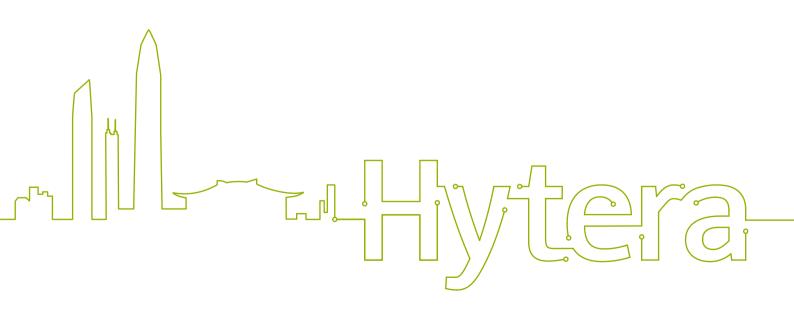


Hytera Communications Corporation Limited **Social Responsibility Report**



V2023 www.hytera.com







Feature Story 1: Stay True to Our Mission

As we kick off 2023, we are proudly celebrating our 30th anniversary as a team and a company. Thirty years in business is a great milestone for Hytera.

Thirty years ago, the two-way radio market in China was in lack of quality products, which prompted Hytera to start business in 1993. Back then the founder Mr.Chen decided that the company was to design and produce radios of GOOD quality, EASY to use, and TRUSTWORTHY for PTT calls; and he used the initials of these three words in Chinese to form the brand HYT. As a corporate brand, HYT was rebranded as Hytera in 2010 and still is the brand for the analog product line now.

30 years of product R&D and technological innovation has transformed Hytera. We keep releasing new products and solutions, from analog to DMR & TETRA to LTE and 5G, from devices to infrastructure, from dual-mode rugged radio to bodyworn camera, and from communication system on demand to integrated command and control room, in response to our customers' requirements to address their challenges with communications, productivity, and safety.

Much has changed over the years, including the competition landscape, technology evolution & adoption, and micro & macro environment. At the same time, much remains the same. Our founding mission and commitment have propelled us to grow for 30 years; they will remain the same in the years to come.

"Stay True to Our Mission", the slogan for Hytera's 30th anniversary, is also a reminder to every one of us that it is our mission to create value for users and make the world more efficient and safer. We will continue to bring innovative mission-critical and business-critical solutions to our customers from different sectors across the world.



Feature Story 2: Provide Emergency Earthquake Relief to Turkey

As for emergency rescue communications, Hytera has a complete set of established and rapidly deployable solutions that can provide timely and effective voice, video, and dispatch communication support at rescue sites.

On February 6, 2023, a 7.8-magnitude earthquake struck Turkey, which caused great damage to the lives and property safety of local people and received attention from people all over the world. After the disaster, power supplies were interrupted in many areas, and underground optical cables and ground base stations were basically paralyzed. As the power supply of communication relay equipment cannot be guaranteed, the interruption of communication has brought great challenges to rescue and relief operations. Therefore, the Company immediately donated 200 digital radios to Turkey's Disaster and Emergency Management Presidency (AFAD). These devices could help disaster site personnel in search and medical rescue as they are of high quality, portable, durable and can last for a long time.

As the power supply and communication network were gradually restored in the disaster area, rescuers put forward new requirements for communication coverage. The Company donated another 100 public-private integrated terminals to achieve signal relay through mobile communication network and expand the communication range. The Company's employees both in Turkey and China were also on standby to provide communication technology support to the rescue team sent by China, helping the local people overcome the disaster and get back up on their feet again.

During the past year, the Company's emergency products and solutions appeared at the ASEAN Emergency Equipment and Technology Exhibition, Hangzhou International Safety and Emergency Expo, and the 2022 Xi'an Emergency Expo. We also participated in the "Emergency Mission 2022" - Practical Drill for Earthquake Relief in Plateau and Alpine Regions, and built an emergency communication network for Sichuan Province Emergency Management Department, Shanxi Province Emergency Management Department, and Chaozhou City Emergency Management Bureau. This emergency communication network has been widely praised by users because of its practical application.





Feature Story 3: Deepen the Reform of the Green Supply Chain to Help Realize a Low-carbon Society

Green and smart manufacturing is inevitable for the high-end transformation of the manufacturing industry, and is also an effective way for enterprises to achieve green development. In recent years, by adhering to the concept of "Peak carbon dioxide emissions and carbon neutrality" is a profound economic, social, and systemic change, Hytera has continued to promote the harmonious coexistence of enterprises and the environment in the process of business operations. Responding to the country's call for sustainable development with practical actions, the Company focuses on technological innovation and green operation to help realize a low-carbon society.

In terms of organization and system, the Company has established the Green Factory Promotion Team to plan and implement the "Green Factory Medium and Long-Term Plan" and "Green Supply Chain Management Strategy". In terms of product manufacturing, the Company strictly implements international and domestic standards and regulations, integrates environmental protection requirements into the product design and production management processes, and has established a hazardous substance management system to ensure the manufacturing of green products. In terms of energy use, the Company deeply explores the potential space for energy conservation, actively utilizes clean energy, and carries out advanced projects involving solar energy, air energy, and waste heat recovery. All these measures can greatly reduce power consumption.

The Company has also specially established a green sales and recycling system. With more than 100 service cooperation sites around the world, it boasts of a recycling system for recycling waste electronic products. A third-party authoritative organization is entrusted to conduct inspections of pollutants, and dispose of hazardous wastes and general solid wastes each year to ensure that pollutants are discharged up to standards and disposed of reasonably.

In addition, the Company insists on disseminating and practicing the environmental protection culture of "environmental protection begins with me". It has issued the "Proposal on Energy Conservation and Consumption Reduction" to all employees, developed training courses on environmental protection, and organized volunteers to participate in environmental protection activities in many occasions.

At the end of 2022, the Company was selected on the list of the "Sixth Batch of National Green Factories" by the Ministry of Industry and Information Technology. On February 9, 2023, the Company was successfully selected on the "List of Enterprises with Green Supply Chain Management" by the Ministry of Industry and Information Technology. Our green business strategy, which has been recognized by the government, perfectly fits the characteristics and needs of China's green development era.

Support the United Nations Sustainable Development Goals









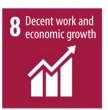






























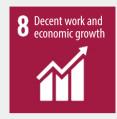


The Sustainable Development Goals (SDGs) were unanimously adopted by the 193 member states of the United Nations at the historic summit held in September 2015. It contains 17 major goals, involving environmental, social and economic objectives, as well as peace, justice and efficient institutions.

Hytera has long been deeply aware of its responsibilities and obligations, actively learned the sustainable development goals of the United Nations, and integrated them into its own business development. Based on the Company's operating and development situation, we continue to pay attention to integrity operations, technological innovation, product quality, democratic management, employee care, social welfare, environmental protection, and building a safe world to support the United Nations Sustainable Development Goals directly and indirectly.

Chapter 1 Introduction to Hytera

This chapter involves the following United Nations Sustainable Development Goals:





1.1 Company Profile

Hytera Communications Corporation Limited (SZSE: 002583) is a leading global provider of professional communications technologies and solutions. With voice, video and data capabilities, we provide faster, safer, and more versatile connectivity for business and mission critical users. We enable our customers to achieve more in both daily operations and emergency response to make the world more efficient and safer.

Hytera is committed to innovation and provides user-orientated critical communication products.

Fully understanding the communication challenges the industrial users are facing in Public Safety, Energy, Transportation, Utilities, Commercial and other industry verticals, Hytera continuously invests in technology development and application innovation, and is committed to promoting most open communication standards from narrowband to broadband, including TETRA, DMR, PDT and LTE.

Across multiple technologies and standards, Hytera provides feature-rich, multi-media broadband applications, while ensuring reliable mission critical voice communications through narrowband technologies, to help customers be their best by improving their situational awareness, fostering multi-agent collaboration, and enhancing decision making process.

Hytera has more than 90 offices worldwide and more than 40% of our workforce is engaged in engineering, research

and development. There are 8 global innovation and development centers located in China, Germany, Spain and Canada. The centers collaborate to keep Hytera at the forefront of the communications industry and are dedicated to developing leading technologies into solutions that our customers can count on to meet their real time communications challenges. With its extensive network of dealers and partners, Hytera is proudly serving customers in over 120 countries and regions around the world.

Hytera is committed to delivering reliable products with a high standard of quality. Hytera's smart factory in Shenzhen incorporates intelligent warehousing and logistics systems. Another important part of the global supply chain is the manufacturing center in Zaragoza, Spain, which focuses on customizing our products to meet the specific needs of our European and American customers.

Hytera also incorporates many leading sub-brands within the industry. HMF, headquartered in Bad Münder, Germany, is a specialist for technologies such as TETRA, LTE/5G and DMR readily available secure radio communication; Teltronic, headquartered in Zaragoza, Spain, is famous for developing TETRA systems in the rail transit industry; Norsat, headquartered in Vancouver, Canada, is the world's leading provider of professional satellite communications equipment and solutions; Sinclair, headquartered in Toronto, Canada, is the world's leading smart antenna brand; and HYT provides a brand of analog products under the Hytera umbrella.



1.2 Corporate Culture

Core components of corporate culture:

Mission

Endeavor to create value for users and make the world more efficient and safer.

Tireless effort is etched in the DNA of Hytera's employees, and we are committed to fulfilling our mission. We focus on the user needs of the professional communications segments. Further, we strive to create value for users through leading products, technologies and services. This way, we achieve the social mission of making the world more efficient and safer.

Vision

Become a globally trusted provider of professional communications technologies and solutions.

We are committed to being the first service provider that users around the world think of when they need professional communications solutions. Professional communications users put more stringent requirements on the reliability, stability, ease of use, and safety of information and data exchange, and Hytera's goal is to meet those stringent needs.

Core Values

To serve our customers well and sincerely; we create, win and grow together.

We always put ourselves in the shoes of customers and create value for them. Also, we satisfy their needs in all aspects with high-quality products and solutions. In order to create value for the Company, each employee works hard, with passion, and surpassing themselves. The Company inspires every employee to create value, share dividends, and achieve sustainable development together.

1.3 Corporate Strategy

"Stay true to our mission" is the slogan of Hytera's 30th anniversary, representing the Company's commitment in facing the many uncertainties of the future. In the long term, the Company shall uphold the mission of "Create value for users and make the world more efficient and safer". The Company shall adhere to its overall business strategy of "based in China, aimed at the global market", being market-driven, carrying out work in line with its "4 high-quality" standards, and focusing on leading product advantages. The objective is to become a trusted global provider of PMR solutions.

The Company shall seek development in the global market with deep channel penetration and continue to strengthen its global partnerships. Moreover, the Company will keep following the "Three-Easy Policy" (easy to find, easy to buy, and easy to serve) for its global customers by taking advantage of digital marketing and focusing on comprehensive market coverage, customer

coverage, product coverage, channel coverage, and partner coverage.

The Company shall also continue to focus on its "2+3+1" comprehensive business strategy, further improve its industry-leading position in the narrowband business, and strengthen the development of growth-oriented and cutting-edge businesses. By leveraging its advantages, the Company shall develop comprehensive solutions centering on an information command and dispatch system integrated with voice, video, data and image services to scale operations.

The Company shall strengthen its management reforms, maintain sustainable development, and make profits step by step. At the same time, it shall ensure healthy cash flow and prevent systemic risks, affirming high-quality development requirements and continuing to drive high-quality development.

1.4 Corporate Honors

The Company actively undertakes social responsibilities and promotes the common development of enterprises and the society to earn respect. During the reporting period, based on our own business and development

needs, we continued to optimize management in product quality, technological innovation, intellectual property, social welfare, and employee training and development, and gained recognition from all walks of life.

Science and Technology Innovation and Intellectual Property Awards

ward Name Awarding Organization		
iF Design Award (PNC560)	iF International Forum Design	
Best Use of Critical Communications in Transport of the ICCA	The Critical Communications Association	
Best Use of Critical Communications in Utilities of the ICCA		
Excellence Award of the China Patent Award	China National Intellectual Property Administration	
Silver Award of the Guangdong Patent Award	vard of the Guangdong Patent Award People's Government of Guangdong Province	
Excellence Award in the 5th "Blooming Cup" 5G Application Solicitation Competition for Green and Smart Manufacturing	Organizing Committee of the "Blooming Cup" 5G Application Solicitation Competition	
5G Fully-Connected Factory Pilot Program of 2022 Industrial Internet Pilot Demonstration Project	Info-Communication Management Bureau of the Ministry of Industry and Information Technology	

• Capital Market Awards

Award Name	Awarding Organization	
"4A" Rating for Performance of the Board Secretary of a	China Association for Public Companies	
Listed Company		
Crystal Ball Award for Most Valuable Investment	Capital Week	
Best Board of Directors of a Listed Company	National Business Daily	
Best Investor Relations Management Award China Securities Journal		

• Quality Awards

Award Name	Awarding Organization	
National Trustworthy Product	China Association for Quality Inspection	
National Demonstration Enterprise for Product and Service Quality China Association for Quality Inspection		
National Stable and Acceptable Product for Quality Inspection China Association for Quality Inspection		
National Leading Brand for Quality and Integrity China Association for Quality Inspection		

• Hytera College Training Awards

Award Name	Awarding Organization	
Construction Program of Annual Brand Learning Project	"Training" Magazine	

• Social Responsibility Awards and Others

Award Name	Awarding Organization	
Green Supply Chain Management Enterprise	Ministry of Industry and Information Technology	
National Green Factory	Ministry of Industry and Information Technology	
Most ESG Value Award	Financial Associated Press	
ESG Practice Model Award	The 11th China Finance Summit	

1.5 Integrity and Compliance Operation

The Company is committed to building a compliance system for integrity operations to achieve sustainable development with global customers, suppliers, and other business partners. The Company takes compliance as the core basis of enterprise development. It deeply

understands that integrity and compliance operation, risk management, and business ethics are the cornerstone of the Company's sustainable development. Employees also deal with business relations and business activities with integrity and in compliance with laws.

1.5.1 Improve Compliance and Risk Control Management System

i. Compliance Code of Conduct

In view of business ethics and integrity operations, the Company has issued the "Code of Conduct of Hytera Communications Corporation Limited" (hereinafter referred to as the "Compliance Code"), which sets out detailed provisions in anti-corruption and anti-bribery, respect for intellectual property rights of others, fair competition, export control, personal data protection, avoidance of conflict of interest, and prohibition of insider trading. The Company seeks to strengthen employees' awareness of the "Compliance Code" through system construction, compliance training and test, and announcement of reporting channels. It also carries out the "Company Compliance and Business Ethics Plan" (hereinafter referred to as "Compliance Plan") within the group, which aims to help all employees practice our common values and achieve the Company's development goals.

ii. Compliance Governance Organization

In accordance with the requirements of laws, regulations and normative documents, including the "Company Law", "Securities Law", "Guidelines for Governance of Listed Companies", "Basic Standards for Enterprise Internal Control" and "Supporting Guidelines for Enterprise Internal Control", we have establishes a full-coverage and multilevel internal control system based on the board of directors, risk management committee, compliance management committee, legal and internal control department, and internal control teams of each business unit. This multi-level internal control system provides organizational guarantees through collaborative management so as to clarify the responsible functional

departments, standardize the Company's operations, and optimize the internal control system.

The Compliance Management Committee is a specialized functional organization responsible for compliance management and decision-making on compliance matters. The Committee is the highest deliberation and decision-making organization on compliance matters of the Company, where the general counsel of the Company serves as the top person in charge of compliance management, the legal department provides professional support, and business leaders from all business units and subsidiaries are representatives. Through ordinary and extraordinary meetings for reviewing and dealing with specific matters, the Committee aims to advance and implement work, and ensure the effective implementation and supervision of the Company's compliance management system.

The Company publishes compliance policies and guidelines on its internal website, and organizes compliance training for managers/process owners at all levels to ensure that all employees can stay informed, review the compliance implementation status, and follow up and implement compliance improvement plans. The Company encourages employees and business departments to complain about violations of the "Compliance Code" and "Prohibited Matters", or to consult compliance issues:

- 1. Notify the immediate supervisor, or report to a higher-level supervisor if such communications involve the actions of the immediate supervisor.
- 2. Send an email directly to the Company's Compliance email address: compliance@hytera.com

iii. Risk Identification and Control

Facing the complex and changing operating situation, the Company sorts out risks, business loopholes, and compliance issues in various fields. Also, it integrates risk defense and coping strategies and reminds procurement and planning to adjust procurement and inventory strategies according to the international market conditions. The Company's objective is to reduce supply chain risks and domestic substitution risks. It also conducts regular indicator monitoring for infrastructure risks and cash flow risks.

During the reporting period, in addition to risk sorting, the Company carried out risk identification, analysis, and centralized rectification for compliance operations of key areas in two respects, and improved risk control measures in key business and areas; established an indicator system for early risk warning control, conducted regular evaluations, and completed three risk indicator monitoring reports; published the general risk response guide (Product Certification Compliance Matrix); strengthened the publicity and implementation of risk culture, completing targeted risk training and publicity work 10 times, and raised the compliance and risk control awareness of all departments through the "Risk Review" official account

iv. Special Training and Compliance Test

During the reporting period, the Company published compliance publicity documents covering multiple topics. Further, it carried out a total of 10 compliance training sessions for the work content and compliance priorities of each business unit, mainly including training on compliance and business ethics, interpretation of prohibited matters, risk control measures for domestic and international commercial contracts, rights protection of export brands, and other topics. The Company conducted non-scheduled compliance training for directors and executives of each branch. Also, it conducted compliance publicity and implementation covering local laws and regulations, legal obligations of positions, anti-corruption and anti-fraud, export control, and anti-money laundering, so as to fully improve law-abiding awareness of relevant personnel in branches.

In 2022, the Company published the "Hytera Contract Management Measures", "Management Rules for Enterprise Prohibited Matters", and "List of Prohibited Matters" within the Company, requiring all employees to learn, master and comply with the requirements of compliance guidelines and prohibited matters in their work. In addition, the Company prepares the compliance test paper and updates it every year, requiring all non-operational employees to participate in the test. During the reporting period, a total of 3,309 employees of the Company passed the 2022 annual compliance test, with a pass rate of 92.68%.

v. Compliance Plan Summary and Outlook

Looking back at 2022, the Company strengthened the construction of the compliance system, enhanced compliance support, and implemented compliance plans. It basically achieved the compliance goals set at the beginning of the year.

Looking forward to 2023, the Company will continue to improve the legal support for global compliance, improve the compliance system based on the Company's business development needs, build a professional compliance team, and create a global lawyer resource pool covering all business areas of the Company. By following up global compliance changes, and gaining insight into legislative and regulatory trends, the Company will update compliance policies in a timely manner and make response plans. Considering the risks of intensified geopolitical conflicts and trade frictions, the Company will continue to focus on trade compliance and respond to the challenges of global business layout and supply chain resilience. In the light of the data privacy and security risks brought about by the cross-border flow of corporate data in the era of digital economy, the Company will implement the compliance management system of domestic and overseas data in stages and by modules. Through system construction and implementation measures, we will provide all-round compliance support for the Company's business to escort the Company's stable operation in the long term.

1.5.2 Deepen Efforts to Fight Against Corruption and Commercial Bribery

The Company attaches great importance to creating an honest, trustworthy, fair and clean business environment and working atmosphere. The "Compliance Code" clearly stipulates that employees should abide by laws and regulations in business dealings and in handling gifts and entertainment, act in a manner that complies with business ethics, and treat customers, suppliers and partners fairly. Also, it clarifies methods of accepting reports on corruption and commercial bribery, the investigation process, and ways of protecting reports and complaints. The Company requires all suppliers and dealers to sign the "Anti-Bribery and Anti-Corruption Commitment Letter", incorporates the relevant requirements on anti-corruption and anti-commercial bribery into contracts with all customers, dealers and partners, and guides partners on the value chain to fulfill corporate responsibilities with the Company.

During the reporting period, the Company further strengthened risk management and internal control. In addition to the previously issued "Company's Anti-Fraud System" and "Anti-Bribery Compliance Policy", it released the "Audit System for the Exit of Senior Executives" and "Emergency Procurement Compliance Management System". The Company continued to carry out special anti-fraud investigations based on clues, issued more than 10 special anti-fraud reports, actively participated in the national "Enterprise Anti-Fraud Alliance", and gained knowledge of more anti-fraud cases and fraud investigation methods through industry exchanges. The Company also paid attention to anti-fraud publicity and training, and published more than 20 anti-fraud publicity articles through its official WeChat account, covering fund

misappropriation, commercial bribery, embezzlement, and other typical cases in the industry.

The Company's "Anti-Fraud System" stipulates the reporting acceptance and investigation procedures, and defines the anti-fraud reporting management mechanism, covering policies and management norms concerning confidentiality and protection of reporting information, anti-retaliation, and rewards for whistleblowers. Strict confidentiality and nondisclosure of reporting information is the primary principle for the Company to handle reporting. The reporting information is received and followed up by full-time internal auditors. During the investigation process, the reporting information, such as the whistleblower's information and the report content, is kept confidential and encrypted. Whistleblowers can apply for reporting rewards based on the effective clues they provided, and the reporting rewards can reach up to CNY 100,000. The Company does not tolerate any kind of retaliation, and any retaliation will be considered as a material violation of the Company's compliance policy.

The Company encourages employees and related business units to report violations of the "Company's Anti-Bribery Compliance Policy". Any employee and related business unit can report through the following methods:

- 1. Notify the immediate supervisor, or report to a higher-level supervisor if such communications involve the actions of the immediate supervisor.
- 2. Send an email directly to the Company's anti-fraud reporting email address: fwb@hytera.com, or call the Company's reporting hotline (0755-26972999-2757/2019).



1.5.3 Antitrust and Fair Competition

The Company always upholds the principles of fairness, justice and transparency in business operations and market competition, strictly abides by the "Anti-monopoly Law of the People's Republic of China" and "Anti-unfair Competition Law of the People's Republic of China", and formulates and implements the "Hytera's Code of Business Conduct" to seriously regulate business practices. The Company persists in achieving success through fair competition in the market.

During the reporting period, the Company focused on strengthening anti-monopoly and anti-unfair competition compliance, actively created an open and transparent business environment, and won trust in the market thanks to its integrity. The Company prohibits business units from participating in anti-competitive practices. Further, it requires partners to follow the principles of fair competition

and honest operation; not to get involved in any practice that damages fair competition and violates monopoly regulations; comprehensively sort out dealer agreements, partner agreements, and sales contracts; conduct investigations on relevant terms involving restricted selling prices, resale prices, and supply channels; and clearly stipulate the terms of honest operation and fair competition in contracts. In 2022, the Company's legal department revised the channel contract template to ensure that the Company's channel and supply chain cooperations comply with relevant regulations and standards. The Company's audit department forms a closed loop of supervision and management through procurement supervision, regulates the practices of participating entities such as employer, bidders and bid evaluation experts, and guides the Company and its employees, customers, suppliers and other stakeholders to operate honestly and compete fairly.

1.5.4 Export Control and Trade Compliance

As a responsible global enterprise, the Company fully abides by the applicable laws and regulations concerning export control and economic sanctions in the country or region where its business is operated. Also, it is committed to abiding by the applicable laws and regulations concerning import and export control and trade compliance.

The Company publishes and regularly updates the "Import and Export Control Compliance System" and "Export Control Compliance Guidelines" on its official website. Moreover, the Company formulates export control implementation requirements and procedures for key positions, such as "U.S. Export Control Rules and Proportion Calculation Application" and "Compliance Requirements for Controlled Materials of R&D Products", providing guidelines for compliance requirements in terms of material procurement, R&D management, proportion calculation logic, and risk-based customer screening. The Company also integrates digital and intelligent tools embedded in multiple IT systems for detecting compliance risk involving internal business. This not only unifies the Company's overall risk preference and compliance control requirements, but also ensures that the Company implements trade compliance policies in the process of managing partners and project execution.

During the reporting period, the Company preliminarily achieved the automatic compliance screening and due diligence of partners including suppliers and customers. Also, it embedded the automatic blacklist screening function in important transaction steps (including supplier introduction, customer filing, contract signing, and order delivery) to screen and intercept users who fall into the global control and sanction list, track the blacklist update 24/7, and adjust the risk status of the subject in the database in real time. The Business System column displays the real-time risk status of partners to ensure that business system users get a "seamless" experience while deepening the subject's awareness of compliance risk prevention. The objective is to achieve compliance due diligence on the subject of procurement and sales transactions.

In order to adapt to the changing compliance situation and promote the implementation of export control compliance by the Company's employees, the Company regularly organizes special training on export control, conducts targeted publicity to key groups, and communicates export control regulations and policies to the Company's employees through a number of effective means, such as the Company's official WeChat account.

1.5.5 Data Protection Compliance

In the era of digital economy, the cross-border flow of data is boosting the growth of international trade. Therefore, many countries are strengthening their legislation and supervision on data security and personal privacy protection. The Company strictly abides by regulations, industry standards and regulatory requirements on personal information protection and data security not only in China, but also in other countries/regions where it operates. It is committed to protecting the personal data and privacy information of employees, partners, consumers, and users.

i. Employee Privacy Protection

The Company attaches great importance to the protection of employees' personal privacy, so it has established and constantly improves its employee privacy protection system. This system provides employees with a privacy statement when they join the Company, informing them of the importance of personal privacy protection, improving employees' awareness of information protection, and obtaining their informed consent for processing their personal data. Apart from constantly improving its employee data protection system, the Company strengthens the management of collecting, storing, using and transmitting employee data in financial reimbursement and human resource processes.

ii. Partner Information Protection

The Company attaches great importance to partner information management and has formulated the "Hytera Employee Information Management Standards", which highlight the importance of confidentiality. The Company complies with the data protection laws applicable in various countries around the world; integrates data protection requirements into daily business activities; builds a data compliance management system; formulates the "Hytera Confidential Information Grading Guidelines", a data security and network security management system, and emergency plans; and improves the information security management mechanism and the information technology and security technology system. Thus, the Company keeps customer information secure and prevents the disclosure of customer and supplier information

iii. User and Public Information Protection

In the development of the official website, digital marketing, and mobile applications (APPs), the Company strictly abides by relevant laws and industry standards, adheres to the principle of personal privacy protection, and takes necessary security measures for the collected user information and data. The Company aims to protect user privacy and prevent the disclosure and abuse of user information. By optimizing the product and service interface of the website and APPs, the Company openly announces the rules for collecting and using information, lists the implementation mechanisms and data rights enjoyed by users, and ensures that personal information is collected with the informed consent of users. Customers can address their privacy needs through the service interface, email, or telephone. The Company hires a third party to evaluate and rectify the GDPR compliance of product technology, introduces the third-party privacy management platform OneTrust, strictly reviews access to third-party components and SDKs to avoid security compliance loopholes, and effectively protects the privacy rights of users (especially minors).

iv. Cross-border Data Transfer Protection

Based on the current situation of the Company's global operations, overseas employees, and cross-border flow of business data, the Company has compiled the "Group Data Protection System", which regulates the data transfer within the group by signing data processing agreements and data sharing agreements with affiliated companies based on GDPR standards. This way, the Company ensures the security and compliance of cross-border data. The Company's legal affairs, finance, human resources, market and brand promotion, IT and process departments form a cross-border data circulation team. To continue expanding internationally, the team works together with external consultants, suppliers and partners in the fields of domestic data export, foreign data entry, and transferring data to a third-country. The Company promotes compliance in cross-border data transfer in stages and by modules by sorting out high-risk scenarios for cross-border data flow, researching on data regulations in multiple jurisdictions, assessing data processing risks, and combining business models with technical capabilities.

1.5.6 Respect and Protect Intellectual Property Rights

i. Global Intellectual Property Protection

The Company attaches great importance to brand building and maintenance, actively promotes the strategy of trademark protection at home and abroad, and establishes a well-known, influential and legally quaranteed trademark protection system in the world. In many countries and regions around the world, the Company has carried out trademark registration for core products and important products in planning in an orderly manner, preparing the Company for globalization. The Company has also established a global trademark ledger, which will be updated in real time, to provide effective administrative measures for trademark status, layout, and monitoring.

By the end of 2022, Hytera's word mark and design mark have obtained trademark protection in more than 65 countries or regions. This not only means brand protection against brand anti-counterfeiting and market cleaning, but also ensures that users can obtain high-quality products and services, staying away from fake and inferior products. The Company also promotes the invalidation and cancellation of malicious trademarks that disrupt market order and market information transmission mechanisms.

The Company has established a long-term application, evaluation, and reward mechanism for technical intellectual property to promote the transformation of scientific research achievements and protect the Company's products and technical solutions. The Company also carries out compliance training on the use, protection, external authorization, and risk prevention of trademarks. The objective is to achieve strict authorization and standardized use and improve employees' legal awareness. Furthermore, the Company rectifies the noncompliant use of trademarks and strives to promote the correct, compliant and unified use of trademarks.

ii. Anti-Counterfeiting and Brand Protection

The Company has established a market and technologybased intellectual property monitoring mechanism to promptly discover intellectual property infringements in the market through R&D, market, and technology retrieval channels. Besides, the Company cooperates with external law firms and notary agencies to effectively curb infringements and actively safeguard the legitimate rights and interests of the Company through lawyers' letters, platform complaints, administrative complaints, court proceedings and other means in a timely manner.

During the reporting period, the Company strengthened its control and dealt with the improper use of its trademarks on online e-commerce platforms such as Alibaba, Taobao, Pinduoduo, and JD. In 2022, 37 cases of anti-counterfeiting disputes were filed and followed. This not only significantly reduced the risk of the Company's brand being infringed by counterfeit and inferior products, but also effectively regulated the industry order, improved the business environment, and promoted the protection of intellectual property rights.

iii. Intellectual Property Compliance Publicity and Supervision by Public Opinion

In the process of brand promotion, the Company fully respects the intellectual property rights of others. In the process of producing promotional content, the Company obtains the authorization or use license of materials through legal means and verifies the authorized written materials to avoid using unauthorized third-party materials and special elements. In the process of producing its own promotional materials, the Company actively contacts relevant parties to obtain written authorization for the use of original materials. For external production, the Company pays attention to the originality of the work and requires the producers to make a non-infringement commitment.















Also, the Company has strengthened its management and supervision on external publicity, based on the "Advertising Law of the People's Republic of China", "Anti-unfair Competition Law", "Copyright Law", and "Trademark Law", to ensure that the Company's online and offline marketing content and advertisement materials are legal and compliant. Moreover, the Company clearly formulates a code of conduct for sales staff in advertising, product sales, and contract signing; forms a hierarchical review system; strictly reviews the publicity content; always adheres to the principle of authenticity, accuracy and objectivity; and prohibits false advertising and excessive commitments.

iv. Software Legalization and Open Source Code Management

The Company always respects the intellectual property rights of others and strictly prohibits the use of unauthorized pictures, text, trademarks, software, programs, source codes, etc. Therefore, those that are necessary in R&D and business activities should be obtained through legal means. The

Company's legal department, information security department, and audit department jointly promote the control of enterprise software legalization and clearly stipulate the establishment of a regular software compliance screening system. This system holds employees to high standards and strict requirements for compliance in using software. Combining administrative rewards and punishments with IT technology, regular inspections and random spot checks are carried out on employees' compliance in using software.

For open source code management, the Company strengthens the management of open source code in the process of design, R&D, and procurement. Further, it reviews whether open source code is required in the software design process, the authorization rules for using open source code, and the usage scope. Also, in the process of software customization and development, the entrusted party is required to disclose the use and authorization of open source code to ensure that the Company's software code management is evidence-based and source-readable.

1.6 Information Security Assurance

During the reporting period, the Company obtained the certificate of the international ISO27001 information security management system and level 2 certificate of the national classified cybersecurity protection (GB/T22239-2019), and established an enterprise information security management system that conforms to the PDCA model. Based on the information security issues involved in the Company's business development process, we formulate the internal information security management system and requirements, regularly organize new employees and current employees to participate in information security training and tests, and carry out information security publicity internally to improve employees' security

awareness. To make core data, customer information and user information inaccessible, the Company has also built its own anti-attack, anti-leak and anti-privilege information security technology system, covering application security, host security, network security, terminal security, physical security, data backup, and disaster recovery. In view of deficiencies in the management mechanism and technical protection measures, the Company also continuously optimizes the information security operation mechanism for risk inspection and rectification. This measure aims to protect the Company's core business secrets, customer information, and user information throughout the life cycle.

Chapter 2 Pursuit of Excellence and Continuous Innovation

Over the years, the Company has always taken technological innovation as the key driving force for enterprise development. Therefore, it encourages innovation and embraces new technologies based on customer needs. The Company has established eight R&D centers in Shenzhen, Harbin, Nanjing, Hebi, Bad Münder (Germany), Zaragoza (Spain), Vancouver (Canada), and Toronto (Canada), and owns several international advanced specialized laboratories. During the reporting period, the Company's R&D investment accounted for 16.4% of the sales revenue.

This chapter involves the following United Nations Sustainable Development Goals:







2.1 Encourage Innovation

In recent years, the Company has actively encouraged innovation in R&D, design, production, market development, and operation processes internally, and provided incentives for innovation through an assessment and reward mechanism. The Company mobilizes all employees to innovate through various internal training and innovation competition activities, and effectively applies innovation ideas in products.

In 2023, relying on years of industry experience, the Company accurately identifies industry needs and pain points, and has established five key special laboratories internally, namely Good Voice Laboratory, Wireless Communication Laboratory, Satellite Application Laboratory, Green and Low-carbon Laboratory, and Ergonomics Laboratory. It clarifies the goal of technological innovation and creates rich opportunities for technological innovation.

2.2 Strengthen the Governance over Ethics in Science and Technology

Ethics in science and technology is the value concept and code of conduct that should be followed in scientific research and technological development. It is an important guarantee for the healthy development of science and technology. Strengthening ethics in science and technology is conducive to economic development, social progress, improvement of people's livelihood, and ecological and environmental protection, thereby promoting the peaceful and sustainable development of human society.

The Company takes "Endeavor to create value for users and make the world more efficient and safer" as its mission, implements the requirements on ethics in science and technology throughout the process of R&D and innovation, and promotes the coordinated development and positive interaction between innovation activities and ethics in science and technology. The Company is committed to providing customers in the fields of global public safety, emergency response, energy, and

transportation with intelligent integrated professional communications solutions. Its products provide strong support for ensuring the social stability and orderly operation of the industry. The Company also incorporates environmental protection requirements into the processes of product R&D, design and production management to create "green products" and take social and moral responsibilities for social safety, public safety, biological safety, and ecological safety.

The Company leads the development of China's professional communications industry through continuous R&D and innovation. In addition, it greatly improves spectrum utilization efficiency and reduces radio interference through wireless communication digitization. Higher spectrum utilization and a cleaner spectrum environment will bring more industrial opportunities, create greater economic and social value, and help improve people's livelihood.

2.3 Strengthen Intellectual Property Protection

As an R&D company that pursues technological innovation, Hytera always attaches great importance to intellectual property. In 2000, it applied for the first project patent. In 2006, it established a full-time patent management team and a full-time trademark management team to develop its own patent database. The full-time team is responsible for the application and management of patents and other intellectual property rights.

By now, the Company has established a complete intellectual property management system, which has acquired the certificate of the national intellectual property management system. Professionals and corresponding systems are available to deal with everything from layout to risk control of patents and trademarks. As for the layout of patents and trademarks, the Company comprehensively evaluates patents from multiple perspectives and conducts hierarchical management in line with its own development direction. In terms of risk control, the Company has formulated

corresponding systems for R&D, sales, procurement, production, and other links. It has concluded a set of applicable administrative methods in daily work, which are implemented to fully prevent intellectual property risks. For litigation cases, multiple departments within the Company cooperate closely to establish an efficient case management mechanism and a management mechanism of external lawyers to effectively protect its own rights and interests.

During the reporting period, the Company conducted a detailed review on the overall management system to further improve the efficiency and management of the intellectual property management system. It also adjusted the working mode of patent layout planning, made adaptive modifications to the patent management system, deepened the integration with standard work, and added the software copyright management to the patent management system. Therefore, all major types of intellectual property rights can be managed with the

online database in a scientific way, thereby improving the management level and efficiency.

The Company won the title of "National Intellectual Property Advantage Enterprise" in 2016, and is currently applying for the title of "National Intellectual Property Demonstration Enterprise". Due to its emphasis on the quality of patent applications, the Company has also won many awards, such as "China Patent Award", "Guangdong Patent Award", and "Shenzhen Science and Technology Award (Patent Award)".

During the reporting period, the Company won three important awards, namely "Excellence Award of the 23rd China Patent Award", "Silver Award of the 9th Guangdong Patent Award", and "Annual Shenzhen Patent Award and Standard Award". It has won eight national, provincial and municipal patent awards in total.

By the end of 2022, the patents and software copyright applications and registered trademarks of the Company were as follows:

Intellectual Property Category	Newly-added in 2022 (Quantity)	Total (Quantity)
Patent Application	239	3038
Patent Licensing	259	1661
Invention Patent Licensing	147	721
PCT Patent Application	26	516
International Patent Application	9	214
Software Copyright Application	2	451
Registered Trademarks	14	230

2.4 Strive for Perfection and Maintain High Quality Product Life-cycle Management

Since the establishment of the Company, Chen Qingzhou, the founder of the Company, has understood that quality is the cornerstone of the survival and development of the Company, and considers quality as the Company's first lifeline. The Company always adheres to the quality policy of "make our customers more satisfied", builds and continuously improves an overall quality management system, and drives all employees to make comprehensive quality improvement in the whole process. Overall, the

company endeavors to create value for customers and make the world more efficient and safer. The Company has been awarded the titles of "National Stable and Acceptable Product for Quality Inspection", "National Trustworthy Product for Quality Inspection", and "National Integrity Brand for Product and Service Quality" for three consecutive years.

2.4.1 Introduction to Quality Management System

The Company has successively introduced management systems or certifications, including ISO9001, ISO14001, ISO45001, and ISO/IEC80079-34 (ATEX/FM/CQST/IECEX). Its R&D system has obtained CMMI Level 4 certification, its service system has obtained Five-star After-sales Service System Certification (GB/T27922), and its products are fully controlled in accordance with environmental protection directives EU RoHS and REACH and China's "Administrative Measures on Pollutants of Electronic Products". The subsidiary Shenhai has introduced system management certifications of IATF16949 and TL9000.

Since 2005, the Company has been introducing excellent performance management. With overall quality management for excellent performance, it comprehensively sorts out internal management, conducts customer-driven business operations, and fully improves the Company's management through innovative integration, Intelligent Hytera Product System, and integrated information platforms. The Company has successfully enabled dealers, partners and end users to

enjoy better products and services, creating value for customers. The Company has been awarded the titles of "Shenzhen Mayor Quality Award", "Demonstration Base of Shenzhen Excellent Performance Management Model", "Guangdong Provincial Government Quality Award", and "Finalist Award of National Quality Award".

Under the guidance of the customer-oriented policy, the Company has identified the quality management content of the whole process in the entire value chain, from customer needs to customer satisfaction, and built a quality system covering R&D, supply chain, product, and customer service. Through building a quality platform, the overall quality management within the product life cycle will be integrated, and corresponding quality personnel will be set up to check each process of product development, product manufacturing, project delivery, and after-sales service. The Company will continue to introduce advanced concepts (such as IPD, 6Sigma, and CMMI) to improve end-to-end process management and the Company's overall quality.

2.4.2 R&D Quality Management

To promote the quality management system and excellent performance, the Company has introduced the advanced IPD, CMMI, agile development management concepts, and DFSS (Design for Six Sigma) management tools, formed a scientific and rigorous structured design and development process, and established the Product Strategic Planning and Solution Management Department. This Department is responsible for the overall strategic planning and management of products and solutions, providing judgment and decision-making information for business planning and market strategies, and tracking and managing business planning and resource allocation. The Company understands that quality starts from development and design. To ensure high quality, the first step is to gain a deep understanding of customer needs through demand management and product planning during the product design process. The

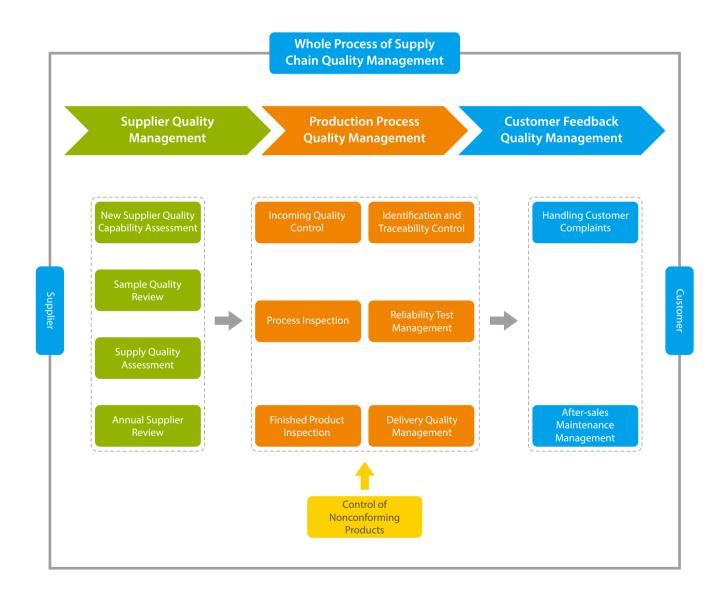
Company has established a strong product testing center, which will complete all the product testing work of the Company. It strictly follows the product release process and releases the product version through the PMC review meeting to ensure the key quality process and characteristics of products.

While designing and developing according to the process, the Company has established a general standard laboratory and an environmental engineering laboratory that meet the standard requirements. In the process of component certification and new product development/finalization, reliability verification is strictly carried out in accordance with the testing process to ensure that products work stably in various complex and changeable application sites.

2.4.3 Supply Chain Quality Management

In order to ensure that our products always take a leading position in the market, the Company strictly controls product quality. It has established long-term and stable strategic partnerships with world-renowned upstream suppliers of electronics and structural parts and signed the "Raw Material Purchase Contract", "Quality Agreement", "Integrity Agreement", "Statement for Non-use of Hazardous Substances", and "Outsourced Parts After-sales Service Contract". The Company has established a rigorous supplier management system, whose process is fixed through an electronic workflow, to regularly evaluate the

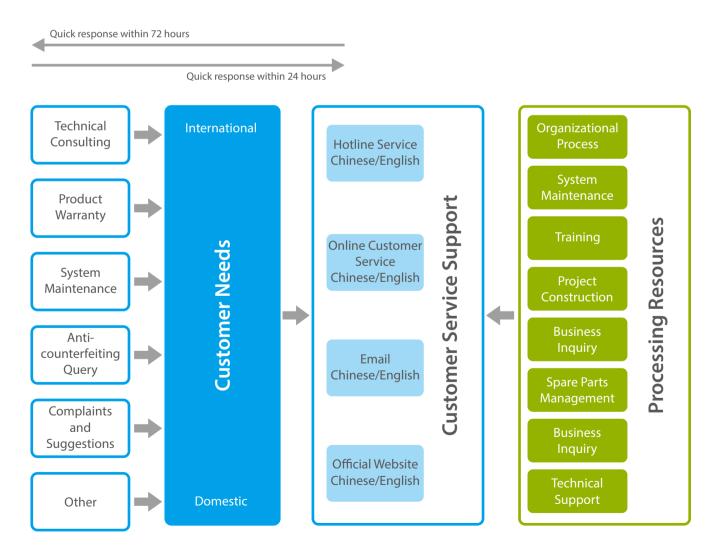
performance of long-term cooperation between suppliers and the Company. This system can effectively monitor the quality of incoming materials and ensure excellent product quality. As to the manufacturing process, the Company pays attention to improving the process capability and the inspection and control of the whole process to guarantee the output quality and meet the customers' needs while effectively reducing costs. Through the identification and confirmation of key processes and quality control points, the Company has developed quality management control measures.



2.4.4 Delivery Service Quality Management

The Company conducts delivery management based on quality, safety, progress, and cost. It develops control, inspection and return visit management procedures, implements strict supervision and management on project delivery, organizes quality inspections, and implements rules of rewards and punishments for quality management. Secondly, the Company prepares project schedules and requirements on each step and implements tracking and supervision of the construction progress. Thirdly, the Company organizes the internal inspection and acceptance on projects, supervises the rectification, and provides projects that are accepted on time.

The Company's service platform of the customer support system provides information feedback channels, including official website, online customer service, instant messaging, and email. Together with the service station, the platform becomes an integrated customer service platform. With the response platform and customer feedback service relying on these channels, the Company is committed to providing customers with 24/7 emergency response services, providing solutions to client feedback problems within 72 hours, and organizing relevant departments of the Company to analyze the causes of complaints and handle complaints quickly. Moreover, the Company sets up a customer service department to follow up customer feedback and establishes an internal feedback system for processing product quality problems. This system aims to achieve closed-loop management of quality problems throughout the process.



Company's Service Quality Management Flow Chart

2.4.5 Create a Culture of Quality

By emphasizing the importance of quality, employees strive to build a customer-oriented quality culture system, deeply explore customer needs, accurately pinpoint and develop products, improve customer satisfaction, and comprehensively improve the efficiency, safety and reliability of products through continuous improvement and innovation activities. The Company publicizes and implements the quality policy and quality concept, and promotes quality culture activities through leaders' important speeches, our official WeChat account, Haiyan Community, slogans and stories about quality in public areas, and quality-related activities.

Over the years, to improve quality and efficiency, the

Company has actively carried out activities covering Quality Control Circle (QCC), quality innovation competitions, cost reduction and efficiency improvement, Six Sigma training camps, customer satisfaction surveys, IPD process training, development project review incentives, and quality-related case publicity. It has also participated in quality culture exchanges in Shenzhen and other regions in China. The Company has been awarded the titles of Shenzhen Top Ten Quality Benchmarking Enterprises, Guangdong Province "Contract-honoring and Credit-worthy" Enterprises, and Shenzhen Top 100 Brand Enterprises. Chen Qingzhou, the Chairman of the Board, was also awarded the honorary title of 40 Meritorious Figures in Shenzhen Quality Construction.

2.6 Deeply Explore Smart Manufacturing and Build 5G Smart Factories

As the transformation and upgrading of vertical industries through 5G continue to accelerate, 5G has become a necessity for building digital bases for various industries. As a world-leading professional communications company, Hytera gains a deep insight into the development of 5G industry applications. As 5G starts to become commercially available, the Company actively promotes digital transformation and vigorously explores the application of 5G in smart factories. In 2021, the Company's Longgang manufacturing site started the construction of 5G smart factories to optimize the safety, efficiency, and energy consumption of the park.

During the reporting period, the Company's "5G Smart Factory" project achieved full coverage of private 5G network signals and realized paperless operation of all charging trays, intelligent production data, and automation of production processes. Through the deployment of 5G unmanned transportation, Al quality inspection, and mobile MES, the Company reduces data intercommunication barriers, enables seamless integration of "device-edge-network-industry", increases production capacity by more than 20%, and effectively lowers network investment costs and labor costs.

5G + Al: The high-definition images captured by acquisition cameras are sent back to the cloud application

system through the 5G network. The AI algorithm is used to detect the product/personnel/equipment. Compared with the quality inspection system based on the wired network, the performance and efficiency are greatly improved. The image acquisition cameras are powered and installed on the spot, eliminating the need for wiring. This installation method is useful for cases with limited space for the production line, remote installation, high-altitude installation, and production line expansion.

5G + AGV: The AGVs in factory areas and workshops are connected to the cloud application system through the 5G network. They receive instructions and report the operation status to complete tasks such as material handling. The deterministic low latency of the 5G network enables it to support the intensive deployment of AGVs and functionally integrated robots. Also, it supports the fine scheduling and real-time collaborative interaction of AGVs and robots, which means the flexibility has been greatly improved.

5G + Data collection: Taking advantage of the characteristics of 5G connections, 5G replaces wired links and industrial fieldbuses to connect sensors in factories for data collection and monitoring, which can reduce the complexity of wired network deployment while improving the flexibility of sensors in data collection.

Chapter 3 Care for Customers

The service concept of "Do what we can to meet the needs of society" is widely reflected in Hytera's actions. By focusing on the mission of "Endeavor to create value for users and make the world more efficient and safer" and adhering to the core values of "Serve our customers well and sincerely, so we create, win and grow together", the Company continues to improve product and service quality, and optimize service resources to provide customers with industry-specific solutions and create value.

This chapter involves the following United Nations Sustainable Development Goals:





3.1 Satisfy Customer Needs

Based on the characteristics of the professional communications industry and the needs of customers in various industries, the Company approaches customers to explore and analyze customer application scenarios and develops targeted solutions to fully meet customer needs. In terms of products, considering the characteristics of the industry, the Company provides a wide range of categories and models for different customers to choose from to better meeting their needs. In terms of solutions, the Company provides customized solutions with a flexible software and hardware mix for customers in different industries.

The Company leverages new means of digital marketing to increase the penetration rate of product channels, empower existing channel agents, improves market and technical

support, and deeply explores traditional channels to increase market share. Additionally, the Company expands cooperation with high-quality agents and develops a diversified operating market. For different regions, the presales managers of each region are deeply bound to the sales, with capabilities specialized to each region, providing better technical support services and improving the demand for project evaluation, bidding ability, and testing problems.

In terms of service standards, the Company has passed the national product after-sales service certification (GB/T27922-2011) with the top five-star certificate, as well as the information technology service management system certification (ISO/IEC20000-1:2018) by the China Quality Certification Center.

3.2 Optimize the Global Marketing Service System

The Company serves a wide range of users, including Bend and C-end users. In order to meet the service needs of different customers in a timely manner, the Company has set up regional service departments and service cooperation resource departments around the world

(including service sub-contractors and authorized maintenance service centers) to provide customers with convenient, fast, and high-quality services. At present, regional service persons are available in most countries and regions around the world.

3.3 Protect Customer Privacy

The Company has applied for and passed the certification of ISO27001 Information Security Management System.

Committed to protecting potential, current and past personal data and private information of business partners, the Company has formulated the "Information Security Technology and Personal Information Security

Specification", which specifies the principles and security requirements that should be followed in personal information processing activities, such as collection, storage, use, sharing, transfer, and public disclosure of personal information so as to protect customer privacy.

3.4 Listen to the Voice of Customers

The Company continues to focus on customer service by listening to the voice of customers and responding to customers' inquiries, suggestions, and feedback through multiple channels in a timely manner. The Company responds to the voice of customers while improving the quality of its products and services.

In terms of customer feedback management, the Company

continues to standardize and optimize service processes to improve customer satisfaction. Moreover, it optimizes remote customer service management specifications and on-site service operation rules, which are used to guide the work of front-line service personnel, clarify the activities in each step, and ensure that customers' problems can be addressed quickly and effectively. During the reporting period, the Company's service hotline received only one complaint.







3.5 Customer Satisfaction Survey

The Company has established a customer satisfaction management system to listen to customer feedback, suggestions, and complaints from all aspects. It has established a standard satisfaction callback mechanism for each case, and a second satisfaction callback will be triggered for complaints. It randomly picks customers from

various industries for satisfaction callback on a regular basis. For the callback result, the Company will organize a special satisfaction management meeting to track and conclude the survey. Also, a special meeting on satisfaction management will be organized for analysis and continuous improvement.



Company's Customer Satisfaction Management System Process

3.6 Create an Industrial Ecosystem

While promoting the development of the professional communications industry, the Company cooperates with partners to explore new opportunities for comprehensive industry solutions. We focus on technologies such as digital narrowband, public-private integration, 4G/5G broadband, and command and dispatch to better meet customer needs. The Company has worked with partners to help customers with technology in fields closely related to social economy and people's life, including public safety, emergency rescue, urban management, rail transit, energy, electricity, and forestry resources. The objective is to improve the efficiency of urban security management and protect the safety of the ecological environment in many countries and regions around the world.

Under the concept of "Share opportunities, complement each other and achieve win-win cooperation", the Company organizes partner conferences around the world from time to time to discuss the intelligent trend and future of the professional communications industry, the

transformation and upgrading of customer value creation, and building of a long-term and stable win-win ecosystem.

During the reporting period, the Company launched a series of "2022 Smart China Tour" events themed on "Innovation and Win-win" in China. To develop and innovate, the Company cooperated with partners to promote the development of channel business. The events concluded successfully in Chongging and Xiamen. The first Middle East Partner Summit sponsored by the Company was successfully held in Istanbul, Turkey, attracting hundreds of customers from more than 30 countries to discuss cutting-edge technologies and the future of the industry. The Company held the largest agent summit since 2020 in Europe to cooperate with agents and explore different industries. Through 11 road shows and 30 regional exhibitions, the Company tried to understand the needs of end users and explore business opportunities to enhance the confidence of partners.







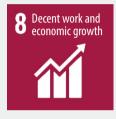


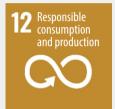
Hytera works with global partners to explore the value of professional communications

Chapter 4 Promote the Development of the Supply Chain

As suppliers are close partners of the Company in R&D, supply and production, the Company pays great attention to the cooperation with them. The supply chain management system includes requirements for its technology, quality, craftsmanship, service and social responsibility. Through continuous improvement of supply chain management, the Company enhances collaborative innovation with suppliers to ensure products and services meet the requirements of sustainable social development and jointly promote the development of the industrial chain.

This chapter involves the following United Nations Sustainable Development Goals:







4.1 Responsible Procurement

The Company implements classified and graded management on suppliers according to different dimensions, and has establishes a sound procurement management system and standards, including supplier certification introduction, supplier selection management, supplier quality and delivery process management, and supplier elimination mechanism management. It has also issued rules and regulations including "Management Rules for Prohibited Matters", "Code of Conduct", and "Anti-Commercial Bribery Guidelines" to create a fair, just, open

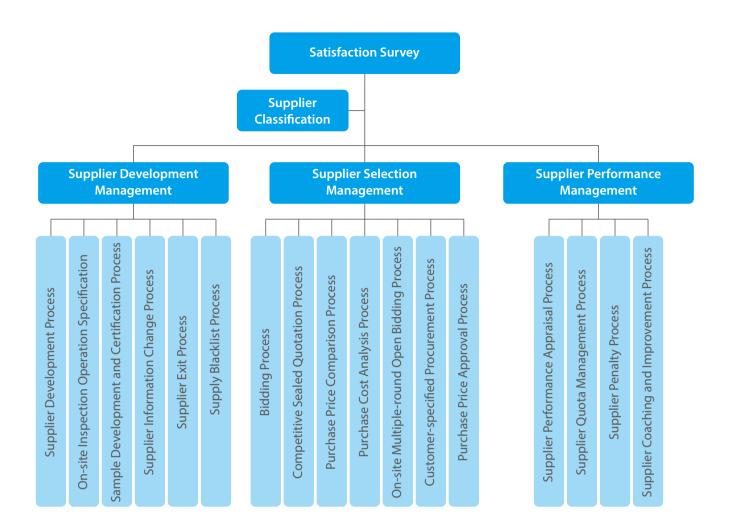
and sustainable supply environment. These rules and regulations effectively help the Company reduce business risks, improve product quality, and achieve a win-win situation for the Company and supply chain partners. In addition, the Company organizes anti-fraud training and annual tests for the procurement staff, with a pass rate of 100%. The contact information for anti-fraud report is included in the email, and any organization or individual can report any suspected fraud.

4.2 Supplier Management

The Company has established a complete supplier management process system with requirements for its services and social responsibilities. By standardizing the procurement process and clarifying the subject of responsibility, the Company can improve the procurement efficiency and avoid internal control risks. This also ensures that the Company receives quality supplier resources by

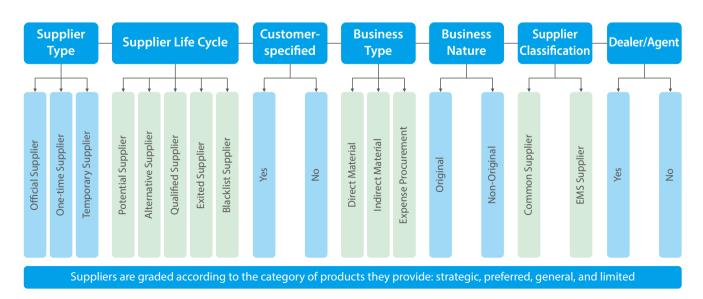
realizing the whole-process management of the supplier life cycle.

In order to ensure that suppliers provide quality products, supplier introduction requires passing the certification of the international quality management system. During the reporting period, material suppliers showed a pass rate of 100%.



Supplier classification

In order to avoid a one-size-fits-all supplier management, the Company has reclassified suppliers based on different management factors to focus on key suppliers and improve efficiency. The classification and management of the supplier life cycle effectively maintains the competitive relationship of suppliers, promotes the survival of the fittest, stimulates the vitality of the supply chain market, and optimizes the supply layout.



Supplier development

In terms of supplier development and certification, the Company adheres to the principles of openness, fairness and justice to introduce excellent supplier resources, reducing procurement costs and improving efficiency. The Company has established a complete supplier development and introduction process, including supplier registration, preliminary qualification review, qualification review, expert group scoring, and purchasing committee review. A procurement expert group composed of business, R&D, quality, and financial experts jointly conducts qualification review and on-site inspection certification for suppliers.

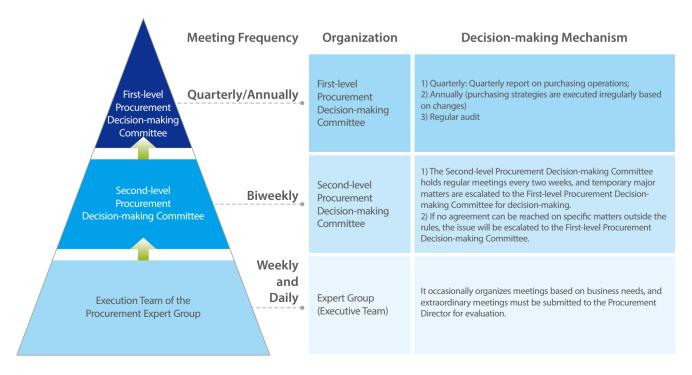
The Company's supplier audit also includes sustainable development audit, covering labor rights, health and safety, environmental protection, compliance/fraud

prevention and supplier management, control of hazardous substance in products, information security, product safety, business continuity, and control of conflict minerals. Suppliers are gradually included in the Company's supply base after passing the assessment on samples, trial production in small batches, and comprehensive capability. In order to protect the rights and interests of both parties and ensure that the materials purchased and used by the Company comply with relevant laws and regulations on environmental protection, the Company signs the "Raw Material Purchase" Contract", "Quality Agreement", "Integrity Agreement", "Declaration of Compliance with RoHS Directive REACH Regulation for Materials", "Purchased Parts After-sales Service Contract", and "PCN Agreement" with suppliers.

Supplier selection management

In terms of supplier selection, the Company also upholds the principles of openness, fairness and justice. During the reporting period, the Company established the operation mechanism of the Procurement Decision-making Committee and developed a variety of procurement strategies and processes in the negotiation, including purchase price comparison, competitive bidding, on-site multiple-round open bidding, and purchase cost analysis.

The Company also formulated a price cost model based on the actual situation. Suppliers can output a fixed price, standard detailed quotation, and extremely detailed quotation based on categories. Different procurement strategies and cost models allow the supply market to achieve sufficient and fair competition, promoting the healthy and steady growth of the supply market.



Supplier evaluation and classification management

According to the different supply categories, suppliers are divided into four levels: limited, general, preferred and strategic, based on delivery, cost, quality, technical capability, and environmental and social responsibility. Also, the Company implements different procurement strategies for different levels of suppliers. For strategic suppliers, the Company will strengthen the interaction between high-level executives, carry out in-depth quality and technical exchanges, and encourage suppliers to participate in the early development of new products. This way, we support each other when necessary to achieve win-win cooperation. In contrast, we will make limited purchases from limited suppliers.

In terms of supplier performance assessment, in order to create a fair competitive environment for suppliers, the Company has developed the administrative measures for supplier performance assessment. A cross-departmental team jointly formed by different professional departments conducts regular performance assessment of suppliers with business cooperation. The assessment will be conducted every six months to measure the supplier's performance and its overall situation based on the supplier's technology, quality, supply, cost, service, and environment and social responsibility. The Company conducts a comprehensive assessment based on the performance of each category annually, commends and rewards suppliers with excellent results, helps suppliers to improve, and eliminates low-performing suppliers. It continuously improves supplier management through the mechanism of the survival of the fittest to enhance the competitiveness of the Company's products and fulfill social responsibilities.

Hold the Partner Commendation Meeting

In January 2023, the Company reviewed its partners on factors such as technology, quality, supply, cost, service, and environmental and social responsibility, and finally invited 38 of them to participate in the Company's Partner Commendation Meeting. It handed out the Strategic Supplier Award, Excellent Supplier Award, Best Quality Award, Technology Innovation Award, and Delivery Guarantee Award.





Hytera annual excellent supplier award ceremony

4.3 Supplier Compliance Requirements and Supplier Compliance Guidance

The Company attaches great importance to the compliance of business cooperation with upstream suppliers, strictly abides by international laws and regulations of the country where it operates, and rigorously limits and controls associated suppliers. Once any non-compliance is found, the case will be reported and filed according to the regulations in a timely manner. The interested parties will follow the principle of avoidance and will not participate in the related work of associated suppliers to ensure fair competition.

In the process of participating in the Company's bidding,

procurement and contract performance, if the supplier violates the bidding regulations, does not abide by the contract and commitment, or uses other improper means to corrupt the relevant personnel to seek benefits, it will be blacklisted and will no longer be eligible to be a supplier to the Company. When introducing new suppliers, we require them to sign the "Integrity Agreement", "Trade Safety Agreement", "Intellectual Property Statement", and "No Hazardous Substances Commitment", as the Company actively advocate anti-corruption, anti-commercial bribery, environmental protection, and caring for women and children.

4.4 Conflict Minerals Management

The Company attaches great importance to the issue of conflict minerals, strictly abides by the EU Conflict Minerals Regulation (EU) 2017/821, conducts conflict-free mineral investigations on all suppliers, and signs the "Declaration"

of Conflict-Free Minerals". During the certification process of new materials, suppliers are required to disclose the list of mineral sources of their purchased raw materials to ensure that they do not involve conflict minerals.

4.5 Support the Development of the Industrial Chain

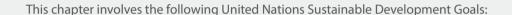
The Company actively promotes the ecological construction of professional communications with more than 90 branches around the world. Also, it has established long-term and stable cooperative relationships with many distributors and partners. In the process of market development and large-scale project implementation, the Company closely cooperate with local distributors and service sub-contractors to drive the economy of underdeveloped areas and address local employment needs

In recent years, affected by the external macro situation, the overall economic environment is in urgent need of recovery. In order to ensure the cash flow security of upstream suppliers, the Company relies on its own credit to carry out supply chain financial business through a third-party financial platform, pay suppliers based on payment period to solve the funding problems of multiple suppliers, and promote the sustainable development of the industrial chain.

Chapter 5 Create, Win and Grow Together

Human resource is the first strategic resource of the enterprise. The Company always adheres to the core value concept of "Create, Win and Grow Together", formulates human resource policies in line with the Company's long-term development, and continuously improves the human resource management system. Based on its strategic and business development plan, the Company formulates a scientific and reasonable human resource development plan, introduces excellent talents for promoting the Company's development, focuses on employees to help them grow, and provides them with professional improvement platforms and development channels such as training and employment.

Also, the Company builds a communication channel that runs from the top to the bottom to communicate company policies, listens to the voices of employees, pays attention to employee care, and enriches the lives of employees by setting up various associations. The Company also tries to enhance employees' sense of belonging to the organization by implementing policies such as induction ceremonies and in-depth customized benefits. "Sharing" is the result of "creating together". The Company is willing to share the dividends of development with everyone who creates value for the Company. The Company's value distribution is inclined to the outstanding fighters, successful practitioners, and innovative pioneers, giving them reasonable material and spiritual returns as well as a platform for development.











5.1 Protect Employee Rights and Interests

5.1.1 Employment Scope

The Company has been adhering to the people-oriented principle to protect the legitimate rights and interests of employees at home and abroad by continuously improving the working environment, upgrading the professional skills of employees, and providing opportunities and platforms for them to grow and develop. The Company not only respects and cares for employees, but also strives to grow together with them.

In the employment of employees, the Company strictly abides by relevant laws and regulations, including the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China",

"Regulations on Work Injury Insurance", and "Special Provisions on Labor Protection of Female Employees".

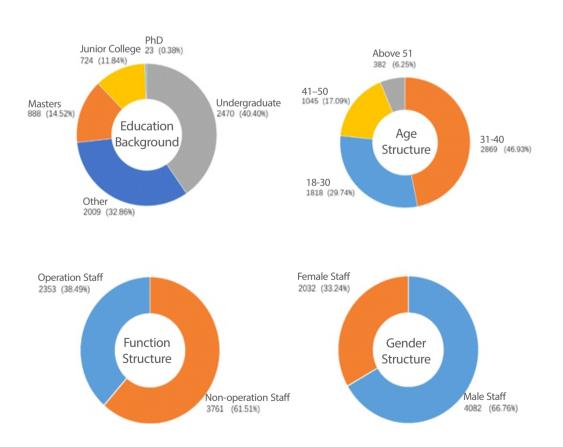
Further, the Company formulates and implements internal rules and regulations and related implementation rules, including "Recruitment Management System", "Attendance Management System", "Employee Code Of Conduct and Reward and Punishment Measures", "Labor Contract Management Measures", "Employee Performance Management System", and "Position Management System" to effectively protect the legitimate rights and interests of employees.

During the recruitment process, the Company strictly reviews the information of recruits, safeguards the legal rights of employees, and abides by relevant laws and regulations of different countries and regions. It does not discriminate against employees based on religion, gender, skin color, sexual orientation, etc., fights child and forced labor, and always provides equal employment opportunities and reasonable labor remuneration. The Company will sign written labor contracts with all employees and establish an effective incentive and supervision mechanism, as well as a responsible employment relationship to effectively protect the legitimate rights and interests of employees. During the reporting period, no forced labor or child labor occurred in the Company.

The Company fully respects the legal rights of workers and cares about their reasonable demands. On the one hand, the Company guides workers to protect their rights rationally by implementing democratic management systems, including the employee meeting and the employee representative meeting within the Company. Moreover, the Company establishes a communication and dialog mechanism between employers and employees for workers to express their demands, preventing labor disputes. On the other hand, when a dispute arises, the Company actively communicates and negotiates with workers and solves the disputes in a fair, voluntary, legal and timely manner.

5.1.2 Staff Composition

As of December 31, 2022, the Company had a total of 6,114 employees worldwide (including 916 foreign employees), of which 33.24% were female employees, 6.22% (380) were employees from ethnic minorities, 39.32% (2,404) were R&D personnel, and 14.52% were employees with a master's degree or above. Besides, 7.69% of executives were female.



5.1.3 Compensation and Benefit

The Company fully recognizes the labor income obtained by employees according to law and provides competitive statutory and non-statutory compensation and benefits based on employee's performance, value contribution, and development potential. In addition to Insurance and Housing Fund, annual leave, and other benefits provided by laws and regulations, the Company provides employees with flexible working hours, fixed leave in lieu, overseas business travel insurance, overseas war subsidies, hardship subsidies, communication subsidies, transportation and accommodation subsidies for fresh graduates, staff dormitories, rent assistance, commuting shuttle, and other additional benefits.

The Company works to constantly improve its short-, medium-, and long-term remuneration incentive policies. The Company has implemented a stock option plan to make equity investment in subsidiaries through the employee stock ownership platform, covering managers at all levels of the Company, backbone personnel, and high-potential talents. Also, sales incentives are applied to more than 30 first-tier regions to achieve profit sharing and realize highquality operations (scale, payment, and profit) instead of focusing only on the scale of sales. In the process, quarterly and annual appraisal-based incentives are implemented to publicize and report outstanding employees or deeds, set models, boost employees' morale, and guide positive changes of employees.

5.1.4 Democratic Administration

The Company has built a smooth communication channel to hear the voice of employees and encourage them to contribute to the Company's development:

i. We have built the "Hytera Community" online platform to leverage the media communication advantages of this community. While conveying the Company's policy orientation, this platform also collects the aspirations and demands of employees. It has become a channel for colleagues in different positions, different departments

and at different levels to give and receive instructions and solve problems encountered in work and life, which has greatly improved the democracy of the Company.

During the reporting period, a group of managers and employees persevered and worked hard in the challenging external environment. We have actively identified and honored benchmark figures and key events to spread positivity and encourage more people to practice our corporate culture.





Timely release excellent employee stories in the internal community of Hytera

ii. The original intention of democratic management is to ensure employees' right to know, to participate, and to supervise. Fully leveraging the workers' congress and the trade union, the Company reviews the important systems and decisions concerning the interests of employees and protects the legitimate rights and interests of employees.



Hytera publicly elects employee representatives and holds employee representative conferences

iii. The Company holds the management conference every year, establishes a downward communication mechanism with managers as the bridge, and effectively promotes the interaction between employees and management through forums, one-on-one interviews and other means. In 2022, the Company clarified the requirements for managers in the new period which particularly emphasized on manager optimization, organization vitality stimulation, and manager evaluation process, so as to build a resilient high-quality team.



Management Conference in the first quarter of 2023

iv. The Company regularly holds face-to-face "dialogue" between senior executives and grassroots employees, and guides employees to learn the orientation of the Company in a right way through policy interpretation and direction guidance.

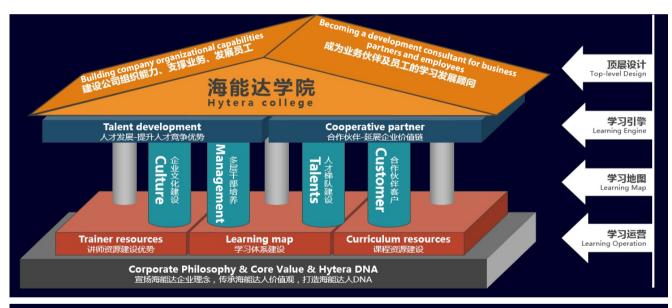
v. The Company continues to enrich communication channels for employees, encourage employees' initiative, and improve their job satisfaction by means of communication meetings for new employees, exchange meetings for old employees, communication for employees in probation period, resignation interviews, daily communication, and satisfaction surveys.

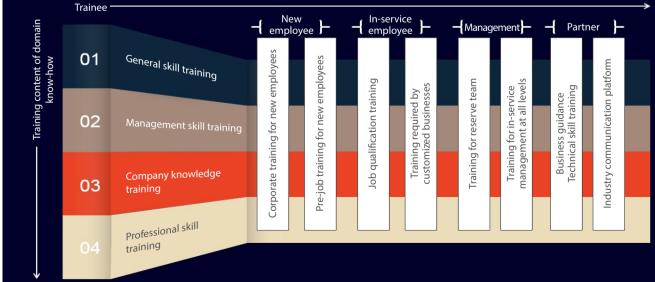
5.2 Talent Training

As a high-tech international enterprise, the Company shows its constant stream of management elites and excellent professional strength on industry research, which is also part of its core competitiveness.

Hytera College was officially established in 2015. One of the Company's priorities is the cultivation of talent through external and internal training, workforce unity, strong corporate values, and intelligent transformation. The Company is committed to training management talents with international vision, along with expert professionals in the global PMR industry Hytera College aims to promote the corporate philosophy, values, and DNA, and build the think tank of Hytera through the construction of a learning system, course resources, and lecturer resources, as well as the four key works of corporate culture construction, elite manager training, echelon talent construction, and partner empowerment.

Hytera College is a faithful strategic partner for enterprises to achieve their visions, with Chen Qingzhou, Chairman of Hytera, as its president and industry experts as its academic advisers. It sets up the Teaching Management Department and the Trainee Assessment Department to operate five project lines and three teaching resource lines. With the goal of building organizational capabilities, the Company smartly produces high-quality products and cultivates the core talents of its echelons; The Company features a complete learning management system which varies from training needs to learning design and from project implementation to effectiveness evaluation. It implements the learning design concept of "teaching in class + training after class", and encourages diversified precision learning modes, including online and offline learning, stratified learning, and partitioned learning, to create talent core competitiveness and realize the corporate strategy.





5.2.1 Career Development

With the goal of developing organizational capabilities, the Company builds a dual-channel evaluation system for employee career development and a qualification evaluation system for all employees to achieve a win-win situation between employee career development and enterprise development. The qualification evaluation system can comprehensively and accurately define the requirements of a position, provide an important basis for job matching, and present clear guidelines and promotion standards for employee development.

The Company has a clear and fine layout of employees' career development channels, which focuses on facilitating employees' comprehensive improvement and professional progress. The career development includes two channels: management channel and professional channel, both of which have a stratified design. Each position category has its own employment standards. Persons in the same position have the same responsibility and working standards. Different career channels are interchangeable. Through the qualification rating, the Company leads employees to pursue their ultimate career goals.

The Company strives to cultivate the spirit of lifelong learning and professional ingenuity of all staff. Therefore, it provides customized talent training and learning programs for all positions through Hytera College. After finishing the studies and getting the certificate of completion, employees can participate in the annual qualification review. Those who pass will get promotion opportunities, and those who fail will engage in a performance improvement plan (PIP) and get help from designated

tutors. The Company sets a double tutorial system that provides ideological mentors and business mentors for all staff, from new employees to managers at all levels, from entry to post transfer, promotion, and so on. The performance appraisal of the mentor is directly affected by the performance of its trainees. Such mentoring program is effectively applied at all levels.

The Company has a complete professional qualification evaluation system. Senior experts and middle and senior managers are selected as judges for all categories. The judges are trained and evaluated before their appointment every year. The evaluation process is open, fair, and just, and the evaluation result is accurate and effective, which is guaranteed by a three-level review system: preliminary review, expert review, and position review. The Company enables employees to maintain self-awareness and clear their own pending development items through qualification evaluation. Such items are key contents of the Company's talent training for it to be more targeted and accurate.

The qualification evaluation is a connection point for all works of human resource management. In the recruitment process, it selects talents according to the employment standards and establishes the position orientation development through the training system. In the performance appraisal process, it formulates assessment indicators according to the employment standards. In the remuneration design process, it formulates incentive policies for different positions. Through all-round and three-dimensional talent management, the Company realizes scientific and effective talent development.

5.2.2 Training System

Hytera College adheres to the corporate business strategy and the mission of boosting the global development of the Company. By building a corporate culture, training core executives, developing the talents of echelons, empowering partners, and rooting in the spirit of lifelong learning and professional craftsmanship for all, the Company cultivates outstanding talents in the global professional communications industry, builds the core organizational capacities of Hytera, and fully supports the realization of the Company's vision.

Hytera College constantly improves the knowledge management and dissemination system: It accumulates experience in the industry, releases premium courses, and sets up a course management system. Also, Hytera Collage has created 291 certified courses in 6 categories, including 6 series of self-developed e-courses. It promulgates an internal lecturer management system which cultivates internal lecturers by stages and continuously strengthens their teaching ability and influence. The Company has a total of 20 professional training instructors and 337 part-

time instructors, of whom 183 are certified instructors and 154 are ordinary instructors.

Hytera College invests no less than CNY 4 million of employee education funds for talent development every year. Further, it conducts 25 high-quality talent development projects on a rolling basis. By the time the reporting period arrived, Hytera College had trained 101,451 people in total, with a total training time of 331,050 hours, 55.1 hours per capita, and internal lecturer teaching time of 54,788 hours. The average training satisfaction score had reached 97.9.

Hytera College provides customized talent development programs covering all employees and partners of the Company, and builds a learning and development system to enhance their practical application and performance.

For managers: According to the 6 development stages, Hytera College tailors the "Leader" series of training programs for managers at all levels every year. These programs are committed to enhance the leadership and talents of managers at all stages, which is required for the Company's high-quality, strategic and cultural development. In 2022, Hytera College launched the "Learning Society of Senior Executives", which aims to build the core leadership of senior executives of Hytera through four parts, including self-reform and leadership cultivation, business insight and decision-making, inspiration with the past in mind and innovation for higher efficiency, and cohesion between talents and executives. This way,

Hytera College plans to lay a solid foundation for the high-quality development and business transformation of Hytera. Hytera College has also launched a new selfdeveloped e-course, "Required Course for Team Managers", which has helped 114 new managers to change their roles from independent contributors to team leaders.

For key talents: Hytera College takes R&D and marketing as its priorities. It has launched a customized "Nuclear Fusion · Core Capability Construction Project" for echelon talent construction and leading talents training in the professional communications industry. The objective is to improve their core capabilities, injecting effective impetus into the Company's business development. In 2022, Hytera College launched a solution design training camp, aiming to enhance the key capabilities of solution providers and help them become comprehensive solution experts who are good at catching customers' needs, refining solutions, selling ideas, and empowering customers.

For new employees: Every year, Hytera College launches the "New Force Training Camp for New Employees by Social Recruitment" and "Tomorrow Redwood Training Project for Fresh Graduates". The training project for fresh graduates adopts the "3A" plan for the identity conversion from excellent students to excellent workplace elites and matches the corresponding three-stage training program. This way, Hytera College helps new employees better join the Company and be qualified for their positions, injecting new forces into the Company's development.



Freshman graduates receive comprehensive training courses at Hytera, taking the first step in their career

For non-operation employees: Hytera College has set up a learning system based on its qualification management system and created a career development map of "learning-practicing-evaluation" for employees at all levels. With comprehensive talent cultivation, it will continue to deliver elites to help promote the development of the Company and firmly build organizational capabilities. In 2022, Hytera College launched 4,337 courses for all marketing and software personnel to improve their professional abilities. In addition, Hytera College regularly releases high-quality courses for all staff, such as industry celebrity dialogues, master lectures, and online classes. These courses cover multiple topics, such as macro policies, cutting-edge technologies, and vocational skills, to meet the needs of different employees.

For operation employees: The Company carries out systematic training for all production departments to enhance manufacturing professional capabilities and strength, with an average of more than 350 training sessions per year.

Also, Hytera College continues to empower global

customers and partners with 161 annual training sessions. It is committed to realizing win-win co-operation with customers and partners and building a professional communications industry ecosystem.

Hytera College won the title of "Brand Learning Project" in the training magazine category of 2022 with its original "Pilot-MTP Training Camp" leadership training project. As of now, the Company has won the "China Enterprise Benchmark Learning Platform" (formerly China's Best Enterprise University) award presented by Shanghai Jiaotong University for two consecutive years, showing the industry's recognition for the Company's efforts on talent development.

In the future, Hytera College will still focus on the construction of corporate organizational capabilities. Focusing on business sustainability, Hytera College will continue to lay a solid foundation for its training system, corporate culture, technological innovation, and core capabilities. What Hytera College does, did, and will do aims to help make the Company a globally leading enterprise in professional communications.



Hytera College has received a lot of praises in the industry

5.3 Adhere to the Principle of Equality and Inclusiveness and Protect the Rights and Interests of **Employees**

The Company constantly improves the care mechanism for employees, creates a more humanistic office environment, and provides employees with help in life, interpersonal relationships, personal growth, and other aspects, which helps employees better balance their work and life.

5.3.1 Recreational and Sports Activities

The Company has set up its official "staff club", which consists of a football association, basketball association. badminton association, table tennis association, tennis association, photography association, tourist association, fitness association, swimming association, and running team. The various recreational and sports activities carried out include:

• Daily activities: The Company rents activity venues to conduct various sports projects regularly that

employees can participate in at designated times every week. The expenses incurred are borne by the Company.

• Thematic activities: The Company holds ball game leagues every year and participates in external friendly matches occasionally. The photography association, tourist association, and running team carry out special activities quarterly, including outdoor photography, hiking, online running races, special lectures, etc.





Employees of Hytera participate in football and badminton competitions

5.3.2 Care for Female Employees

- The Company provides exclusive maternal and infant rooms for female employees, which include storage racks, disinfection cabinets, clothing racks, and other necessary facilities for mothers, providing great convenience and care for female employees during lactation.
- The Company organizes Women's Day activities for female employees. In addition to well-prepared gifts, the Company has planned warm and loving on-site activities, including flowers and presents sending and activities with men's participation.





On Women's Day, the Company has planned warm and loving on-site activities, including flowers and presents sending

5.3.3 Important Festivals and Other Benefits

 The Company carefully prepares customized gifts for employees and creates a strong festive atmosphere for every important festival in China, such as Lantern Festival, Dragon Boat Festival, and Mid-Autumn Festival, to show its care for every member of the Company. Also, the Company organizes open day activities on Children's Day and send gifts to children whose families are abroad and cannot accompany them on that day. Medical examination for all employees: The Company organizes medical examinations for employees every year, covering domestic employees who have been employed for more than half a year. To ensure the authority of the medical examination results, the Company changed the medical examination institution from a private institution to a public Grade 2A hospital, which is highly recognized by the employees.





On International Children's Day, kids of Hytera employees were invited to participate in various interesting activities of Hytera

5.3.4 Communication Fees for Department Activities

The Company has set up a special expense of "communication fees for department activities", which is freely allocated by the department within the quota for employee communication, team building, birthday wishes, marriage and birthday gifts, annual parties, etc., which has enhanced the unity within the department and increased the well-being of employees.

5.3.5 Health Care

The Company constantly strengthens the investment in employee health. For those on business trips abroad, it will provide them with sufficient supplies, send them gift packages, purchase high-priced overseas business travel insurance and provide 24-hour overseas medical rescue services for them. For domestic staff, it will provide them with special telecommuting arrangements on full pay, if necessary.

5.4 Ensure Health and Safety

5.4.1 Occupational Health Management

The Company passed the OHSAS18001 occupational health and safety management system certification in 2006 and the new version of ISO45001 in June 2020. In 2018, the Company strictly complied with the requirements of standards and regulations in different countries and regions. Also, it fully identified and controlled the compliance evaluation of laws and regulations, occupational disease prevention, production safety, fire safety, dietary safety, and hazard sources through the formulation of goals, indicators and management plans. During the reporting period, there were no violations, production safety accidents, or occupational disease cases.

The Company always puts the physical and mental health and safety of employees in the first place, conducts occupational health and safety training for new employees, and hold trainings for employees every year, tests the occupational-disease-inductive factors in the workplace, informs the employees of the positions exposed to the occupational-disease-inductive hazard factors, carries out pre-job, in-job and post-job occupational medical examination, and equips the employees with necessary labor protective articles and devices. The Company has also set up a diet committee to regularly conduct a comprehensive inspection and assessment of the canteen to ensure the healthy diet of employees.

5.4.2 Production Safety Management

The Company strictly implements the "Production Safety Law of the People's Republic of China", the "Regulations on Production Safety of Guangdong Province" and other regulations, actively responds to the call of the government, establishes a production safety management system, and formulates various safety management documents, including: conduct the standardization of production safety, formulate emergency plans for production safety, and establish a safety production management department, so as to identify danger sources, grade safety risk management, and implement a dual prevention mechanism of investigation and management for hidden dangers; formulate production safety objectives and targets and carry out responsibility management; regularly organize emergency drills for fire safety, elevator accidents, dangerous chemicals, food poisoning, etc., to strengthen employees' emergency handling ability. To ensure safe production, the Company requires special positions, such as special operators, safety managers, and dedicated chemical, to provide qualification certificates and permits for dangerous operations. So far, the Company has not had any production accidents.

5.4.3 Safety Culture Construction

The Company posts safety slogans in production workshops, organizes internal and external safety training regularly, conducts emergency drills and practical training every year, and launches activities like safety case video watching and theoretical examinations, to improves the safety awareness, management level and emergency handling ability of all staff.





Fire evacuation drill and fire knowledge training in Hytera Industrial Park

Chapter 6 Serve the Society and Create a Better Future

Adhering to the service concept of "do what we can to meet the needs of society", the Company, as a global corporate citizen, actively participates in social welfare and practices corporate social responsibility with practical actions. During the reporting period, the Company and its employees committed to creating a better future, took the initiative to serve the society, and implemented a series of activities, including participating in social welfare, helping the disadvantaged groups, and conducting science popularization and education activities.

This chapter involves the following United Nations Sustainable Development Goals:











6.1 Care for Vulnerable Groups and Participate in Public Welfare Activities

In March 2022, the Company received a plea for help from Tinzert Elementary School in Morocco, Africa. The school is located at the foot of the Atlas Mountains, whose average altitude is 1,153 meters. During the cold season, the wind blows strong in the Atlas Mountains, and pupils there have to endure the cold weather in unheated classrooms. After knowing that, the Company immediately prepared materials and sent warm clothes to pupils of Tinzert Elementary School to ensure their normal teaching and

learning activities through the cooperation project of the Confucius Institute in Casablanca. Geeta Tali, a senior at the Confucius Institute in Casablanca who participated in the donation program, said: "Children are super amazed when they see the supplies we bring. It is because of Hytera's support that we are able to help them. We would like to express our heartfelt thanks to Hytera for their incredible team and the tremendous support."





During the reporting period, the German subsidiary HMF provided 100 "German as a Second Language" textbooks to the Kooperative Gesamtschule (KGS) in Bad Münder to help refugee children and young people from Eastern Europe better learn German and adapt to school life as quickly as possible. The new textbooks are used in three specially created language learning classes by about 45 students.

"The students are highly motivated, and we really thank HMF for their support. We can now provide language learning books for all refugee children. It's fantastic," said the headmistress, Marielle Papastefanou. "From an association supported by the school, we learned that the textbooks were badly needed. We are happy to have the chance to help refugee children integrate into society," Dr. Katharina Taje, CHRO, said at the handover ceremony.





In December 2022, employees of Hytera's German subsidiary HMF participated in the "Wish Tree Campaign" for Christmas organized by a local public welfare organization. This organization organizes a fundraiser every Christmas and collects the wishes of the poor. The wish list mainly includes necessary and practical items in daily life, such as warm clothes for the elderly, warm shoes for children, and stationery supplies. After receiving the wish list, HMF carefully purchased and wrapped the

Christmas gifts, sent them to the public welfare organization, and distributed the gifts on Christmas Day through volunteers. This donation brought holiday warmth to more people in the local community.



Humanitarian convoys facilitated by AFASODE in Spain carry food and health supplies to conflict zones in Eastern Europe and bring women and children refugees to help them start a new life in Spain. During the reporting period, Teltronic, the Company's Spanish subsidiary, provided radio devices to the convoys to ensure smooth communication between various vehicles. In addition, Teltronic cooperates with a blood donor association and participates in a two-day blood donation activity each year, fulfilling the Company's commitment to help save lives.





6.2 Provide Communications Guarantee for Major Events and Activities

• Join hands with "Rescuer in Yellow" to safely escort "vertical marathon" again

Since 2018, the Company has worked with Volunteer Service Team of Red Cross Society of China Shenzhen Branch (also known as its nickname "Rescuer in Yellow") to escort the "Vertical Marathon". On December 17, 2022, PAFC International Vertical Marathon Master was successfully held. The Company provided full-coverage communications solutions for this competition, including powerful and stable systems and radios, striving to present a safe international event with controlled challenges. During the marathon period, the Company scientifically distributed points in advance, dispatched professional technical personnel to the site for frequency writing, grouping and remote maintenance, and escorted the participants of "Vertical Marathon" in the whole course.



Hytera assists "Yellow in Rescue" since 2018

Support the successful holding of the MGM International Regatta

The "2023 MGM Macao International Regatta", organized by the Sports Bureau of the Macao SAR Government and the Ursa Major Sailing Event Management, co-organized by the Marine and Water Bureau of the Macao SAR Government and the Macau Sailing Association, was successfully concluded on January 8, 2023. Safety is more important than winning. Maritime safety is a top priority. The Company participated in the whole communications guarantee work and provided a full range of safety communications and information services for the competition. The Company's PD680 digital radios guaranteed a series of communications work for the command center, photography group, material group, logistics group and so on, helping the competition to be carried out efficiently, safely and orderly.





Facilitate the successful completion of the 2022 ACSC

The launch ceremony of the 2022 ACSC — Tea Road of Ten Thousand Miles (China section) and the Cultural Tourism Promotion Meeting of 9 Provinces (Regions) along the Road was held in Wuyi Mountain, Fujian Province, on August 18, 2022. 60 racing cars and nearly 200 drivers from all over the country, as well as experts, scholars and major media, set out from Wuyi Mountain to retrace the tea road.

This event is a bold integration and meaningful practice of "The Belt and Road Initiative" and the policy of cultural relics work in the new era, which is of great significance to accelerating the joint application of the Sino-Mongolian Tea Road for world heritage and spreading Chinese tea culture. As a local enterprise growing globally, the Company successfully fulfills its mission and responsibilities. Driven by a strong sense of Chinese cultural honor and social responsibility, the Company sponsored the first 5G professional safety terminal PNC560, public network radio PNC360, and PNC380, and provided the entire communications service for the event. It guaranteed the scheduling of the event organizers, judges and racers, escorted the successful holding of the event, and made its own contributions to spread the Chinese tea culture.





6.3 Actively Participate in Popular Science Education Activities

 Rated as "science popularization base", making positive contributions to the development of national science and technology

In February 2022, after a strict professional evaluation, Hytera was entitled "Shenzhen Science Popularization Base" and "Shenzhen Enterprise Science and Technology Communications Museum" issued by China Association for Science and Technology. The Company continues to speak for the industry, and contributes to the national science and technology through science popularization. We are ready to spread knowledge about science and technology.

On June 9, at the 2022 National Science and Technology Popularization Exhibition, which was sponsored by Shenzhen Association for Science and Technology with the theme of "Walking together toward science and technology", Hytera gave full play to its professional ability in the field of PMR. Also, the Company introduced to visitors the important role of PMR in the public safety and emergency response industry and the necessity of professional communications equipment, as well as the function and use of these communications products. This kind of popularization has attracted the attention and love of both adults who have some knowledge of communications and children.

In this exhibition, Hytera displayed a number of PMR products, including PD680, a new generation of digital radio HP780, and bone conduction headphones EBN09. Many visitors said that they were amazed by these PMR products and hoped to know more about Hytera's products. For this, Hytera's on-site staff introduced the exhibited products in detail.







Popularize communications technology knowledge and help with industry development

On September 24, 2022, under the guidance of Shenzhen Association for Science and Technology and sponsored by Shenzhen Nanshan District Association of Science and Technology, the "Carry forward the spirit of scientists and help the development of new industries" — National Science Popularization Day and Shenzhen Science Popularization Month activity was successfully held in the main venue of Nanshan. As a national high-tech enterprise, Hytera was invited to attend this event and spread PMR knowledge to the public, increasing people's attention to PMR.

Hytera's staff explained about professional communications devices in detail, such as digital radios, explosion-proof radios, PoC radios, and body worn cameras. If visitors answered the questions correctly, they could get a gift. Teenagers and children showed great interest in this activity and also increased their understanding of professional communications.



Chapter 7 Green Operation to Realize Sustainable Ecology

Green and smart manufacturing is inevitable for the high-end development of the smart manufacturing industry. Also, it is an effective way for enterprises to achieve green development. Adhering to the idea of ecological civilization in China and the concept of "Clear waters and green mountains are invaluable assets", the Company coexists harmoniously with the environment in the production and operation process. Through a production management system of energy saving, emission reduction, greening, and circulation, the Company responds to the green industrial revolution with practical actions and makes its contributions to carbon peaking and pursues carbon neutrality goals.



Our environmental policy:

Protect the environment and prevent pollution; comply with regulations and standards;

achieve energy saving and emission reduction; facilitate communications; and realize continuous improvement and permanent operation.

Our environmental commitments:

- · Continuously optimize the EHS management system, improve EHS operational performance, and meet all laws and regulations related to quality, environmental protection, occupational health, and safety;
- Enhance employee's awareness of EHS and sense of responsibility;
- Implement the EHS concept in all business activities such as product development, manufacturing, sales, and service, protect the environment, eliminate environmental pollution, save energy and resources, and establish a healthy and safe working environment;
- Put people first, respect all employees, guarantee employees' occupational health, and protect the legitimate rights and interests of employees;
- · Exchange information with employees, customers, governments, communities, and the public, and work together to improve the global environment.



Notes: The environmental protection data disclosed in this chapter are all from the Hytera Longgang Manufacturing Base.

7.1 Establish a Green Environmental Management System

The Company strictly abides by national, local and industrial environmental protection laws and standards, including the "Environmental Protection Law of the People's Republic of China", "Law of the People's Republic of China on Conserving Energy", "Law of the People's Republic of China on Prevention and Control of Water Pollution", "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", and "National Catalogue of Hazardous Wastes". To clarify responsibilities and authority, the Company has formulated internal documents including "Measures on Exhaust Gas", "Measures on Waste Water", and "Measures on Waste" based on the actual situation. Moreover, the Company steadily improves its green environmental management system and operational excellence through daily management and supervision.

7.1.1 System Certification

The Company has passed the GB/T 24001-2016 idt ISO 14001:2015 environmental management system and national green plant certification, as well as internal audit and external audit certification by a third-party organization every year, which ensures that its environmental management system is effectively implemented and maintained and meets the standard requirements.



7.1.2 Goals and Achievements

The Company attaches great importance to energy conservation and environmental protection. Therefore, it has formulated the "Management Objectives, Indicators and Management Program Control Procedures" and "EHS Performance Measurement and Monitoring Control Procedures". The Company strives to achieve the target performance indicators by the formulation and decomposition of these indicators and the implementation of control measures.

The Company's environmental performance indexes in the past three years and their achievements are as follows:

Environmental performance indexes	Unit	2020	2021	2022
Wastewater discharge	/	Up to par	Up to par	Up to par
Exhaust emission	/	Up to par	Up to par	Up to par
Noise measurement	/	Up to par	Up to par	Up to par
Chemical leakage accident	Times	0	0	0
Legal transfer rate of industrial solid wastes	%	100%	100%	100%
Legal transfer rate of hazardous wastes	%	100%	100%	100%
Environmental complaints or penalties	Times	0	0	0

7.2 Practice Green Operation

7.2.1 Energy

1. Energy Consumption

By establishing and implementing an energy management system, the Company has formed a long-term energy management mechanism to effectively save energy, reduce costs, improve organization, regulate management, change concepts, and raise its company profile, thereby constantly improving energy efficiency. By improving the energy management, the Company also saved energy and reduced consumption, improved energy efficiency, and enhanced its social responsibility as well as that of employees.

The Company's energy management includes statistical data on consumption of electricity power, compressed air, water, etc., and adopts external accounting. In daily production management, the Company strictly controls energy consumption, emphasizes the relevant management measures, establishes enterprise energy management policies, and clarifies energy consumption and energy-saving goals in the enterprise energy quantitative index system.

Complying with the requirements of the "Guidelines for Energy Management of Industrial Enterprises", the Company has improved its energy management mechanism, established a sound energy management system characterized by clear division of labor, and implemented management responsibilities as well as various national, local and enterprise energy-saving management systems. The ultimate goal is to save energy and reduce consumption.

Energy category	Unit	2020	2021	2022
Electric power	Megawatt hour	16,476	14,073	13,255
Gasoline	Ton	10.54	12.99	11.41
Diesel	Ton	7.20	9.97	10.6

2. Exhaust Gas and Noise

The exhaust emissions in the business process mainly come from exhaust gas of soldering tin generated by reflow ovens, wave soldering machines and manual welding. The materials for soldering tin used by the Company are environmentally-friendly, lead-free solders, and the exhaust gas is discharged at high altitude after the purification treatment by the exhaust gas collection and treatment facilities. Strictly complying with the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" and other national and local laws and regulations, the Company has formulated the "Measures for Exhaust Gas" and corresponding management objectives. Also, the Company has ensured the compliance of exhaust gas emissions by upgrading production processes and equipment and regularly monitoring the exhaust gas.

The Company selected high-quality production and test equipment and adopted measures like man-machine isolation, installation of noise reduction devices, and construction of a green belt to control noise and reduce its damage to the working environment. Also, the Company formulated the "Management Regulations on Noise Control" and regularly monitored noise to ensure that the noise meets the "Emission Standard for Industrial Enterprises Noise at Boundary".

3. Carbon Emission

The Company has vigorously promoted low-carbon development. In terms of greenhouse gas emissions, the Company correspondingly collected and analyzed energy consumption data on a monthly basis; optimized the structure of electricity, gas, and oil consumptions by promoting energy saving and consumption reduction; implemented energy management based on energy-saving technologies and equipment renovation; reasonably controlled the total energy consumption; improved energy efficiency and the management level; built a clean and low-carbon energy management system; and promoted the energy-saving progress toward the goals by controlling the emission of greenhouse gases.

Emission source	l luit	2020	2021	2022
Lillission source	Unit	Emission load	Emission load	Emission load
Diesel	tCO2e	22.33	30.91	32.86
Gasoline	tCO2e	30.77	37.93	33.32
Electric power	tCO2e	15,634	133,54	12,578

4. Energy Conservation and Emission Reduction

The Company strengthened energy conservation management in accordance with the principle of rational use; gradually adopted more advanced energy-saving processes, technologies and equipment to effectively use energy on the premise of ensuring production demand; formulated and implemented energy conservation plans; established a continuous improvement mode; improved energy performance; and reduced energy consumption through systematic management. Under the leadership of the Group, the Longgang production base, taking energy conservation and energy efficiency improvement as its core, gradually reduced enterprise energy consumption. Also, the base achieved good benefits by perfecting its energy conservation and emission reduction, improving process technologies, and advocating energy-saving technology transformation.







Modification of high and low voltage switch board room



Modification of waste gas treatment

To reduce energy consumption, the Longgang production base of the company complies with the requirements of the national building energy-saving code, and all buildings in the Park are designed, constructed, and accepted in accordance with the national energy-saving design code. New energy-saving materials — aerated concrete blocks were used for the walls; double-glazed glass was used for the curtain walls; steel furniture was purchased for the office space; and LED energy-saving lamps which met technical requirements were applied to the lighting system during the reporting period.

The Base made full use of natural lighting and optimized the window to wall area ratio and the transparent roof to nontransparent roof area ratio. It also made differentiated designs for lighting in different places: measures such as zoning, grouping and timing automatic dimming were applied to lighting in public places; and as the lighting within the factory was already in good condition, LED lighting was used in the internal and external street lights. The above measures had greatly improved energy saving.



Green intelligent production line



Magnetic suspension monitoring system



Waste heat recovery monitoring system



Energy-saving electric forklift



Energy-saving sensor street lamp



Energy-saving charging station

7.2.2 Water Resource

The Company developed internal water utilization norms and called on all employees to save water through meetings, trainings, emails, WeChat, posters, and slogans. The Company's water resources come from the municipal water supply system, which is mainly used for cleaning water in production sites, office and domestic water, and cooking and cleaning water in the canteen. The Company strengthened the inspection and monitoring of key water consumption equipment and realized the visual control of water consumption by means of information technology. The Company improved the awareness of water saving of all staff by constantly improving the water resources management system and promoting the concept of water saving.

Types of water resources	Unit	2020	2021	2022
Municipal water	Ton	248,119	272,560	244,882

The wastewater discharged by the Company is mainly domestic sewage. According to the "Law of the People's Republic of China on Prevention and Control of Water Pollution", "Discharge Limit of Water Pollutants", and other regulations and standards, domestic sewage shall be pre-treated by the septic-tank and discharged into the sewage treatment plant by the municipal sewage network for further treatment. The Company entrusts a qualified third-party professional institution to test domestic sewage every year to ensure that discharge meets the standards.

7.2.3 Packaging Material

The packaging materials used by the Company are mainly paper, plastic and wood. The Company further optimized the management of packaging materials to achieve economical and energy-saving results. It adopted standardized design in the packaging design stage, reduced packaging types, and improved the convenience of recycling. The Company promoted Six Sigma improvement culture, developed improvement projects, continuously optimized packaging methods, and reduced packaging material consumption.

The Company also signed a "Regional Agreement for Packaging Materials Recycling" with its suppliers to transfer packaging materials to downstream suppliers for efficient recycling. The Company rationally utilized industrial solid waste (such as paper) and air compressor waste heat generated in the production process, and adopted unified electrostatic rubber frames internally to facilitate management and reduce the consumption of packaging materials.

7.2.4 Chemical Management

Hazardous waste	Unit	2020	2021	2022
Total disposal of hazardous waste	Ton	4.46	7.9	15.41

The Company considered the environmental protection requirements in product design and device selection. Chemical ingredients such as environmentally friendly cleaning agent, industrial alcohol and soldering flux used by the Company in the production and manufacturing process met the environmental protection requirements. The Company also formulated the "Regulations on Chemicals", "Safety Operating Regulations on Chemical Warehouse", "Safety Operating Regulations on Explosion-proof Cabinet" and "Emergency Plan for Chemical Leakage", and regularly organized training and emergency drills.

Procurement management: The Company, with its global supply chain system, has safe and reliable chemical procurement channels, and its products comply with relevant laws and regulations. In addition, the Company signs safety agreements with its suppliers, requiring them to provide qualifications like "Business License for Hazardous Chemicals", "Business License for Road Transport" and MSDS documents of hazardous chemicals.

Storage management: The Company has a temporary chemical transfer warehouse and explosion-proof cabinet which meet safety requirements and are managed by special personnel with qualified certificates. The safety of chemical storage is further ensured by means of double-person on duty and 24-hour monitoring. The Company posts safety warning signs, safety operating procedures, MSDS documents and emergency disposal schemes at chemical storage sites.

Consumption reduction: The Company constantly upgrades products and processes and integrates chemical categories to reduce chemical consumption fundamentally.

Hazardous waste treatment: In accordance with the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" and "Measures for Waste Management", the Company reviews the qualifications of hazardous waste processors, signs disposal contracts, timely registers the generation, transfer and handover of hazardous waste, correctly conducts ledger management, and ensures that the disposal procedure is clear and lawful.





Chemical management training

Emergency drill for chemical leakage

7.2.5 E-waste Management

• Reduce the generation of e-waste

With the active participation of the Company's supply chain system in the discussion of adequate product design solutions and device selection, the Company improves the detectability of incoming materials and ensures the material quality by reducing e-waste at the front end and maintaining safety procurement channels. Besides, the Company constantly optimizes the process design, manufacturing scheme, and product quality, and reduces the likelihood of material and product scrapping.

Compliance of e-waste treatment

The Company disassembles and recycles reusable devices and scrapes non-recyclable waste by category through internal review. Besides, it actively seeks qualified third-party institutions for disposal, keeps relevant treatment records, and makes registration according to "Management Process of Industrial Waste" to ensure the compliance of e-waste treatment.

7.3 Make Green Products

The Company infuses environmental requirements into the design and production management process of its products. Based on the QC080000 hazardous substances management system standard, laws and regulations, such as RoHS of China and RoHS/REACH of EU, and environmental protection requirements of customers, the Company has formulated a hazardous substances management system and documents such as "Hazardous Substances Control Procedures" and "Hazardous Substances Control Standard". The Company requires

suppliers to sign the "Guarantee of No Hazardous Substances", provide third-party RoHS/REACH test reports, and facilitate internal sampling inspection for the Company to ensure the manufacturing of green products. The Company annually investigates the environmental compliance of raw and supplementary material suppliers and communicates the Company's green concept to customers or related parties by posting product environmental protection labels and compliance statements.



RoHS environmental protection label of PRC



RoHS environmental protection statement of EU

7.4 Actively Use Clean Energy

The Company deeply explores the potential space for energy conservation, actively utilizes clean energy, and carries out advanced projects involving solar energy, air energy, and waste heat recovery, facilitating sustainable development. The Company has greatly reduced power consumption through the transformation of a nitrogen system for air compression, with an annual reduction in electricity of 493,000 kilowatt hour; The use of magnetic central air conditioning has reduced the consumption of water and electricity resources, and the energy saving rate of magnetic air conditioning is more than 30%.





Reconstruction of nitrogen system for air compression







Photovoltaic solar energy

Air-source heat pump

Major projects where Hytera Longgang Manufacturing Base applied clean energy technology during the reporting period:

No.	Energy-saving renovation project by clean technology
1	Renovation project of high and low voltage distribution room
2	Cleaning project of secondary water supply tank in the Park
3	New project of SMT line in workshops
4	Renovation project of waste gas treatment system in workshops
5	Elevator upgrading project
6	Upgrading project of complex office area
7	Introduction project of 3D automatic inspection equipment in workshops
8	Upgrading project of chemical warehouse

7.5 Build Environmental Protection Culture

The Company spreads and practices the green environmental protection culture of "Protecting the environment is everyone's responsibility", and issued the "Energy Saving Proposal" to all employees, advocating "green office and low-carbon lifestyle". During the reporting period, the Company held several training courses on environmental protection to continuously enhance the environmental awareness of employees.



Environmental protection training at Hytera Industrial Park

Actions to Support United Nations Sustainable Development Goals

Goals	Content	Company's actions
Goal 1	No poverty	Establish Hytera's poverty alleviation workstation of social workers and carry out occasional poverty alleviation actions
Goal 2	Zero hunger	Reduce hunger through poverty alleviation and charitable donations
Goal 3	Good health and well-being	Ensure safety during production and take care of the employees' physical and mental health
Goal 4	Quality education	Construct Hytera College's training system and focus on talent cultivation
Goal 5	Gender equality	Employ everyone equally and care for female employees
Goal 6	Clean water and sanitation	Pay attention to the health of employees from multiple dimensions and carry out testing on drinking water
Goal 7	Affordable and clean energy	Actively replace traditional energies with photovoltaic power and clean energy
Goal 8	Decent work and economic growth	Provide a diverse and inclusive working environment and reasonable salary and benefits
Goal 9	Industry, innovation and infrastructure	Promote continuous R&D and innovations, and build 5G+ smart factories
Goal 10	Reduced inequalities	Carry out public service activities such as poverty alleviation and caring for vulnerable groups
Goal 11	Sustainable cities and communities	Actively implement policies to conserve energy and reduce emissions
Goal 12	Responsible consumption and production	Ensure product quality, R&D, and production quality management
Goal 13	Climate action	Implement policies to conserve energy, reduce emissions, and further adopt clean energy
Goal 14	Life below water	Reduce pollutant emissions and create green products to protect the
Goal 15	Life on land	ecological environment
Goal 16	Peace justice and strong institutions	Fight corruption and commercial bribery through the principle of compliance and integrity management
Goal 17	Partnership for the goals	Cooperate with industry chain partners to build an industry ecology