(7.30.14.3) Energy carrier

Select from:
☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:
☑ Solar

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

5333

(7.30.14.6) Tracking instrument used

Select from:
☑ I-REC

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

Select from:
☑ China

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

Select from:

☑ Yes

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

2023

(7.30.14.10) Comment

In 2024, ZTE Corporation purchased a total of 5333 mWh of green electricity certificates from Guangzhou Power Exchange Center.
[Add row]

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

China

(7.30.16.1) Consumption of purchased electricity (MWh)

725861.69

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

29702.7

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

16829.64

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

0

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

772394.03

[Fixed row]

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

Row 1

(7.45.1) Intensity figure

0.0000036005

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

436738.24

(7.45.3) Metric denominator

Select from:
☑ unit total revenue

(7.45.4) Metric denominator: Unit total

121299000000

(7.45.5) Scope 2 figure used

Select from:
☑ Location-based

(7.45.6) % change from previous year

11.31

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Change in renewable energy consumption
☑ Other emissions reduction activities
☑ Change in output
☑ Change in revenue
☑ Change in methodology

(7.45.9) Please explain

The main measures taken by ZTE to reduce carbon emissions and achieve emission reduction targets include: 1. Digital Energy and Carbon Management: Deploy an energy management system and self-developed "Electric Vision" and "Carbon Vision" apps to achieve real-time monitoring and intelligent scheduling of energy throughout the entire chain. 2. Technical energy-saving transformation: replace high energy consuming equipment, implement energy-saving projects such as air conditioning frequency conversion transformation and air compressor frequency conversion transformation. 3. Clean energy transformation: Continuously building photovoltaic facilities. In 2024, ZTE's self built photovoltaic power generation exceeded 29 million kWh, an increase of more than 5 times compared to 2023; 4. Enhance the awareness of energy conservation among all staff and carry out "maximum energy-saving" work during holidays. 5.In 2024, ZTE purchased a total of 5333 mWh of green electricity certificates. In addition, the emission factor of the national power grid has decreased from 0.5703CO2/MWh to 0.5366CO2/MWh; Above all, In 2024, ZTE's Scope 1 and 2 carbon emissions decreased by 13.4% year-on-year. In the future, ZTE will continue to promote the above work and make adjustments as necessary based on the company's strategy and the needs of stakeholders.
[Add row]

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

Row 1

(7.52.1) Description

Select from:
☑ Energy usage

(7.52.2) Metric value

5.66

(7.52.3) Metric numerator

Power of ZTE’s 22 R&D + manufacture domestic park

(7.52.4) Metric denominator (intensity metric only)

Total operating revenue (million RMB)

(7.52.5) % change from previous year

5.4

(7.52.6) Direction of change

Select from:
☑ Decreased

(7.52.7) Please explain

According to ZTE's carbon emission inventory for Scope 1&2, the use of purchased electricity accounts for 90% of carbon emissions, with domestic parks undertaking production and R&D tasks accounting for over 91%. Therefore, we have set emission reduction targets specifically for the electricity consumption of domestic parks. The target of intensity value (Total electricity consumption of ZTE’s domestic parks in MWh / Total operating revenue (million RMB))decreased by 4.2% year-on-year. We have taken a series of measures to achieve the targets, including replacing old and high consumption equipment, equipment renovation and other energy-saving and emission reduction measures to reduce energy consumption. The value for 2023 is 5.98, The value for 2024 is 5.66, a year-on-year decrease of 5.4%, achieving the target.
[Add row]

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

Select all that apply
☑ Absolute target
☑ Intensity target

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

Row 1

(7.53.1.1) Target reference number

Select from:
☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

ZTE Corporation - Near-Term Approval Letter_compressed.pdf

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

09/04/2023

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Location-based

(7.53.1.11) End date of base year

12/30/2021

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

79182.39

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

725424.18

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

0.000

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

804606.570

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

100

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

100

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

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

52

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

386211.154

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

43102.16

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

393636.08

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

436738.240

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

87.92

(7.53.1.80) Target status in reporting year

Select from:
☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

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

(7.53.1.83) Target objective

ZTE Corporation commits to reduce absolute scope 1&2 GHG emissions 52% by 2030 from a 2021 base year. ZTE corporation commits to reduce scope 3 GHG emissions from use of sold products 52% per TeraByte throughput by 2030 from a 2021 base year.

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

To achieve the targets, the main measures being taken by ZTE include: 1) Deeply manage ZTE's electricity consumption using the energy management center system and independently developed electric and carbon visualization APP systems 2) Internal energy-saving and carbon reduction training, low-carbon guidance and audit for suppliers, and value chain collaborative carbon reduction actions 3) Replace old and high consumption equipment, equipment renovation, etc. to reduce energy consumption 4) Continuously increasing the construction of photovoltaic facilities 5) Develop energy-efficient products and solutions. 6) Hiring consulting firms to establish a carbon management system and conduct carbon verification 7) Introducing LCA software to calculate product carbon footprint 8) Purchase green electricity or green certificates Through the above measures, in 2024 1)ZTE achieved absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year. 2)ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures. 3)ZTE completed carbon footprint assessments for 53 products and collaborated with third-party organizations to complete the carbon footprint certification of 3 products. 4)ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

ZTE Corporation of Net Zero Approval Letter.docx.pdf

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

09/04/2023

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2
☑ Scope 3

(7.53.1.9) Scope 2 accounting method

Select from:
☑ Location-based

(7.53.1.10) Scope 3 categories

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

(7.53.1.11) End date of base year

12/30/2021

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

79182.39

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

725424.18

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

8973847.69

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

2363.62

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

166293.81

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

304103.43

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

2253.05

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

137482.85

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

64180.95

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

0

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

193418.67

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

0

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

88830249.97

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

5484.69

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

9330.66

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

0

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

31529.34

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

98720538.730

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

99525145.300

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

100

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

100

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

9.02

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

0.002

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

0.17

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

0.31

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

0.002

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

emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

0.14

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

0.06

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

0

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

0.19

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

0

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

89.25

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

0.01

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

0.01

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

0

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

0.03

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

100

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

100

(7.53.1.54) End date of target

12/30/2040

(7.53.1.55) Targeted reduction from base year (%)

90

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

9952514.530

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

43102.16

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

393636.08

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

1414433.56

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

3026.55

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

136074.85

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

31896.54

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

1584.76

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

89223.7

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

67066.11

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

9560.24

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

251550.55

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

0

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

48642087.54

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

12412.22

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

29431.97

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

0

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

12888.46

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

50701237.050

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

51137975.290

(7.53.1.78) Land-related emissions covered by target

Select from:

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

(7.53.1.79) % of target achieved relative to base year

54.02

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

All ZTE Scope 1&2&3 Carbon emissions have been covered in this target

(7.53.1.83) Target objective

Long-Term Targets 'ZTE Corporation commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 and maintain through 2050 from a 2021 base year. ZTE Corporation commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.

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

To achieve the targets, the main measures being taken by ZTE include: 1) Deeply manage ZTE's electricity consumption using the energy management center system and independently developed electric and carbon visualization APP systems 2) Internal energy-saving and carbon reduction training, low-carbon guidance and audit for suppliers, and value chain collaborative carbon reduction actions 3) Replace old and high consumption equipment, equipment renovation, etc. to reduce energy consumption 4) Continuously increasing the construction of photovoltaic facilities 5) Develop energy-efficient products and solutions. 6) Hiring consulting firms to establish a carbon management system and conduct carbon verification 7) Introducing LCA software to calculate product carbon footprint 8) Purchase green electricity or green certificates Through the above measures, in 2024 1)ZTE achieved absolute electricity savings of 45 million kWh and a 13.4% reduction in Scope 1 and Scope 2 emissions compared to the previous year. 2)ZTE guided 100 suppliers in completing organizational-level carbon inventory and guided 10 suppliers in setting carbon reduction targets and measures. 3)ZTE completed carbon footprint assessments for 53 products and collaborated with third-party organizations to complete the carbon footprint certification of 3 products. 4)ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:
☑ No
[Add row]

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

Row 1

(7.53.2.1) Target reference number

Select from:
☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:
☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.2.3) Science Based Targets initiative official validation letter

ZTE Corporation - Near-Term Approval Letter_compressed.pdf

(7.53.2.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.2.5) Date target was set

09/04/2023

(7.53.2.6) Target coverage

Select from:
☑ Product level

(7.53.2.7) Greenhouse gases covered by target

Select all that apply
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Nitrogen trifluoride (NF3)
☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply
☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply
☑ Category 11: Use of sold products

(7.53.2.11) Intensity metric

Select from:
☑ Metric tons CO2e per unit of service provided

(7.53.2.12) End date of base year

12/30/2021

(7.53.2.25) Intensity figure in base year for Scope 3, Category 11: Use of sold products

0.00000492

(7.53.2.32) Intensity figure in base year for total Scope 3

0.0000049200

(7.53.2.33) Intensity figure in base year for all selected Scopes

0.0000049200

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

100

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

91

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

90

(7.53.2.55) End date of target

12/30/2030

(7.53.2.56) Targeted reduction from base year (%)

52

(7.53.2.57) Intensity figure at end date of target for all selected Scopes

0.0000023616

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

0

(7.53.2.72) Intensity figure in reporting year for Scope 3, Category 11: Use of sold products

0.00000343

(7.53.2.79) Intensity figure in reporting year for total Scope 3

0.0000034300

(7.53.2.80) Intensity figure in reporting year for all selected Scopes

0.0000034300

(7.53.2.81) Land-related emissions covered by target

Select from:

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

(7.53.2.82) % of target achieved relative to base year

58.24

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

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

(7.53.2.86) Target objective

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

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

ZTE deeply recognizes the necessity and feasibility of implementing energy conservation and carbon reduction throughout the entire value chain, covering upstream suppliers, and downstream customers. Considering that the carbon emissions from Category 11: Use of sold products account for 91% of the total emissions, in order to achieve the intensity emission reduction targets of related sold products, ZTE aims to create a new "zero carbon" network that is green, efficient, and reliable for customers with the goals of "energy cleanliness, ultimate ICT, and network intelligence". ZTE has established digital green information and communication technology to promote energy conservation and reduce carbon emissions in the upstream and downstream value chains. ZTE integrates the concept of sustainable development into product lifecycle management, builds green infrastructure, innovates low-carbon products and solutions, applies environmentally friendly product packaging and transportation, helps companies reduce costs and improve efficiency, and responds to climate change. ZTE has introduced LCA software to calculate product carbon footprint. ZTE has completed carbon footprint assessments for 53 products and collaborated with third-party organizations to complete the carbon footprint certification of 3 products in 2024. In 2024, ZTE's telecom products achieved an 8.39% reduction in physical emissions intensity during the use and maintenance phase through measures such as development of innovative models, energy-saving technology innovation, development of high-density and low-power boards, improvement of energy efficiency of power products, and increased proportion of green energy at communication sites. Terminal products achieved a 5.02% year-on-year reduction in absolute emissions over the entire product lifecycle, thanks to measures including the use of low-carbon materials (such as PCR), structural weight reduction design, and reduced energy consumption in transportation.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:
☑ Yes
[Add row]

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

Select all that apply
☑ Targets to increase or maintain low-carbon energy consumption or production
☑ Net-zero targets

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

Row 1

(7.54.1.1) Target reference number

Select from:
☑ Low 1

(7.54.1.2) Date target was set

09/04/2023

(7.54.1.3) Target coverage

Select from:
☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:
☑ Electricity

(7.54.1.5) Target type: activity

Select from:
☑ Production

(7.54.1.6) Target type: energy source

Select from:
☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2021

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

2565

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

0.3

(7.54.1.10) End date of target

12/30/2030

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

5

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

4.09

(7.54.1.13) % of target achieved relative to base year

80.64

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

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

No

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

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

Excluding purchased new energy, green electricity, and green certificates

(7.54.1.20) Target objective

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

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

In 2024, Self built photovoltaic power generation reached 29.7027 million kWh, an increase of 24.8824 million kWh compared to 4.8203 million kWh in 2023.

Row 2

(7.54.1.1) Target reference number

Select from:
☑ Low 2

(7.54.1.2) Date target was set

09/04/2023

(7.54.1.3) Target coverage

Select from:
☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:
☑ Electricity

(7.54.1.5) Target type: activity

Select from:
☑ Consumption

(7.54.1.6) Target type: energy source

Select from:
☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2021

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

2565

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

0.3

(7.54.1.10) End date of target

12/30/2030

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

30

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

4.83

(7.54.1.13) % of target achieved relative to base year

15.25

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

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

Yes, It's one of the key measures of Abs 1 target of 7.53.1: ZTE Corporation commits to reduce absolute scope 1 and 2 GHG emissions 52% by 2030 from a 2021 base year.

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

Select all that apply
☑ No, it’s not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

No any exclusions

(7.54.1.20) Target objective

By 2030, the percentage of purchased new energy, green electricity or renewable energy certificates will be increased to 30%+, compared to 2021 base year (0.3%）

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

The consumption of renewable energy mainly comes from two ways: purchasing green certificates and self built photovoltaic power generation. ZTE purchased 5333 off-site green certificates in 2024, each with a unit of 1000 kWh of electricity, totaling 5.333 million kWh of green certificates purchased, accounting for 0.73% of the total purchased electricity.
[Add row]

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

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

09/04/2023

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Int1

(7.54.3.5) End date of target for achieving net zero

12/30/2050

(7.54.3.6) Is this a science-based target?

Select from:

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

(7.54.3.7) Science Based Targets initiative official validation letter

ZTE Corporation of Net Zero Approval Letter.pdf

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

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

(7.54.3.11) Target objective

ZTE Corporation commits to reach net-zero GHG emissions across the value chain by 2050.

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

Select from:

☑ Yes

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

Select from:

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

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

Select all that apply

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

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

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

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

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

development and emission reduction. ZTE continues to combine its own capabilities with those of industry partners, and has empowered nearly a thousand customers in industries such as mining, metallurgy, steel, transportation, energy, power, and water conservancy with digital transition solutions, accelerating the achievement of energy conservation and emission reduction targets in the industry.

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

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

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

Select from:
☑ Yes

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

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e
Under investigation	1	`Numeric input
To be implemented	2	1000
Implementation commenced	5	1500
Implemented	13	40472.39
Not to be implemented	0	`Numeric input

[Fixed row]

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

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

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

4560

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

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

2880000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ >30 years

(7.55.2.9) Comment

In 2024, the photovoltaic facilities of ZTE Heyuan Base has been connected to the grid for power generation, with an annual power generation of approximately 8 million kWh. ZTE cooperates with suppliers on this project using EMC mode, which will be invested by an the supplier and ZTE does not need to invest. Half of the future electricity savings will belong to the supplier. ZTE's cost is zero

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

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

3280.85

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

Select all that apply
☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

805822

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

(7.55.2.7) Payback period

Select from:
☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

ZTE Corporation collaborates with suppliers to replace high energy consuming water pumps, cooling towers, air conditioning units, etc. to improve air conditioning energy efficiency. The annual electricity savings are approximately 5.756 million kWh. This project is an EMC model, constructed and operated by supplier with no investment from ZTE Corporation, and the cost of ZTE is zero.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

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

3600.14

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

Select all that apply
☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

1010566

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

0

(7.55.2.7) Payback period

Select from:
☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

ZTE Corporation has collaborated with suppliers to improve the operational efficiency of wind turbines in ZTE Xili Industrial Park through frequency conversion transformation. The measured energy-saving rate exceeds 50%, and the annual electricity saving is about 6.3 million kWh. This project is in EMC mode, funded by the supplier for construction and operation, and ZTE does not need to invest, with a cost of 0.

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

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

228

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

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

280000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

820000

(7.55.2.7) Payback period

Select from:
☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

ZTE Xi'an Chang'an Park has added plate heat exchangers to cool the factory area in winter, replacing chillers to save energy consumption. The total investment is about 820000 yuan. After calculation, the payback period is 3 years

Row 5

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

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

2885

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

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

40320000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

20000000

(7.55.2.7) Payback period

Select from:

☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

ZTE has implemented multiple measures to reduce energy consumption, such as 1) Optimizing the testing process in the R&D laboratory to reduce energy consumption, such as using ZTE's self-developed chips and pre embedding hardware capabilities through RRU modular design. Just need to upgrade the power firmware software, and the current RRU can only keep the power control module working, reducing power consumption to around 5W. 2) By optimizing the production process of the production line, especially through various measures such as high-temperature aging procedures and digital means, more than 10 million

kilowatt hours of electricity have been saved.

Row 6

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

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

3016

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

Select all that apply

☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

42150000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

50000000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 11-15 years

(7.55.2.9) Comment

The original air compressor at ZTE Nanjing Binjiang Base was a fixed frequency air compressor, and the power of the compressor did not automatically adjust with the decrease of the end load during use, resulting in serious energy waste during the process. By introducing variable frequency air compressors, the output power can be automatically adjusted in the event of gas consumption fluctuations, achieving energy conservation and consumption reduction. After implementation, the energy consumption of air compressors has decreased by more than 50%.

Row 7

(7.55.2.1) Initiative category & Initiative type

Company policy or behavioral change

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

21732.3

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

Select all that apply
☑ Scope 2 (location-based)

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in 1.2)

30375000

(7.55.2.6) Investment required (unit currency – as specified in 1.2)

20000000

(7.55.2.7) Payback period

Select from:
☑ <1 year

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ <1 year

(7.55.2.9) Comment

ZTE has integrated and Optimized all IDC business. Some data center project has been shut down, saving 40.5 million kWh of electricity compared to 2023.
[Add row]

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

Row 1

(7.55.3.1) Method

Select from:
☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

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

Row 2

(7.55.3.1) Method

Select from:
☑ Partnering with governments on technology development

(7.55.3.2) Comment

1. ZTE collaborates with government recognized environmental protection companies to carry out energy-saving projects such as solar energy and water storage cooling. Among them, ZTE's Heyuan photovoltaic project is expected to generate an annual power output of 8 million kWh 2. ZTE and the Institute of Information and Communications Technology jointly completed the LCA model for terminal products, explored research and developed a roadmap for ICT enabled vertical industry carbon neutrality technology. 3. Due to the excellent performance in dual carbon, ZTE has obtained certifications for green factories, green supply chain management enterprises, and green low-carbon enterprises. Based on this, ZTE has obtained government incentive funds to further promote low-carbon and green development of the company.

Row 3

(7.55.3.1) Method

Select from:
☑ Employee engagement

(7.55.3.2) Comment

1. ZTE organizes energy-saving and emission reduction activities every year to encourage employees to actively participate and enhance their awareness of energy conservation, such as the Earth Hour event and the dual carbon knowledge competition 2. Through ZTE's knowledge sharing platform, online climate change course training was organized, with the core course "Dual Carbon Strategy and Energy Conservation Awareness Enhancement" reaching a total of 45000 people and the total learning frequency exceeding 114000 times, achieving a global employee coverage rate of over 60% 3. Collect energy-saving and emission reduction suggestions from employees through ZTE's zService (internal one-stop service platform) platform, and reward the adopted suggestions.

Row 4

(7.55.3.1) Method

Select from:
☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

ZTE has actively responded to national policies and has fulfilled its carbon emission obligations for 11 consecutive years since being included in the government's key carbon emission control units in 2013. The carbon emissions in Shenzhen have decreased from 168000 tons to 122000 tons, with a decrease of 27.6%.

Row 5

(7.55.3.1) Method

Select from:
☑ Internal incentives/recognition programs

(7.55.3.2) Comment

In 2024, more than 1.8 millions RMB rewards have been shared to project teams. ZTE takes the project-based operation of energy conservation and emission reduction projects, formulates project objectives and milestones at the beginning of the year, and gives rewards to employees who have made great contributions to the projects in accordance with the achievement of the objectives and milestones.
[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:
☑ Yes, I will provide data through the CDP questionnaire

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

90

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

Row 1

(7.73.2.1) Requesting member

Select from:

(7.73.2.2) Name of good/ service

ZXXXXXXA

(7.73.2.3) Description of good/ service

The ZXXXXXXXA is a part of ZTE split 5G NR BBU-AAU base station product. The AAU incorporates radio frequency processing module and antenna. The 5G NR AAU adopts Massive MIMO technology to significantly improve spectral efficiency and hence high cell throughput. Moreover, the AAU base station is capable of

enhanced 3D beam forming for cubic coverage.

(7.73.2.4) Type of product

Select from:
☑ Final

(7.73.2.5) Unique product identifier

ZXXXXXXA

(7.73.2.6) Total emissions in kg CO2e per unit

17437.19

(7.73.2.7) ±% change from previous figure supplied

-5

(7.73.2.8) Date of previous figure supplied

07/11/2024

(7.73.2.9) Explanation of change

Reduce emissions by 5% each year

(7.73.2.10) Methods used to estimate lifecycle emissions

Select from:
☑ ISO 14040 & 14044

Row 2

(7.73.2.1) Requesting member

Select from:

(7.73.2.2) Name of good/ service

ZXXXXX1

(7.73.2.3) Description of good/ service

ZXXXXX1 is an UHD STB based on Android TV platform.

(7.73.2.4) Type of product

Select from:
☑ Final

(7.73.2.5) Unique product identifier

ZXXXXX1

(7.73.2.6) Total emissions in kg CO2e per unit

21.54

(7.73.2.7) ±% change from previous figure supplied

-5

(7.73.2.8) Date of previous figure supplied

07/11/2024

(7.73.2.9) Explanation of change

Reduce emissions by 5% each year

(7.73.2.10) Methods used to estimate lifecycle emissions

Select from:
☑ ISO 14040 & 14044
[Add row]

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

Row 1

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXXA

(7.73.3.3) Scope

Select from:

☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:

☑ Material acquisition

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

695.02

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ Yes

(7.73.3.7) Type of data used

Select from:

☑ Secondary

(7.73.3.8) Data quality

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

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

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

Row 2

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXXA

(7.73.3.3) Scope

Select from:

☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:

☑ Recycling

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

5.92

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ No

(7.73.3.7) Type of data used

Select from:
☑ Primary

(7.73.3.8) Data quality

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

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

The unrecyclable part is disposed of by incineration and landfill.

Row 3

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXXA

(7.73.3.3) Scope

Select from:
☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:
☑ Consumer Use

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

18581.58

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ No

(7.73.3.7) Type of data used

Select from:

☑ Primary

(7.73.3.8) Data quality

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

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

A ZXXXXA runs for 7 years

Row 4

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXXA

(7.73.3.3) Scope

Select from:

☑ Scope 2

(7.73.3.4) Lifecycle stage

Select from:

☑ Manufacturing

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

20.12

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ Yes

(7.73.3.7) Type of data used

Select from:

☑ Primary and secondary

(7.73.3.8) Data quality

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

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

Energy consumed by manufacturing a ZXXXXA (purchased power)

Row 5

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXX1

(7.73.3.3) Scope

Select from:
☑ Scope 2

(7.73.3.4) Lifecycle stage

Select from:
☑ Manufacturing

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

0.004

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:
☑ Yes

(7.73.3.7) Type of data used

Select from:
☑ Primary and secondary

(7.73.3.8) Data quality

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

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

Energy consumed by manufacturing a ZXXXX1 (purchased power)

Row 6

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXX1

(7.73.3.3) Scope

Select from:

☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:

☑ Material acquisition

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

11.88

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ No

(7.73.3.7) Type of data used

Select from:

☑ Primary and secondary

(7.73.3.8) Data quality

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

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

The materials (including the main materials and the auxiliary materials used in production) required by the ZXXXX1

Row 7

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXX1

(7.73.3.3) Scope

Select from:

☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:

☑ Consumer Use

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

11.89

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:

☑ No

(7.73.3.7) Type of data used

Select from:

☑ Primary and secondary

(7.73.3.8) Data quality

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

and its LCA database.

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

A ZXXXX1 runs for 3 years

Row 8

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXX1

(7.73.3.3) Scope

Select from:
☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:
☑ End of life/Final disposal

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

0.88

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:
☑ No

(7.73.3.7) Type of data used

Select from:
☑ Primary and secondary

(7.73.3.8) Data quality

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

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

The unrecyclable part is disposed of by incineration and landfill

Row 9

(7.73.3.1) Requesting member

Select from:

(7.73.3.2) Name of good/ service

ZXXXX1

(7.73.3.3) Scope

Select from:
☑ Scope 3

(7.73.3.4) Lifecycle stage

Select from:
☑ Distribution

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

0.01

(7.73.3.6) Lifecycle stage under your ownership or control

Select from:
☑ No

(7.73.3.7) Type of data used

Select from:
☑ Primary and secondary

(7.73.3.8) Data quality

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

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

Transport by sea
[Add row]

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

Row 1

(7.73.4.1) Name of good/ service

Series solutions

(7.73.4.2) Initiative ID

Select from:
☑ Initiative 1

(7.73.4.3) Description of initiative

1.The PowerPilot solution integrates such intelligent technologies as artificial intelligence, big data analysis, and intelligent energy-saving platform and intelligent base station to perceive network load and capability etc. The solution can effectively reduce network energy consumption by over 30%.2. The UniRAN Neo solution greatly simplifies the construction of wireless sites. The whole site energy consumption can be reduced by 40% or above.3. The ZTE 5G cloud core network builds a green and low-carbon network from four levels: Architecture, deployment, process and coordination.4. In the transport field, ZTE practices dual-carbon practices at multiple

levels and dimensions from components, boards, devices, to networks.Component level: the size and power consumption is reduced by 50%.Board level: reduces the power consumption of the fans by 30%. Network level: the annual average energy saving is 15%.5. Energy products:Low carbon power is achieved through the whole chain of energy. Solar energy and other green energy is designed to use for the products. In the energy conversion part, efficient power supply is used to reduce conversion loss. In the site construction part, low carbon power is achieved for site construction to achieve fast deployment, save power consumption of air conditioners and sites, and improve site construction efficiency. In addition, network cloud management improves energy efficiency and O&M efficiency.

(7.73.4.4) Completed or planned

Select from:
☑ Planned

(7.73.4.5) Emission reductions in kg CO2e per unit

929.08
[Add row]

(7.73.5) Have any of the initiatives described in 7.73.4 been driven by requesting CDP Supply Chain members?

Select from:
☑ Yes

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

Row 1

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

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

(7.73.6.3) Initiative ID

Select from:
☑ Initiative 2

Row 2

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

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

(7.73.6.3) Initiative ID

Select from:
☑ Initiative 2

Row 3

(7.73.6.1) Requesting member

Select from:

(7.73.6.2) Name of good/service

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

(7.73.6.3) Initiative ID

Select from:
☑ Initiative 2
[Add row]

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

Select from:
☑ Yes

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

Row 1

(7.74.1.1) Level of aggregation

Select from:
☑ Product or service

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

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

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

Power

(7.74.1.4) Description of product(s) or service(s)

1. Wireless RAN products:The RRU starts and stops automatically. In standby status, the RRU basically operates in Zero-carbon.The site goes to sleep for energy saving on the basis of the RF remote end.Smart sites: For large-bandwidth AAUs, energy is saved based on the operating bandwidth.The UniRAN Neo solution greatly simplifies the construction of wireless sites. The whole site energy consumption can be reduced by 40% or above.2. Wireless server product:Server liquid cooling solution and application3. Wired products:Improving the energy efficiency ratio through chip iteration; Improve the product energy efficiency ratio through product integration optimization.4. Digital energy power products:Improving rectifier efficiency; Increase the proportion of indoor rectifiers in power products, and reduce the proportion of outdoor rectifiers.5. Digital Energy Data Center Product; Liquid cooling solution and application, reducing the PUE value of data centers6. Mobile Devices; Selection of Low-Carbon Packaging Materials and Low-Carbon Structural Components; While meeting product and quality requirements reduce the weight and configuration of packaging materials and accessories; Reduce the proportion of air transport in the product transport phase; Improve the energy efficiency ratio of batteries in products

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

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

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

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

Select from:
☑ Cradle-to-grave

(7.74.1.8) Functional unit used

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

(7.74.1.9) Reference product/service or baseline scenario used

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

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

Select from:
☑ Cradle-to-grave

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

2377.07

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Category 11: Use of sold products emissions are the biggest proportion of the ZTE’s Scope 3 emissions, so ZTE focused on reducing emissions in this category.1) Before taking emission reduction measures, the GaBi software is used to evaluate the carbon footprint of the product, and calculates the carbon emissions in the product use stage (carbon emissions 1).2) ZTE sets energy conservation and emission reduction objectives, and takes energy conservation and emission reduction measures for products.3) After the energy-saving and emission-reduction measures are taken, the GaBi software is used to calculate the carbon emissions in the product use stage (carbon emissions 2).4) Calculate the emission reduction ratio and carbon emission reduction, Emissions reduction per functional unit = carbon

emissions 2 – carbon emissions 1. Reduction ratio=Emissions reduction / carbon emissions 1* 100%. This section uses the RAN product as an example.1) Before the emission reduction measures are taken, the carbon emissions of a single functional unit in the product use phase are 5942.67 kg CO2e2) After the emission reduction measures are taken, the carbon emissions of a single functional unit in the product use phase are 3565.60 kg CO2e3) Carbon reduction: 5942.67-3565.60 = 2377.07 kg CO2e/functional unit, Emission reduction ratio: 40% for 2377.07/5942.67

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

90
[Add row]

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

Select from:
☑ No

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

(13.1.1.3) Verification/assurance standard

General standards

Climate change-related standards

(13.1.1.4) Further details of the third-party verification/assurance process

The level of assurance agreed is that of Reasonable assurance. ZTE has commissioned an independent verification by SGS in according to ISO 14064-3:2019 to assure the reported GHG emissions of RESPONSIBLE PARTY, in conformance with ISO 14064-1:2018 requirements within the scope of the verification as outlined below. The data and information supporting the GHG statement is historical in nature. This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary: (1)The organizational boundary is established following Operational control approach (2)Location/boundary of the activities: detail boundary information has been listed in Annex (3)Physical infrastructure, activities, technologies and processes: Telecommunications and Information technology for providing innovative technologies and integrated solutions (Include design and manufacture of communication products) (4)GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG inventory and report of the RESPONSIBLE PARTY (5) Types of GHGs included: COz, CH4, N20, HFCs, PFCs, SF6, NF3 (6) GHG information for the following period was verified: 1 Jan. 2024 to 31 Dec. 2024 (7) GW adopted: IPCC 6 Assessment Report. In addition, ZTE's carbon emission data has also been disclosed in Sustainability Report, which has been verified by TUV in accordance with the AA1000 standard.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ZTE Corporation Sustainability Report 2024 Designed final.pdf
[Add row]

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

(13.2.1) Additional information

ZTE Sustainability Report 2024 https://www.zte.com.cn/content/dam/zte-site/investorrelations/en_announcement/ZTE_Sustainability_Report_2024_EN.pdf ZTE Net-Zero Strategy White Paper https://www.zte.com.cn/content/dam/zte-site/res-www-zte-com-cn/green_lowcarbon/pdf/ZTE%20Net-Zero%20Strategy.pdf

(13.2.2) Attachment (optional)

ZTE Corporation Sustainability Report 2024 Designed final.pdf
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

COO

(13.3.2) Corresponding job category

Select from:
☑ Chief Operating Officer (COO)
[Fixed row]