# Sustainability Report 2020





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### About This Report

The sustainability report is issued annually by OPPO. It adheres to the principles of "Materiality, Quantitativeness, Balance, and Consistency", and discloses the principles, major progress, achievements, and future plans of OPPO and its subsidiaries in terms of environmental, social, and governance performance, with a time span from January 1, 2020 to December 31, 2020. In the future, OPPO will publish sustainability reports according to the natural year.

#### **Reporting Principles**

This report takes reference to the Global Reporting Initiative (GRI) Standards, the UN Sustainable Development Goals(SDGs), the UN Global Compact, and ISO 26000: Guidance on Social Responsibility.

This report is finally formulated by identifying important stakeholders, analyzing and rating material issues to achieve sustainable development, making decisions on the scope of the report, as well as collecting, summarizing, organizing, and reviewing relevant data and materials in the preparation process.

#### **Scope and Boundaries**

Unless otherwise specified, the policies, statements, and materials in this report cover the actual business scope of OPPO and its subsidiaries.

Unless otherwise specified, CNY is the currency unit used in this report.

#### **Definition of Terms**

For the convenience of expression and reading, "OPPO", "this company", "the company" and "We" in this report refer to OPPO and its subsidiaries.

#### Data Source and Reliability Statement

All data used in the report comes from OPPO and its subsidiaries. The board of directors of the company is responsible for the truthfulness, accuracy, and completeness of this report.

#### **Confirmation and Approval**

This report has been approved by the board of directors for release.

#### Independent Assurance

This report has been independently verified by TÜV Rheinland (Guangdong) Ltd., the sources and data processing methods of the report were examined for reliability. Please refer to page 57 for details of the audit.

#### Access to This Report

You can access to the electronic version of this report through the following website: www.oppo.com

About OPPO

Sustainability Technology for Strateav and People and the Management World

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Perfection,	
Customers	
Comes First	

Upholding Environment Devoir and Impact Compliant Management Operations

Empowering Employee Care Ecology for a Better Future

Appendix

### A Message from the CFO

A Message

### MARCHING TOWARDS A NEW ERA: THE INTERNET **OF EXPERIENCES**

#### The Internet of Experiences: Our Insights

We live in an age that is abundant with life.

Over the past few years, advancements in technology have been stealthily transforming the way we live. We can digitally record the physical health of our elders and instantly fulfill their needs, even if we're miles apart. Virtual assistants can help with clothing choices, diet information, and even take care of people's emotional well-being. The physical world and the digital one as we know it, are converging,

Single-piece smart devices are represented by mobile phones that have built the relationship between the user and the service. Online services are no longer limited by OSs, both Androids and iOS can receive the same quality service. Services that are available across multiple devices also further integrate the user experience. We are also facing significant changes and high levels of uncertainty. Industries and values are shifting, with 5G speeding up worldwide digitization. The next 3-5 years are a window of opportunity for technology firms. The third round of industry shakeout is also overtaking alobal handset makers. The first round came with 3G, with smartphone makers Samsung and Apple taking over. The second round was 4G, where many smaller brands popped up, including some from China. The third shakeout, 5G, is already here, and it will be driven by the need to compete beyond a single product, channel, or technology. Each major phone maker will have to develop its own industry-leading technology and edge to become a global leader.

#### OPPO is committed to being a trailblazer for the Internet of Experiences

OPPO is just at the start of a areat new era. The devices of the future will not just be pieces of technology that connect us to everything-they will be digital identities that define the way we experience the world. As a trailblazer for the Internet of Experiences, OPPO is going to build an open ecosystem where partners enable and enrich each other. Our strategy statement is All for One-we will deliver a multi-scenario, seamlessly integrated digital lifestyle to users around the globe.

The One in All for One refers to the user experience. It is our fundamental respect for our users: respect for our users' product preferences, respect for their service preferences, and respect for their value preferences. The goal of All for One is to create great products that increase OPPO's competitiveness for the long run. Ultimately, the goal is to help OPPO focus all its capabilities to elevate the user experience as a whole, including aspects such as AI assistants, seamless interconnections, security measures, and innovative designs. The Company aims to use technology to deliver a high quality of life to every user.

#### An open ecosystem where partners enable and enrich each other

In the future, based on industry patterns and landscape, OPPO is positioned to work more collaboratively. We will analyze and classify our resources, including our brand, channels, supply chain, technologies, user base, and capital. We will strategically open up these resources and combine them with our partners. This will enable us to build an ecosystem where 1+1>2, a place where partners enable and enrich each other. We also hope that our partners will encounter each other within the OPPO ecosystem to spark new products and new business models

To begin, our approach to an ecosystem is built from our values. For many years, the value of helping others before helping ourselves has been critical to our business practicesit has also given us an excellent reputation within the industry. This helped the OPPO ecosystem to attracted like-minded partners who are willing to support our success as we do theirs.

Secondly, OPPO has built up a large reserve of resources in the form of our channels, brand, and user base. For any startups or developers, it is an inviting and ready-made stage. Looking to the future, we will be sharing even more of our resources and abilities. There is an undeniable strength in numbers and unity. That's why the more we open up our resources, the better our chances at a shared success will be.

Thirdly, we will also be enhancing our investment systems to help the OPPO ecosystem grow. We will be investing in innovation, strategies, and the industry, with goals ranging across the short, medium, and long terms. We will also be expanding our network of university labs to utilize the existing rich pools of talent. Collaborations with universities and investment partners will enable us to leverage the ideas and skills of technologists, entrepreneurs, and investors. They will find a place in OPPO's ecosystem where they can achieve their own success and create value for all.

The future is already here and it will not wait for us. The Internet of Experiences will offer us new lifestyles, new opportunities, and new challenges. OPPO believes that technology must be about people-it must be warm, humane, and made for shared success. Technology must benefit our users, our customers, and every member of our community it needs to make the world a better place

We will bring the OPPO vision, mission, and values to the new age as it unfolds. All for One-with our users at the core, we will join hands with our partners to march into the new age that is the Internet of Experiences. We will create an open ecosystem where partners enable and enrich each other, all for shared success.

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### A Message from the COO

### Striving for a Sustainable Ecosystem

As one of the Company's vision since inception, sustainable development has a long been a part of OPPO. Our culture of devoir, the pursuit of altruism, and intentions for shared success coincide with the philosophy of sustainable development.

#### Technology for People and the World

Technology for People and the World is our brand's belief. It guides our technological innovation. Technology has thoroughly penetrated our daily lives and hence is at risk for technological abuse. When we conduct innovative R&D in hopes of delivering inspiring products and services, we must prudently think about the ethics and morality of technological. As we expand our portfolio and make technological breakthroughs, we need to seriously consider the influence of technology on the disabled, minors, and seniors, as well as the benefits technology brings to our users' life and society.

#### Creating the OPPO Ecosystem Together

During our business developments, we take the appeals of our stakeholders into full consideration while stressing the importance of privacy protection and information safety to deliver an intelligently convenient user experience. We also regard healthy operations as the cornerstone of sustainable development. During our globalization process, we strictly comply with national and regional laws and regulations, while also respecting local cultures and customs to ensure positive long-term development.

Furthermore, we are devoted to building up a strong career development system for our employees— safeguarding their rights and interests on a platform that builds their abilities and promotes a sense of ownership. "Clear waters and green mountains are as valuable as gold and silver mountains"—we need to have efficient management, optimize energy structures and efficiency, advance lifecycle management, and contribute to national carbon neutrality. Additionally, a sustainable procurement mechanism is necessary for our supply chains to foster harmonious partnerships with our suppliers as we create a platform for shared success.

With our leading technologies, OPPO commits to satisfying everyone's demands for life, dreams, and virtues while we fulfill social responsibilities to benefit more people and industries. This is OPPO's spirit of sustainable development that we pursue alongside the rest of society.

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### About OPPO

Registered in 2001 and established in 2004, OPPO has grown into a globally leading manufacturer and innovator of intelligent devices, as well as one of the top five smart mobile brands in the world.

OPPO has established 9 smart manufacturing centers, 6 research institutes, 4 R&D centers, and a London-based global design center, with over 36,000 employees in total. The manufacturing centers are located in China (Chang'an Town and Chongqing), India, Indonesia, Bangladesh, and Algeria are capable of meeting the demands of global supply chains. With over 400,000 worldwide franchises, we provide our customers with first-class products and services in 40+ countries and regions.

Following our devoir, user-focused, perfection-seeking, and results-guided core values, OPPO aims to become a renowned, resilient enterprise with a long-lasting legacy.



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### **Milestones of OPPO**



2004

OPPO was founded.

### 2005

Release of the first OPPO MP3 to explore design aesthetics.

### 2008

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Release of the first OPPO mobile phone with a unique smiley face.

### 2009

Global footprints starting from Thailand.

### 2011

-

Launch of the first smartphone Find, endorsed by Leonardo DiCaprio to forge an international brand image.

### 2012

U701 understood users' demand for beauty, creating the era of filtered selfies.

### 2020

Release of the first smartwatch and smart TV.



OPPO Reno 5G—the first 5G mobile phone on the European market.

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### 2018

The bezel-less Find X unveiled in the Louvre Museum, initiating the exploration into Europe as a top brand

### 2016

Listed among the top 4 by global market shares.

•

### 2014

Creation of VOOC Flash Charge to revolutionize and popularize charging technology.

2013

Release of the OPPO N series, the world's first smartphone with a rotating camera and ColorOS, initiating the software-hardware-service integrated business model.

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### **Product Portfolio**

#### Products and Services

Mobile phones

#### Find X series







Ace series

K series



Reno series













### • Smart hardware

#### Smart TV



#### Wearables











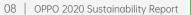






#### Accessories





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### Honors and Recognitions



Listed in Top 50 Chinese Global Brands 2019 by BrandZ



OPPO Find series won the 2014 IF Design Award



Honored with 2019 Asia Tech Award and listed among Asia's most influential brands in 2019



OPPO Find X won the Gold Award for the 21st China Design Patent in 2019



Honored with Canstar Blue's Most Satisfied Customers Award successively in 2017 and 2018



OPPO Enco W31 TWS won the Platinum Award of the 2019 Design Awards for Digital and Electronic Device Design at A' Design Award & Competition



OPPO Industrial Design Center was honored as a State-level industrial design center in 2019



Honored with 2019 Evergreen Sustainable Development Innovation Award at the 2020 Caijing Sustainable Development Summit & Evergreen Award Presentation Ceremony



Listed among 2020 Top 100 tech challengers in global emerging markets by Boston Consulting Group



Honored with the Most Admired Chinese Enterprise Award for 2019-2020 by The Economic Observer



Honored with the CSR Enterprise of the Year by Shanghai United Media Group and jiemian.com in 2020. Find X2 Pro was honored with the Innovative Technology and Smart Product Award of the Year



OPPO Find X2 Pro was evaluated as the "Premium High-end Mobile Phone" for 2020-2021 by EISA

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• University Partners

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Royal College of Art

University of Southern California

Tsinghua University

Shanghai Jiao Tong University

Virginia Tech



Stanford University

A CONTRACT

Xidian University



The Chinese University of Hong Kong



Zhejiang University

▲ 中央美術学院 Chesa Canada Ausdomy of Physical

Central Academy of Fine Arts



Institute of Electrical and Electronics Engineers



United Nations Global Compact



China Computer Federation



Responsible Minerals Initiative



Alliance

Trust and Integrity Enterprise Alliance

# Sustainability Strategy and Management

We believe the spirit of sustainable development lies in the cultivation of OPPO's core competence to create values for stakeholders. With a strategic vision of Technology for People and the World, we integrate our stakeholders' wishes into corporate operations that are sustainable and benefit humanity with technology innovation.

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### Sustainability Strategy

The strategy of sustainable development varies with development stages, corporate cultures, and industrial characteristics. In line with the Sustainable Development Goals of the UN, OPPO, as an international enterprise, has established its own sustainability strategy that focuses on how to benefit our society with positive values with technologies.

OPPO's sustainability strategy specifies key growth segments with a solid groundwork for organizational structure—enabling scientific, regulated, and strategic implementations.



The Framework of OPPO's Sustainable Development Strategy

To achieve sustainable development, OPPO must further consolidate the following three cornerstones to strategically support and supervise corporate operations.

- **Compliance:** in this ever-changing era of technology, proactive governing on various technologies mostly depend on corporate compliance and morality instead of existing laws. To bring forth positive roles and social values, corporate compliance is one of OPPO's cornerstones in achieving long-term success.
- **Innovation:** OPPO constantly advances technology and product innovation to drive our progress, benefitting more people in a wider range of scenarios.
- **Customers:** As a consumer goods enterprise, OPPO offers quality products and services beyond customer expectation, which is the foundation for business development. We are user-focused and constantly improve customer satisfaction.

At the same time, OPPO also emphasizes its responsibility for the whole industry, communities, employees, and environment protection.

- Environment-friendly corporate operations: Nature is invaluable. While we grow our business rapidly, OPPO will actively control its impact on the environment, develop green products and services, and empower other industries to engage in green development.
- **Employee care:** Employees are OPPO's most valuable asset; OPPO will advocate growing together with its employees, ensures their rights and interests, and facilitate personal harmony.
- Ecology-enabled future, shared success: As an international tech enterprise, OPPO is expected to take more responsibilities and leverage our influence to promote co-development among the industry, its developers, and relevant communities, all of which are key factors for sustainable development.

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### Corporate Social Responsibility (CSR) Management Framework

OPPO CSR Management Committee is in charge of holistic sustainable development and identifying and managing important CSR projects. Besides executive management involved in the implementation and regular review of the CSR system, the committee director oversees, pushes, and evaluates CSR-related work.

With comprehensive processes for evaluating and managing labor risk, environmental risk, and health & safety, we can promptly identify any risks related to employee health & safety, labor, and business practices; appropriate risk controls will be implemented for legal compliance and sustainable improvement.

Meanwhile, relevant departments will investigate, identify, and evaluate CSR risks, before tracking and managing precautionary and correctional measures to continuously improve risk control performance.

Moreover, in response to key CSR issues, OPPO implements the following management policies and supervision processes:

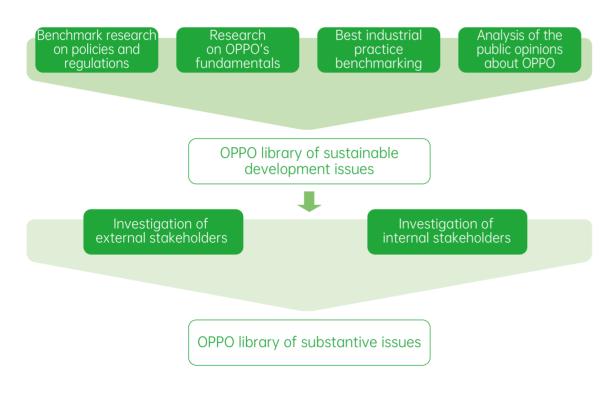
- Labor policy: Comply with relevant laws and regulations; respect each employee, listen to their voices, and continuously improve their sense of happiness to create a free, equal, and harmonious workplace.
- Environmental policy: Raise our employee's environmental awareness, comply with environmental laws, and enhance environmentally-friendly operations to achieve a harmonious living environment.

- Occupation Health & Safety: Adhere to legal requirements, improve work conditions, ensure safety and prevention measures are in place, and strive to secure the occupational health and safety of every employee.
- Business ethics policy: Adhering to the values of devoir and upholding the standard of honesty in business conduct.



### **Substantial Analysis**

In 2020, OPPO launched its first stakeholder-related substantial research and analysis to fully understand the expectations of relevant parties and identify key business strategy issues as part of an effort to underpin the Company's sustainable development.

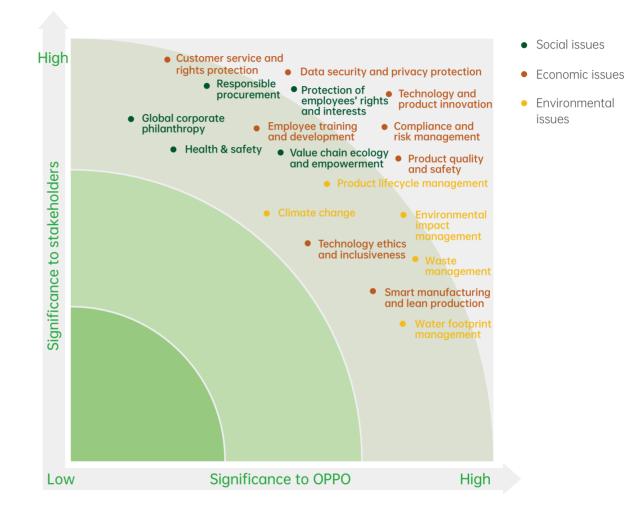


- Policy analysis and best industrial practice benchmarking: In 2020, OPPO selectively researched a series of policies and standards newly released in both domestic and foreign markets, including extended customer responsibility systems, privacy protection laws, plastic pollution prevention laws, the EU Green Deal, and the General Data Protection Regulation (GDPR). To learn about pressing legal topics, several authoritative rating standards for sustainable development performance were also considered, such as the Responsible Business Alliance (RBA), Eco-Vadis, and Morgan Stanley Capital International (MSCI). Meanwhile, we also benchmarked business peers in Internet and communication equipment manufacturing to keep up with global industrial concerns on sustainable development.
- OPPO development strategy and public opinion analysis: By using public opinion analysis tools on internal development strategies, OPPO identified key issues regarding future developments and public concerns.
- Stakeholders research and engagement: Considering relevant policies, industrial best practices, and our development strategies, we built a database regarding issues on sustainable development; we then prioritized these issues based on results of interviews and questionnaires with the pubic, academic and industrial institutions, peers, associations, and our employees, with the final result being our completed annual analysis on sustainable development issues.

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OPPO has identified 18 key issues based on the Company's and stakeholder's degree of concern, including compliance and risk control, innovation and R&D, customer service, green products, climate change, and HR. In the future, the Company will conduct special management and improvement work regarding the identified key issues to ensure continuous achievements in sustainable development.





The Company's Key Issues on Sustainable Development

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### Stakeholder Engagement

Keeping our stakeholders' concerns and demands in mind, we openly communicated with our stakeholders to resolve their concerns.

Stakeholder Type	r Shareholders and investors	Regulators	Clients	Employees	Suppliers	Communities	Social organizations
Representatives	• Investors	<ul> <li>Chinese government agencies</li> <li>Foreign governments and relevant regulators</li> </ul>	<ul> <li>Domestic and foreign phone manufacturers</li> </ul>	<ul> <li>Full-time employees</li> <li>Part-time employees</li> </ul>	<ul> <li>Production material suppliers</li> <li>Service suppliers</li> </ul>	<ul> <li>Villages and towns around factories</li> <li>Areas designated for charitable assistance</li> </ul>	<ul> <li>Colleges and research institutes</li> <li>Media</li> <li>NGOs</li> <li>Industrial associations</li> </ul>
Main Concerns	<ul> <li>Company business and fundamentals</li> <li>Long-term development plans and financial performance</li> <li>Corporate governance and risk controls</li> </ul>	<ul> <li>Legal business operations</li> <li>Rights and interests protection for clients, employees, and stakeholders</li> <li>Steady operation of products</li> <li>Economic growth</li> <li>Clean production</li> </ul>	<ul> <li>Excellent product performance</li> <li>Information safety and confidentiality</li> <li>Green product standards</li> <li>Timely and efficient services</li> </ul>	<ul> <li>Diverse capacity development</li> <li>Open and transparent career paths</li> <li>Work-life balance</li> <li>Steady corporate development</li> <li>Healthy and safe workplace</li> </ul>	<ul> <li>Fair and transparent selection</li> <li>Stable financial performance and payment policies</li> <li>Long-standing and sound cooperation</li> <li>Equal, fair, open, and transparent procurement</li> </ul>	<ul> <li>Support the sustainable development of communities</li> <li>Benefits from corporate development</li> </ul>	<ul> <li>Sound cooperation Prompt sharing of</li> <li>corporate experience and practice</li> <li>Transparent information exchanges</li> <li>Co-development with the whole industry</li> </ul>
Communication Methods	<ul> <li>Phone and email</li> <li>Internal reporting and communication</li> <li>Management performance metrics and assessment</li> </ul>	<ul> <li>Participation in relevant meetings</li> <li>Communication with industrial associations and relevant institutions</li> </ul>	<ul> <li>Pre-sales communication</li> <li>After-sales services</li> <li>Regular communication (e.g. client visits)</li> <li>Quality exhibitions</li> </ul>	<ul> <li>Online communication platforms</li> <li>Employee congresses</li> <li>Reasonable proposals</li> </ul>	<ul> <li>Annual supplier training and exchange meetings</li> <li>Site review and communication</li> <li>Regular visits</li> <li>Senior-level visits</li> </ul>	<ul> <li>Face-to-face communication</li> <li>Public welfare activities</li> <li>Complaint hotline</li> </ul>	<ul> <li>Regular communication</li> <li>Project cooperation</li> </ul>

# Technology for People and the World

Innovation is a powerful engine for our development. In the context of the Internet of Experiences, OPPO seamlessly combines leading intelligent hardware products to forge smart, customized experiences and establish an integrative and beneficial technological ecosystem. The Company's 3+N+X technology transition strategy will be in place to guide innovations and R&D to the next stage.

With our belief in Technology for People and the World, OPPO's technology and product innovation focus on consumer demands while empowering the development of other industries. As we pursue industrial leadership, we insist on inclusive development; our people-first attitude will deliver the positive influences of technology to society.

Over **54,000** patent application worldwide in 2020



**10,000+** R&D staff

### 

The anti-addiction game system for minors, the first of its kind from mobile phone manufacturers

We promise to:

3 GOOD HEALTH AND WELL-BEING

\_/v/`

8 DECENT WORK AND ECONOMIC GROWTH



Through enhanced innovations and an increase in R&D investment, we will improve technological inclusiveness and provide customers with exciting products and services.

10 REDUCED INEQUALITIES 17 PARTINERSHIPS

### **Innovation Strategies and Roadmap**

Moving into a new stage of development, OPPO formulates a new strategy, "3+N+X", for the coming technological leap.

stands for the three major technology plans in hardware, software, and services, which are also OPPO's technological pillars.

means OPPO's technological capabilities center, covering Al, security and privacy, multi-media, interconnectivity, etc.

represents differentiated technologies, which can drive revolutionary innovations and enhance user experience.

With over 10,000 R&D staff, six research institutes, and four R&D centers across the world, OPPO is committed to exploring and developing technologies in 5G, chipsets, fast charging, images, AI, IoT, and audios and videos.

Guided by the idea of pursuing innovations for the greater good, OPPO has made constant breakthroughs in its products and technologies.

The OPPO X 2021 is a brand-new concept phone featuring a scroll-like, rolling display. It is built with an OLED flexible screen that is as small as 6.7 inches and as large as 7.4 inches. Thanks to a self-developed Roll Motor, dual-matrix embedded clutch structure, and a proprietary dynamic screen framework, the smartphone extends and retracts smoothly with no hard folding involved.

As the new generation of AR glasses, OPPO AR Glass 2021 significantly improved its user experience, optical design, interaction, and content ecosystem.

Leveraging a digital model of the real world, online data from IMU, GPS, Wi-Fi, BlueTooth, SLAM, and AI, OPPO CybeReal is a super AR application that enables highly precise all-time positioning and scene recognition, made to open the door to the Internet of Experiences.

OPPO maintains strategic cooperations with leading international organizations such as the IEEE to collaborate on the standardized development along with academic and talent exchanges in areas of 5G, AI, and big data.

Through a worldwide partnership with over 80 operators including Vodafone, France Telecom, Deutsche Telecom, KDDI, SoftBank, American Móvil, and Swisscom, OPPO is actively expanding its business markets into Europe, Japan, and Latin America.

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#### Case Study | OPPO Releases the World's First Self-developed 5G CPE

In 2020, OPPO unveiled the world's first self-developed 5G CPE T1 and Omni. Thanks to the Company's intensive 5G research, OPPO 5G CPE T1 supports 5G dual modes across all networks, global mainstream frequency bands, the new Wi-Fi 6 protocol, and smooth Internet access across multiple devices. It also has a better quality signal with an O-Reserve smart antenna algorithm as well as an outstanding design, features, and heat dissipation.

OPPO 5G CPE T1 is another important product that integrates various AI hardware such as smartwatches, smart earphones, and smart bracelets that launches OPPO into an IoT layout in the 5G era. Including a smart TV and AR glasses that are on the way, OPPO will expand its hardware to all 5G+IoT key interfaces in 2020 to deliver an exciting customer experience.

In the next three years, OPPO will make an R&D investment of RMB 50 billion, which includes continuing the current research on 5G, AI, AR, and big data as well as core hardware technologies, software engineering, and system capabilities.

### author boot noot huttee

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### Intellectual Property Rights (IPR) Management

OPPO has continued to list IPRs into the Company's R&D-oriented independent innovation strategy, with the Company achieving countless patent products and remarkable protection.

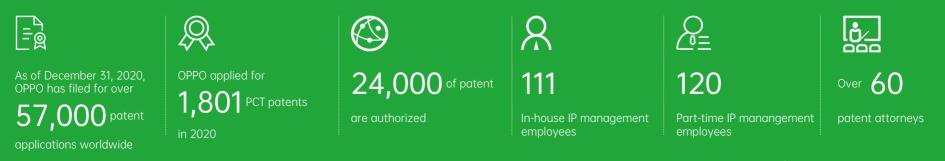
As of December 31, 2020, OPPO has filed for over 57,000 patent applications worldwide, 24,000 of which are authorized. The applications for patent invention exceed 51,000, representing 89% of the total application amount. Since 2018, OPPO has consistently been ranked as the top 3 enterprises by authorized invention patents in China each year. According to the 2020 Patent Cooperation Treaty (PCT) application list released by the World Intellectual Property Organization, OPPO applied for 1,801 PCT patents in 2020, ranking 8th in the world, with a high degree of recognition for our innovation capability. Additionally, OPPO owns 1,212 locally registered trademarks including 24 domestically well-known brands, as well as 635 trademarks registered abroad.

Till now, OPPO has made applications for over 3,600 patent families of 5G communication standards in 20+ countries and regions worldwide, reported over 1,400 5G standard patent families to ETSI, and submitted more than 3,000 standard documents to the 3rd Generation Partnership Project (3GPP). According to a report

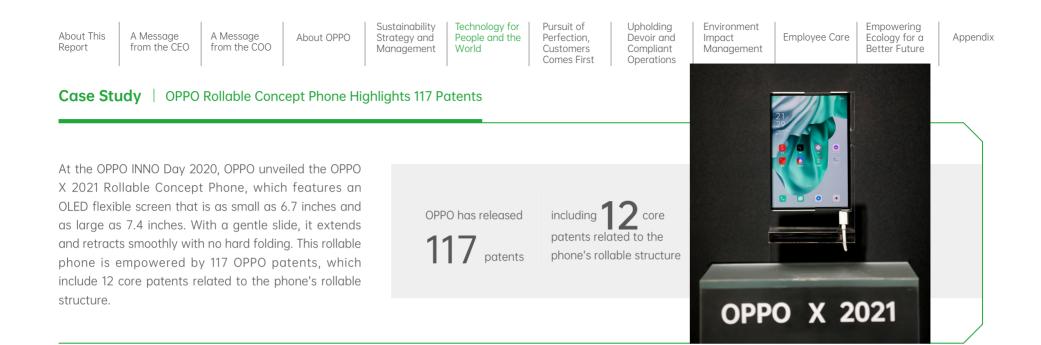
released by the NGB Corporation, an industry-leading Japanese research facility, OPPO is one of the Top 10 global companies in terms of 5G patent families amount.

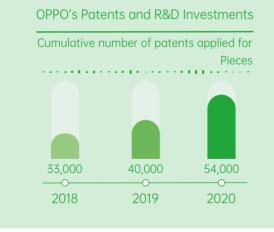
Across the globe, our patent applications account for over 7,700 image patents with over 2,600 authorized ones; over 2,400 AI patents involve computer vision, voice technology, natural language processing, and machine learning; there are also over 2,950 VOOC patents with nearly 1,400 authorized ones. The value of VOOC patents has been rapidly growing, boosting an anticipated patent ecology that consists of barrier patents, industry standards, and technological certifications. Since 2018, our IPR partners have been engaged in patent authorization and certification and risk screening and agreement services. OPPO has also opened its VOOC patent to around 40 enterprises, along with 8 newly franchised ODM/OEM. VOOC has evolved into OPPO's international patent business icon, garnering widespread popularity around the globe.

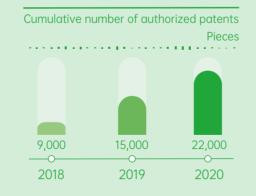
OPPO possesses a strong capacity to deal with various IPR-related risks and challenges thanks to its excellent IP management team that consists of 111 in-house employees and 120 part-time ones; where over 68% of whom hold master's degrees, including over 60 patent attorneys and over 40 lawyers.



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### Technology Empowerment and Inclusivity

As our ultimate goal is to develop technology that is usable and beneficial to humanity, OPPO has made significant investments and efforts in 5G development to empower society and offer broad benefits to the public.

OPPO's technology innovation aims to empower and influence other industries while increasing their values. For instance, the OPPO Watch ECG, unveiled at the 2020 OPPO Developers Conference, is a self-developed smart terminal certified by NMPA as a Class II medical device—the first of its kind and also a milestone marking OPPO's efforts into the professional healthcare industry. Powered by years of in-house AI technology and official data, OPPO launched the COVID-19 auxiliary diagnosis and research platform that has an accuracy of 99.76%. This platform has been freely given to medical organizations to assist medical R&D while increasing the efficiency of pandemic prevention and screening.

On March 18, 2020, OPPO took the lead to roll out the anti-addiction game system for minors to strictly manage on-game payments from authenticated juvenile users and non-real name users. All OPPO mobile users must complete real-name authentication before paying for games. The system forbids minors under the age of 8 to reload their accounts; it also has a maximum payment system, where minors over the age of 8 and under 16 cannot reload their accounts for more than 50 RMB each time, with a monthly maximum of RMB 200; for those above the age of 16 and under 18, their maximum reloads amount is RMB 100 each time, with a monthly maximum of RMB 400. Unauthenticated users are prohibited from reloading their gaming accounts. While seeking innovatively leading technologies, OPPO pays great attention to the huge influence the digital divide brings. Statistical data shows that there are about 85.02 million people with disabilities in China, and about 466 million people suffer from hearing impairment across the world. OPPO has been exploring the use of advanced, sensory-related technology to help people with disabilities enjoy the convenience of technology.

#### Case Study | OPPO Enables Barrier-free Communication

Smart mobile phones drive technological progress and can change the lives of people with disabilities, particularly the visually impaired. At the end of 2017, OPPO reached out to the Accessibility Research Association to optimize accessibility via OPPO mobile phones through user research, execution of product plans, and barrier-free product design. The Company also helped accessibility technology stipulations and test standards, joining the Accessibility Product Alliance, which involved 5 tests and 20 optimized modules, where 218 defects were detected from 20 modules. OPPO carried out related publicity activities to advance the accessibility of the industry. Together with the Accessibility Research Association, OPPO developed a package of accessibility optimization plans that cover preliminary user investigation and product plan implementation, participated in the formulation of industrial standards.

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OPPO ColorOS is highly adaptive to different users with flexible and powerful capabilities. Its accessibility design offers greater care to groups that need audiovisual and body-motion assistance. ColorOS' accessibility applications encourage users to understand the phone's contents and offer to enhance their quality of life with countless specially customized functions, such as TalkBack, Free Read, Breeno, gesture interaction, color accessibility, and color correction.

For users that are hard of hearing, ColorOS offers two types of accessibility features, the first is mono audio, which combines the left and right audio channels to scale up voice volumes and help users that have impaired hearing hear clearly. The other is flashing-light calls, which can alert the hearing impaired





Users with mobility or cognitive difficulties can also activate the full accessibility menu in the ColorOS system to quickly lock, take screenshots, and adjust volume and brightness.

Additionally, ColorOS also provides a touch and press delay function to allow users to customize the duration of the long-press, so that the system will not respond before the long-press is over, reducing misoperation. Message alert displays can also be prolonged by 10 seconds, 30 seconds or even two minutes to offer more time for users who find it difficult to make immediate responses.

The OPPO ColorOS believes in breaking barriers with design, hence there are a lot more to the system's accessibility features, including smooth call quality and friendly biological identification, all of which made to create wonderful user experiences and allow everyone to embrace human-oriented technologies.

# Pursuit of Perfection, Customers Comes First

As a tech company committed to ensuring an excellent multiscenario experience, OPPO views customer demands and satisfaction as fundamental to its survival and development.

Stringent quality assurance (QA) processes and management are part of OPPO's promise to ensure reliable and safe products, safeguard user privacy and information security, and deliver a pleasant, convenient, and first-class consumer experience. ¥

OPPO's factories in Chang'an and Chongqing have passed the QC0 80000 hazardous substance management system certification



With an automated production rate of **70%** and an automated test rate of **90%**, OPPO

possesses world-class global manufacturing capability

17 PARTNERSHIPS FOR THE GOALS

16 PEACE, JUSTICI AND STRONG OPPO passed the ISO/IEC 27701:2019 privacy information management system certification

Ξ

We promise to:

3 GOOD HEALTH

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8 DECENT WORK AND ECONOMIC GROWTH

Constantly improve the efficiency of value chain management and deliver quality products and services.

9 INDUSTRY, INNOVATION 11 SUSTAINABLE CITIES 12 RE AND INFRASTRUCTURE 11 SUSTAINABLE CITIES 12 RE

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### Control over Hazardous Substances in Products

### **Initiatively Prohibit**

OPPO has taken the initiative to fully prohibit the use of arsenic, beryllium, antimonous oxide, chlorinated flame retardants, brominated flame retardants, 15 kinds of multiring hydrocarbon, and 21 kinds of phthalic acid ester.

To ensure safe end products for our users, during the OPPO Standards for Controlling Hazardous Substances update in 2020, not only did OPPO continued to comply with the relevant laws and regulations, but OPPO also took the initiative to prohibit the use of arsenic, beryllium, antimonous oxide, chlorinated flame retardants, brominated flame retardants, 15 kinds of multiring hydrocarbon, and 21 kinds of phthalic acid ester. We also prohibit the use of toxic solvents like benzene, methylbenzene, and n-hexane during our manufacturing process, eliminating potential dangers to our workers. There is also the OPPO Standards of Controlled Substances on Human Health that has been strictly adhered to, which limits the use of over a dozen of highly allergenic substances to protect our users' health.

At the same time, we have also further standardized our management practices for consistency. Following the footsteps of factories in Chang'an and Chongqing, all other OPPO factories will also obtain the QC 080000 hazardous substance management system certification.

As seen, the Company has established comprehensive hazardous substances control procedures, which cover our product's full life cycle to provide consumers with safe, green products.

- Examine all materials, evaluate the risk of hazardous substances based on their application and technical characteristics
- Require all the raw material suppliers to produce material composition and chemical test reports, with a contractual agreement to observe OPPO's standards
- Outside of the data provided by suppliers, OPPO also conducts in-house testing. OPPO labs are equipped with test instruments including XRF, ICP- OES, GC-MS, UV-VIS, and IC—meaning OPPO labs can examine the materials in its electronic products to detect harmful substances such as lead, cadmium, hexavalent chromium, mercury, halogen, phthalates, multiring hydrocarbon, and VOCs. OPPO strictly prohibits the use of materials that fail internal standards

#### Product design stage

#### Mass production stage

 After R&D and manufacturing tests, our finished products must go through spot tests by batches to ensure consistent quality

#### Product manufacturing stage

- To prevent pollution from hazardous substances in the manufacturing process, we conduct risk evaluation of our equipment, tools, chemicals, and subsidiary materials; OPPO strictly follows the applicable management procedures for each material
- It is necessary to constantly optimize production processes. For example, nickel release rates are greatly cut down during nickel washing to ensure nickel-plated parts pass the examination

OPPO's Hazardous Substances Control Procedure Covering a Product's Life Cycle

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### Smart Manufacturing and Lean Production

As the world's biggest manufacturer, China devised the national strategy, Made in China 2025, proposing to shift from a manufacturing giant to a manufacturing power; it defines "smart manufacturing" as the main direction China's manufacturing industry is headed; this is also a critical factor that will help achieve the goals of Made in China 2025.

out too

Having established 9 world-class factories across the world, OPPO boasts a world-leading manufacturing capability with an automated production rate of 70% and an automated testing rate of up to 90%.

In response to government policies, OPPO innovatively introduced and deployed smart manufacturing and operations, including transforming processes with robots and using full automation to reduce human labor. From 2017 to 2020, we invested in 600+ robots, 100+ automatic pressure-holding cabinets, 250+ automatic screw machines, and 60+ automatic test lines, freeing up more than 2,000 front-line operators. Moreover, basic production data are collected for analysis; it enables effective decision-making on production and quality improvements while further empowering smart manufacturing.

Besides information-based productions and operations, OPPO optimizes onsite management with technologies such as IoT and 5G—including the introduction of automatic stereoscopic warehouses.

#### **Case Study** | Technology-driven Automated Warehouses

To further improve logistical and storage efficiency and reduce resource consumption, OPPO continues to advance automated storage projects through technologies such as robots and IoT. By far, project phase II has been completed with concentrated automated storage of 5,000 m2, doubling both operational efficiencies and site utilization; it has reduced 1 large electric fork-lift truck and 6 small electric fork-lift trucks, cutting annual electricity consumption by over 10%.



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### **Privacy Protection**

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OPPO's philosophy of data and privacy protection roots in safeguarding our customers' rights and interests beyond mere lawful compliance. In June 2019, this became one of OPPO's core Internet product values. This philosophy has always guided us to ensure the security of user data, maintain compliant operations of data assets, and turn privacy protections into explicit competitive edge through our excellent data privacy and compliance systems.

It is our long-running mission to explore effective customer-oriented approaches to data and privacy protection. ISO 19600, ISO/IEC 27701, and SDM are widely recognized in Europe. OPPO has set up the 2.0 version of the privacy compliance management standard system to fully integrate the abovementioned standards into our corporate operations, which also includes the lifecycle management of personal data, compliance management for risks, product user interfaces and product operations, control processes and system construction. We also use a third-party auditor for our standardized system for all-around safety and privacy.

### Consolidating management processes and systems

As we highly stress the importance of privacy protection and information security, our collection, storage, and use of user information strictly abide by the relevant laws and regulations of the applicable countries or regions, as well as OPPO's own privacy compliance policies.

To provide clear business development instructions and ensure our compliance is evident externally, OPPO's privacy compliance system covers the whole lifecycle of personal information; it can regulate cross-border transmissions, classification, and retention periods and secures critical systems including the Internet, software engineering, and marketing, including major markets such as Western Europe. With a closed compliance loop composed of front-end review, back-end testing, and regular auditing, we promote quality process management supported by IT tools—we ensure our operations abide by relevant laws and regulations while being in complete control of our users' privacy and information.

Awarded with the ISO/IEC 27701:2019 privacy information anagement certification

With its ISO/IEC 27701 certification, OPPO has been proven to meet the requirements of internationally authoritative standards on privacy security—providing full protection of our user's privacy. By continuously reviewing, refining, and improving our compliance practices together with global third-party authorities, we deliver safe, legitimate, and reliable products and services to our worldwide users.

### Intensifying implementation

OPPO is committed to the implementation of privacy protection with the following principles:

- **Product design that is embedded with privacy protection:** The philosophy of privacy protection is infused in every step of product development through effective organizational processes;
- Openness and transparency: We inform our users of our data processing practices with openness and transparency;
- Autonomous control: Users have the right to control the access to personal data, as well as the ability to search, modify, and delete said data;
- Data security: Advanced security technologies have been adopted to protect users' private data throughout the data lifecycle;
- Equal protection: it is necessary to constantly improve data privacy protection to cover all marketing areas and regions, including those with inherently weaker protections.

By visiting the OPPO data privacy portal (https://www.OPPO.com/cn/privacy), our customers can find out our management measures on personal data and obtain useful tools to control their information. The OPPO complaints and inquiry platform ((https://brand.heytap.com/privacy-feedback.html) offers users a one-stop service to exercise their rights and interest in personal data. The 18 Heytap services offered include the app store, videos, music, and game center; it also supports online QA for data protection and complaints on personal privacy, where users can upload texts or pictures to describe their concerns.

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#### Case Study | Introduction of GDPR Secures Business Expansion

Based on GDPR—the toughest EU management standards on information security and privacy protection, we refined all of our business processes in 2020 to achieve world-class protection practices.

- To maintain and improve privacy and transparent operation of apps, each collection and usage of personal information, changes in personal data collection, and use of the dynamic privileges must all be pre-approved by users with a pop-up notice of OPPO privacy policies. No data may be collected without the user's consent. Any internal Company business roll-out must go through a privacy compliance review to guarantee data collections are in line with user permissions.
- OPPO privacy compliance management system has been updated according to ISO19600 compliance management standards and ISO/IEC 27701 privacy information management guidelines.
- With strategic cooperations with several authoritative European and American certification agencies like ePrivacy, TrustArc, and ISO, as well as close partnerships with the certification agencies on GDPR data regulation, compliance certification, and professional capability, we continue to improve our privacy protections, furthering our means and tactics to protect privacy globally.
- Privacy compliance is a mandatory condition for the whole life cycle of systems and software, including demand analysis, product design, and developments for testing and reviews, release and deployment, and operations and maintenance. A trinity of processes with business process checking, quality operation tracking, and audit by sub-committees confirms and protects legal business operations.
- Based on the GDPR and best industrial practices, we established and improved our compliance system v1.0 from five perspectives, namely process system and guidance, compliance certification, data processing records, and organizational and technical security measures.



Pursuit of

Perfection.

Customers

**Comes First** 

#### About ePrivacy App

Environment

Management

Impact

Upholding

Devoir and

Compliant

Operations

ePrivacy App is an authoritative privacy certification agency headquartered in Germany. Based on the EU GDPR standards, it conducts in-depth compliance audits of Internet services and products and awards privacy stamps to qualified products.

• Scope of audit (3):

transfers

Settina, smart assistant, mobile

• Scope of Phase II certification (3)

Service App, cloud service, OPPO ID

Employee Care

#### Scope of certification

- Scope of Phase I certification (13) (obtaining privacy stamps): Short messages, calculator, user tips, video player, sound recorder, music, document management, contact person, clock, transmission between OPPO terminals
- Webpage for the inquiry of OPPO's privacy stamp: https://www.eprivacyeu/en/customer/awarded-seals/company/guangdong-oppo-mobiletelecommunications-corp-ltd



#### About TrustArc

TrustArc is an authoritative privacy certification and audit agency headquartered in the U.S, with the certification and audit standards based on privacy laws and regulations including OECD privacy guidance, APEC privacy framework, GDPR, ISO 27001, and HIPPA.

#### Scope of certification

- Official websites (5)
   OPPO's EU official website (UK, Italy, Holland, France, Spain)
- Products/applications (25)

 Privacy management certification (2) OPPO's Guangdong Mobile Communication Co., Ltd., OPPO's overseas Internet company Bravo

Empowering

Ecology for a

Better Future

Appendix

Theme stores, mobile transfer, albums, music, sound recorder, video, weather, clock, calculator, document management, user tips, intelligent assistant, contact person, transmission between OPPO terminals, setting, compass, keyboard, short messages, system application, mobile manager, OPPO ID, facial identification, fingerprint identification, cameras.

 Webpage for the inquiry of OPPO's privacy stamp: https://privacy.truste.com/privacy-seal/validation?rid=64fbab0f-7dc8-4274-a882-23d6b23ef5d1

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Certification standards: ISO/IEC 27701:2019
 Period of validity: June 4, 2020-May 27, 2022



• Certification standards: ISO/IEC 27018:2014 Period of validity: May 27, 2019-May 27, 2022



• Certification standards: ISO/IEC 29151:2017 Period of validity: May 27, 2019-May 27, 2022

Scope of certification: The design, development, operation, and maintenance of OPPO's official website, OPPO's store, Color OS, OPPO+, WeChat matrix platform, browser, video, HeyTap cloud service, Hey Tap account, PUSH service, game center, software store, theme store, music, magazine unlock, open platform, intelligent furnishing application, Breeno voice, instant recording, intelligent short message, wallet, and Qiubei Wealth Management; the design and development of Ouxiang Borrowing, Ouxiang Loan, Qiubei Insurance, and safe payment. Consistent with applicability statement version 2.0.

- Scope of certification: The design, development, operation, and maintenance of OPPO's official website, OPPO's store, Color OS, OPPO+, OPPO browser, OPPO cloud service, OPPO account, PUSH service, game center, software store, and theme store; the implementation rules concerning the protection of personal identity information using the PII processor in ISO 27018:2014 public cloud. Consistent with applicability statement version 1.0.
- Scope of certification: The design, development, operation and maintenance of OPPO's official website, OPPO's store, Color OS, OPPO+, WeChat matrix platform, browser, short video, OPPO's cloud service, OPPO account, PUSH service, game center, software store, theme store, open platform, intelligent furnishing application, Breeno voice, OPPO wallet, and loan supermarket; application of ISO 29151:2017 personal identity information protection guidance. Consistent with applicability statement version 1.0.

### **Innovative Customer Experience**

Online and telephone customer services are important channels that engage with customers; it deserves incredible attention in terms of improving customer service and experiences. Hence, we hold daily quality inspection meetings, calibration meetings, and quality communication meetings where participants include directors of service centers, quality managers, quality inspectors, group leaders, and customer service representatives. The meetings facilitate the timely resolution of problems and improve the overall performance across all service channels. Quality inspectors are responsible for quality management and supervision; they ensure that service quality indicators, complaints settlement, and quality inspection recordings are performed with utmost quality and care.

To improve the quality of our customer service staff, quality inspectors identify problems through data monitoring and analysis; inspectors will help the relevant parties take effective improvement measures, such as case study, skill-sharing, and provide communication techniques. Inspectors will also provide monthly training to service staff to ensure continuous growth in their service quality.

As for offline services, OPPO insists on a "Service is King" attitude at every store and franchise. This attitude advocates for friendly smiling, having unified prices, and offering complete, comprehensive services. Consistently commendable customer service leads to word-of-mouth advertising, which becomes the door to having an excellent reputation.

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### Case Study | Fast Response to Users' Demands for Repair and Maintenance

Offline consumers usually ask for product maintenance wherever their phones were bought. To promptly meet their demands, OPPO set up onsite repair centers or delivery repair centers across China in early 2020. Larger service centers even offer instant service or one-hour repair service. For example, at the delivery repair centers in Henan, the engineers' operations are all recorded for customers to monitor or confirm online. The within-7-days turnover rate of spare parts and problem resolutions became a major employee performance evaluation indicator.



Take Find X2 Pro for example. With the IP68 class waterproof and dust-proof design, it is resistant against rain and water splashes, made perfect for outdoor adventures. With a 120 Hz refresh rate, 3K QHD+ of high definitions, 1 billion color display, and an adaptive AI eye protection system, the smartphone offers great care for the eyes and reduces the radiation from hazardous blue light at the hardware level. The refresh rate has been increased from the traditional 60 Hz to 120 Hz, which means the screen presents 120 frames of pictures in each second to deliver a refreshing, smooth, and comfortable visual experience. The touch sampling rate is 240 Hz at the highest level—it enables a more precise and flexible response to each touch. And with the number of colors increased by 64 times, from 16.7 million colors (8 bit) to 1.07 billion (8+2 bit), the display authentically reproduces the real world as you see it.

As for its software and systems, the ColorOS 11 launched recently enables multi-level dark color modes that could be personalized; Breeno ensures operations are more intelligent and humanized, and the system provides third-party applications with image access—it lets users use the same, powerful cameras while creating works with third-party apps such as TikTok and NOMO. Furthermore, we continue to view the protection of our users' privacy as the security baseline of products. The permission to access all personal data, including short messages, address lists, and chat records on their smartphone is entirely in the user's hands.

#### EU certification Obtaining privacy protection certification from authoritative institutions

Safeguarding data storage and transmission security with industry-leading encryption technology, plus authoritative third-party certification such as ePrivacy, ISO27001, and ISO27701



#### Case Study | ART+ Project, the World of Art

Unveiled with a new slogan, the World of Art, the ART+ Project is designed to let wallpapers and themes unleash their social values and deliver a new way of thinking for our users. ART+ Project is an innovative concept that integrates culture, art, and nature in mobile theme stores. It covers quality wallpapers, themes, and fonts, with ringtones on their way. Countless artists across the world, including historic, environmental, and micro-image photographers; font designers, ceramic artists, illustrators, and painters are all part of the ART+ Project; the lineup will only continue to grow. These artists create art about everything and anything, all for our users to admire every time they unlock their phones.

# Upholding Devoir and Compliant Operations

Upholding the values of devoir, we have always observed business ethics, laws, and regulations as the basic codes for corporate operations: we want to build a humble and solid compliance awareness and capability that will ensure compliant corporate operations. Nowadays, OPPO has a presence in over 40 countries and regions across the world. With the drastic changes in international situations and market environment, we are confronted with increasingly complex and rigorous compliance requirements. Conducting comprehensive and systematic compliance management is both the inherent requirement of our devoir values and the CSR that OPPO adheres to as a global corporate citizen. We solemnly promise that no matter where OPPO is in the world, OPPO will always remain true to its devoir and pursue compliant operations.

 $\mathcal{P}_{\equiv}$ Over 100 full-time workers at the Legal **Compliance Center** 

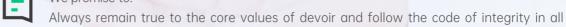
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Identified and evaluated 52 significant risks at corporate levels in 2020



OPPO passed the ISO 27001 and national information security classified protection Level 2 certification. continuing to improve security control.

We promise to:



13 CLIMATE

commercial activities.

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### **Standing By Compliant Operations**

### Code of Conduct

We released the OPPO Code of Conduct in 2020. The Code was publicized in various formants to ensure every employee knew about the provisions in the Code—we required every employee to make the provisions in the Code their basic conduct in daily work. We also communicated our Code for business practices to every business partner—we hope to create a healthier and fairer environment for market competitions through joint efforts.

### **Ensuring Organizational Compliance**

Based on our business philosophies, we further improved and upgraded the Company's organizational compliance structure in 2020. The Compliance and Risk Management Committee is OPPO's highest decision-making organ concerning compliance and risk management. In each guarter of 2020, the Compliance and Risk Management Committee held scheduled meetings attended by the senior executives from all the core departments to plan and advance work related to compliance and risk management. As the secretariat of the Compliance and Risk Management Committee, the Legal Compliance Center took the lead in designing and implementing an organizational compliance system. At the same time, a compliance BP team was also established: the team covers all of the Company's business areas and appoints members to implement penetrative management of frontline businesses; team members will also publicize and implement the compliance process of every organization under the Company. We also introduce compliance officers in major regions and business segments, including key regions such as the EU, US, and India; the officers are responsible for compliance coordination, management, and implementation in their respective regions or subsidiaries. This optimized upgrade of organizational compliance guarantees OPPO's continuous improvement of the PDCA (plan-do-check-act) cycle of compliance management.

The risk and compliance management system's three-level of defense

### The first level

Consists of workers of various business systems and compliance and risk management BPs; they identify, evaluates, and respond to daily compliance risks arising from the business.

The second level

The third

level

Consists of the Company's COO system, financial center, and HR system; they promote the orderly progress of compliance and risk management in various systems/regions under the first line of defense, and reviews and assesses the results of compliance and risk management in various business systems/regions.

inspection team from the Legal independent audits and assess management results of the first also oversee the effective oper

versee the effective operation and continued optimization Company's compliance and risk management system.

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### Anti-corruption and anti-bribery

We take a zero-tolerance attitude towards corruption and bribery behaviors in any form. We are committed to following the principle of fairness, honesty, and transparency at any time; we take effective anti-corruption and anti-bribery measures on a global scale. These requirements apply to both OPPO employees and the business partners that carry out business activities on behalf of OPPO. To ensure OPPO employees and business partners understand and comply with these requirements, we developed relevant policies and procedures, including compliance regulations in procurement, finance, and other business processes to prevent corruption and bribery. For example, we require that due diligence must be done on suppliers, agreements and letters of commitment to honesty and integrity must be signed, perform continued supervision across the lifecycle of the cooperation, and provide training to improve compliance awareness among employees and business partners. We take anticorruption and anti-bribery measures seriously; we believe that joint efforts of the Company, the employees, business partners, and suppliers will help OPPO create and maintain a clean and honest business environment.

### Anti-monopoly and anti-unfair competition

We commit to participate in market competition in a fair, just, and kind manner; we treat our competitors and their products with utmost respect and integrity; we forbid any activities that will damage a fair market competition environment, including intentionally damaging the business reputations of others, resorting to business bribery, violating trade secrets, etc. We have developed corresponding policies and procedures to maintain and promote effective market competition; to advance the development of economy and technology, while prohibiting the hindering of positive and efficient market operations through restrictive competition agreements or abusing a dominant market position; we take effective measures against improper behaviors such as false advertisement and deliberate confusion to protect fair market competition and safeguard the interests of the public and consumers.

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### Compliance training and publicity

To ensure our employees have an in-depth and accurate understanding of business ethics and compliance policies, in 2020, we organized over 100 offline compliance training and released 28 online compliance courses on our internal learning platform; the coursed covered over 10,000 people and included topics such as data privacy protection, export regulations and sanctions, anti-unfair competition, anti-corruption, and antibribery. We also have a dedicated team responsible for compliance training, which includes the preparation and update of training materials and the organization and verification of training. Additionally, in 2020, we also launched over 190 legal compliance briefings to help employees learn information about legal compliance online; the information was created in an easy-to-understand manner to help improve employee awareness on compliance and further develop the Company's compliance culture.

In 2020, OPPO organized over 100 offline compliance training and released 28 online compliance courses, which covered more than 10,000 people in total.

### Compliance whistleblowing

OPPO encourages every employee and business partner to report violations; a whistleblowing channel has also been launched and publicized: compliance@OPPO. com. The e-mail is managed by dedicated personnel; all reports are processed promptly and the whistleblower's personal information is kept in strict confidentiality. OPPO prohibits any direct or indirect attacks or retaliation against whistleblowers.

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### **Continued Compliance Improvement**

We promise to constantly invest resources, take proper and reasonable measures, and build a culture of integrity, transparency, openness, and compliance to ensure the compliance systems are effective; we will also fulfill our legal compliance responsibility and obligations as a corporate citizen to help the fair and efficient operation of the market.



### 

Components of OPPO's Anti-bribery Compliance System



In January 2019, OPPO joined the Enterprise Anti-fraud Alliance of China; to help

build a clean, honest business environment, anti-fraud actions and systems are deployed and implemented through innovation and cooperation.

In February 2019, OPPO joined the Trust and Integrity Enterprise Alliance making business integrity its mission and promoting the operational philosophy of integrity, self-discipline, and lawful compliance.

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### **Compliance in Information Security**

As the business expands, operation and management are increasingly dependent on information systems and data, which in turn imposes higher and higher requirements on the protection of the confidentiality, integrity, and availability of information. To improve information management security, we have put in place a security protection system that adapts to company development. The Company has implemented an ISO27001 information security management system and passed the ISO27001 and national information security classified protection Level II certification. We strive to continuously improve our security control and management capabilities.

#### Vision and Goals for Information Security

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- Vision: Build an industry-leading anti-leakage information system to protect business development;
- Guidelines: Focus on core businesses, implement classified protections, and promote company-wide participation to ensure information security;
- General goals: Establish an efficient information security protection system based on the Company's business strategies; prevent the leakage of trade secrets and information about core technology and protect the Company's core competitiveness.

Information security fundamentally concerns OPPO's future. Major information security accidents will cause immeasurable, or even disastrous losses to the Company. As such, we consider information security as one of the seven major minefields of the Company. Information security is an incredibly important aspect that can ensure the smooth, healthy, and lasting development of the Company.

At OPPO, work related to information security is led by senior management, with managers in charge, participated by every employee, and managed by specially-appointed personnel. With equal emphasis on management and technology, information security is organically combined with business; it is planned as a whole and implemented in steps. We refer to industrial standards and best practices in the construction of our information security protection system; we focus on the protection of core businesses to achieve the balance between security and efficiency; we also take full account of the internal and external environment of the Company and the demand of stakeholders. Driven by information security guidelines and based on the Company's business

strategies, the continuing construction is maintained from a management and technology standpoint.

We continue to deploy advanced security tools to improve our security technology. In terms of security platforms/tools, we have been improving terminal operation records, encryption software, and network access; we continue to develop our security warning and analysis platforms to enable effective monitoring and warning of information leakage and external intrusion. As for operational safety, we have completed the implementation of several early warning scenarios related to information leakage and attacks to improve our active warning and defense capabilities. With internal network security, we continue to strengthen security tests for application systems, ensure prompt restoration abilities while constantly on the lookout for vulnerabilities. We also continue to assess, test, and improve the security of our core applications; we regularly conduct security scanning and penetration tests on intranet servers to determine high-risk vulnerabilities and perform immediate rectifications.

With equal emphasis on technology and management, we have also introduced measures such as machine learning to improve the efficiency of security audits. In response to problems found via our warning systems, we immediately promoted and encouraged company-wide awareness to reduce the possibility of our employees making mistakes.

Through constant exploration and practice, the Department of Information Security at OPPO has made achievements in countless aspects, including detection methods/data leakage detection accuracy, investigation and evidence collection, security warning and analysis platform, detection of potential threats to data leakage, and smart audits—these successes have accounted for eight patent applications that consolidate and protect the Company's IPRs.

As for the third-party trade secrets, if information disclosure is involved in negotiation or cooperation, not only are the information assets disclosed by OPPO are protected, but OPPO will also protect those disclosed by the other party. To protect the legitimate confidential information rights of both parties, OPPO will sign two-way confidentiality agreements with partners that specify the confidential information, confidentiality obligations, and the liability that comes with the breach of agreements. OPPO strictly abides by these confidentiality agreements in cooperations to protect the information assets of both sides, which lays a sound foundation for positive partnerships.

Indicators	2018	2019	2020
Rate of business operation outlets covered by ISO27000 certification	100%	100%	100%

## **Environment Impac** Manageme

The irreplaceable value of natural resources and environments has been widely recognized worldwide. How to effectively control the environmental impact, improve the efficiency of resource utilization, and reduce the consumption of resources while achieving robust business growth has been a focus of OPPO. On the other hand, OPPO has also been increasing its product investments by introducing environmental management throughout the entire lifecycle of its products and developing green products to achieve environmentally-friendly operations and the global goal of carbon neutrality.



Direct emission of greenhouse gas in 2020

865.25 etCO<sub>2</sub>

Indirect emission

2,122.85 etCO2



Number of personnel that have received environmental protection training 5,800 people



We promise to:

Continue to improve the environmental performance of products and operations and build a healthy, long-standing, and green value chain.

13 CLIMATE

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# Green Manufacturing and Operation

To strengthen our environment, health, and safety (EHS) management, improve employee awareness on environmental protection and safety, perform excellent screening and elimination of hidden hazards, safety education, and regulate EHS management, the Company has set up the EHS Management Committee to lead and oversee EHS related work at OPPO. The director of the Committee is assumed by a senior manufacturing executive, the Logistical Engineering Department head as the Committee's deputy director, and members are made up of heads from the relevant business departments.

### Energy consumption and greenhouse gas emission

We are committed to cutting the emission of greenhouse gas to ease global warming, save energy resources by using more renewable and alternative energies, and make sure our practice meets and goes beyond the legally required goals.

To adapt to new situations, we embarked on a greenhouse gas inventory work in 2018; we established both internal and external inventory mechanisms and implemented corresponding data collection procedures to ensure the accurate, transparent, and fair reporting of greenhouse gas emitted by the Company. We review the results of our greenhouse gas inventory every year and in turn developed the Internal Review Measures for Greenhouse Gas Inventory.

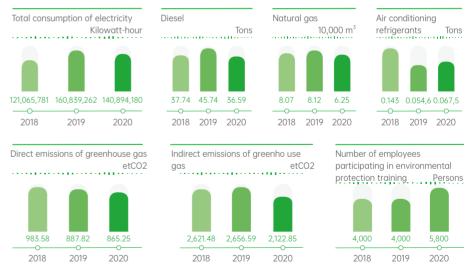
We track and record the consumption of energies such as water and electricity and its emission of greenhouse gas at the workplace and/or at corporate levels. We seek cost-effective means to improve energy efficiency, minimize the consumption of energy, and the emission of greenhouse gas. The EHS promotion team is responsible for identifying energy consumption within the company, calculating the quantity of greenhouse gas emitted by the Company, and establishing effective measures to lower the consumption of energy and the emission of greenhouse gas.

In 2020, we carried out the carbon emission verification and CDP certification project.

In terms of implementation, the office of the EHS Management Committee was set up as an executing office for the Company's Safety Committee to carry out daily work, guidance, coordination, supervision, inspection, and assessment of EHS performance of various departments of the Company and relevant organizations within the scope of its management to exercise comprehensive supervision and management.

By far, OPPO's No. 1, No. 2, No. 3, and No. 5 plants in Chang'an, Dongguan, Chongqing Industrial Park, and Indian Industrial Park have passed the ISO14001 certification, meaning its environmental management is regulated and consistent.

#### Data Regarding OPPO's Greenhouse Gas Emissions



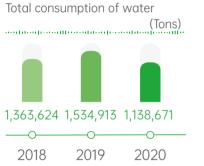
In the table, data about the consumption of electricity, diesel, natural gas, and air conditioning refrigerants cover four plants in Chang'an, Dongguan. Data about the emission of greenhouse gas only covers the No.1 Plant in Chang'an, Dongguan.

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### Management of water resources

## Management of waste

Data Regarding OPPO's Water Consumption



Data Regarding OPPO's Waste Discharge



In the table, data about water consumption and waste discharge cover the four plants in Chang'an, Dongguan.



### **Case Study** | Energy-saving Equipment Retrofitted with Automation

To further reduce operational energy consumption, we identified key processes in production and retrofitted equipment to save energy via automation. For example, regarding angle cutters that consume too much power, we introduced automation and cut power consumption by 54%.





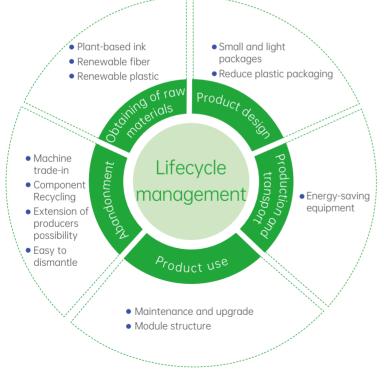
angle cutters: 12KW

Power consumption of first-generation Power consumption of second-generation angle cutters: 5.5KW

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## **Green Product Innovation**

OPPO is responsible for its products across the entire lifecycle and we have been integrating green elements into every stage of a product's lifecycle. Based on the definitions specified in ISO14044 international standards, these stages include the obtaining of raw materials, product design, production and transport, and product use and abandonment. In other words, the life stages from birth to adulthood to its terminus.



The Management System for the Environmental Impact of Products Across its Lifecycle

• Obtaining raw materials: We refused to excessively obtain raw materials from nature. To protect the environment, we began using renewable materials in products; we also promise to increase the proportion of applications and expand the scope of application.

#### The amount of recycled fiber in the package is 45% of the total weight of the package



The paper trays in the package are made from the scraps of sugar cane, bamboo, etc. The main raw material of cardboard in packaging is recycled paper

The printing inks in the package are all soy ink

- **Product design:** A series of green elements are integrated into the package design. Take Reno4 for example—we launched a pilot project of using lightweight packaging in Europe. The package of Reno4 is 24% lighter than previous version. The use of plastic in packaging is also reduced by about 90%.
- **Product use:** The module structure is adopted to facilitate the maintenance and replacement of parts and components; free system and software upgrade services are also available.
- Abandonment: We have trade-in services in China's market to recycle and reuse old mobiles. Up to 30,000 mobile devices are recycled each month under this program. We also entrust a third party to recycle leftover bits and defective products in production lines, with more than 11,700 tons of such pieces recycled annually. In the EU, we fund local recycling systems and joined the Green Dot recycling system for waste packages. Easy-to-dismantle design is widely applied to our products, such as screws of unified specifications, buckles, and easy-to-pull battery tapes.

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### **Case Study** | OPPO Mobile Phone Trade-in Service

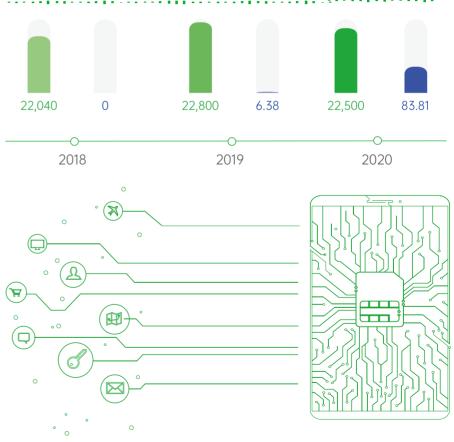
In China, OPPO has a mobile phone trade-in service and has developed complete guidelines to regulate the recycling of old mobile phones:

- Phones with generally good performance will be sold again after data processing and disinfection, such devices represent 10%-15% of the total;
- Phones with average performance will be sold as second-hand ones after being refurbished, and these mobiles represent 60%-70% of the total;
- Phones with poor performance will be dismantled, and the high-value components will be used again; these devices represent 10%-20% of the total.

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Data Regarding OPPO Product Sales and Recycling

- The weight of products sold by OPPO annually(Ton)
- The weight of products recycled by OPPO annually(Ton)



# **Employee Care**

Employees are the core assets of a company. OPPO has always put its employees first—safeguarding employees' rights and interests with standards higher than legal requirements; providing customized capability building projects to ensure the sustained development of employees' careers. OPPO also works to create a healthy and safe working environment at all workplaces and provides highly competitive benefits to ensure employees will grow synchronously with the Company.



Number of Employees 36,244 employees



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**670, 000** hours of training in 2020

The rate of employee engagement is **87%**, far higher than the market average in China



We promise to:

3 GOOD HEALTH

Λ,/•

5 GENDER EQUALITY

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Respect employees, listen to their voices, continue to increase their sense of happiness, and build a free, equal, and harmonious working atmosphere.

8 DECENT WORK AND 10 REDUCED INEQUALITIES

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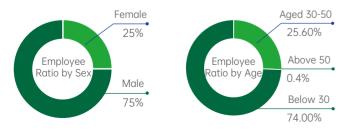
# **Protecting Employee Rights**

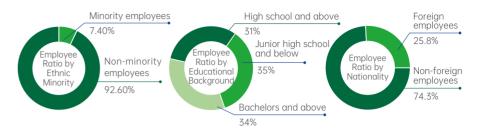
We strictly abide by laws and regulations and treat laborers of different races, ethnic groups, nationalities, skin colors, sex, and religious beliefs equally to ensure every employee has equal rights to recruitment, employment, remuneration and benefits, training, and promotion. We prohibit the use of child labor—we use multiple means during employee recruitment, employment approval, and entry registration to confirm the identity of applicants and ensure no recruitment of child labor; regarding juvenile employees, we developed the Rules for the Special Protection of Juvenile Workers to protect their legitimate rights and interests.

We forbid forced labor. Every employee at OPPO can take days off according to local laws, regulations, and Company policies.

We attach great importance to protecting the rights and interests of our female employees. Based on the psychological characteristics of female employees and the characteristics of the jobs they take, we offer special protection for the female employees in menstrual, pregnant, perinatal, lactation, and menopausal periods, designate full-time and/or parttime workers to take charge of the protection of female employees during these periods, and have the designated protection employee inspect the fulfilment of relevant work, which is conducted along with the inspection of collective contract fulfillment by the Company's workers' congress or the Collective Contract Supervision Inspection Committee of the workers' congress. The Collective Contract annually to the workers' congress or the general meeting of workers.

To date, the Company has achieved equal pay for equal work of males and female employees at all posts, with the labor contract coverage rate reaching 100%. Meanwhile, female executives at the middle level and above account for 12.28%.





At the same time, OPPO also stresses the importance of employee participation in operation and management; OPPO has put in place a complete employee representation system to ensure participation of relevant parties during major decision-making processes.

We organize recommendations of employee representatives by systems, departments, divisions, and groups. Employee representatives must include frontline employees and executives; to ensure the voices of new employees will be heard, the ratio of those who join OPPO less than one year ago must be more than 30%. Female employees should account for 12.5% of the total at the very least. The election of employee representatives is held in March and September each year.

Number of Employee Representatives

Indicator	Unit	2018	2019	2020
Number of employee representatives	%	_	194	460

During the process of handling events involving labor relations, including the signing, renewal, cancellation, and termination of labor contracts, if it is necessary for employee representatives to supervise the process, they can take part as a neutral party. During employee appeals, if evidence collection is necessary, employee representatives must be notified to join the collection of evidence; the final results of the process will be reported to the employee representatives, and written reports will be kept. Employee representatives will oversee the fairness of employee appeals and the way they are handled, and inform the employees regarding the results; if the results are deemed to be unfair, they can negotiate with the Company to reach an approved result and consensus.

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## **Employee Training and Development**

With devoir in mind, OPPO aims to gather extraordinary talents. We work to build a team that is confident, autonomous, and integrated—making OPPO an exemplary organization with a global highland of talents. At the beginning of each year, we develop annual training plans at three levels—strategy implementation, job requirements, and employee development; we provide a wide range of oppo for employees through external dispatch, internal training, OJT, online learning, post tutoring, sand table simulations, and learning competition.

As for the development of professional talents, we work to build a specialized and systematic talent development system based on disciplinary and management posts from four perspectives— the training of new employees, development of general abilities, development of professional talents, and development of leadership.

### New Staff Training

We vary the training of recruits depending on types: we train interns to be Dream-seekers; we train employees recruited from colleges to be Dream-pursuers, which is separated into Phase I, Phase II, and Phase III as part of their training program; employees recruited from the general public are trained to be Dream-builders, and high-end, leadership talents recruitments are taught of the Company's devoir.

We carry out a Dream-pursuer Program for college graduates every year. Phase I includes orientation that lasts for one week as well as production line internship and counter sales that last for three weeks. Phase II includes job rotation in different systems, specialized course learning, and providing tutors to help college graduates quickly adapt to their roles and merge with the Company. In Phase III, different systems or departments will assign challenging tasks, offer post-based training depending on the characteristics of college graduates, and arrangAe mentors to accelerate their growth.

Under the Dream-builder Program, targeted at employees recruited from the society, we empower them with the knowledge they need to merge into the Company, including corporate culture, corporate philosophy, rules and systems, laws and regulations, and other necessary contents; after they take the jobs, we will arrange mentors for them and develop a 3-month plan for merging and improvement; after the probation period expires, they need to pass an oral defense before becoming an official employee.

#### • General abilities development

We provide courses to empower employees with occupational, professional, and management abilities. We regularly organize general abilities learning activities every year and offer a range of HiO online learning resources.

#### Professional talents development

1. Promoting the improvement of professional abilities with qualification standards

Based on OPPO's qualification standards for 30+ channels under five major categories, we have a leveled empowerment system for high-potential talents, technical experts, reserve experts, and professionals respectively. By far we have completed the development of nearly a dozen courses related to software and hardware fields to help our employees grow professionally.

2. Key posts career pipeline and ability development

For our product managers, project managers, and talents at other key posts, we have launched projects such as the Product College and Project Management College to provide talents at key posts with a clear career development path from aspects including human resources, formulating job qualification standards, developing the growth of talents, and learning to construct maps. This helps to maximize the role and improve the abilities of our product managers, project managers, and other talented personnel and establish a system of career growth for talented individuals, as well as the development of abilities relevant to OPPO's corporate characteristics and culture.

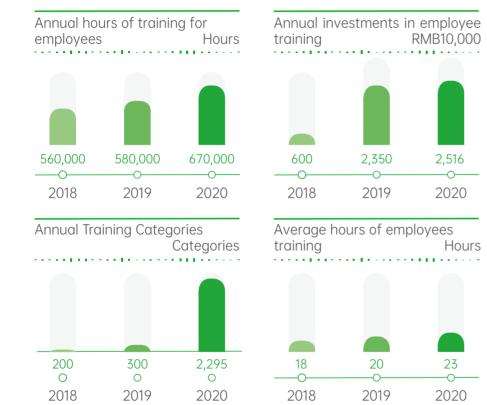
#### Development of leadership

In 2020, the OPPO Leadership College refreshed and released its standards for cadre posts, clearly defining the qualifications necessary for such positions. By launching programs such as the Pioneer Kits 1, 2, and 3 and the Pioneer Program targeted at lower-level cadres; the Exploration of New Posts and Explorer Program targeted at middle-level cadres, and the Leader Program targeted at high-level cadres, it works to establish a system for leadership development and build a career development pipeline for a sufficient number of quality talents.

As for learning, with the PC version launched in June 2019 and the app version launched in December, HiO, OPPO's learning platform, has seen nearly 526,052 hours of employee learning time.

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Data Regarding Employee Training



OPPO is committed to building a systematic performance management system that highlights the consistency between organizational goals and personal goals and pursues the synchronous growth of the organization and individuals to create shared success; OPPO's performance management upholds corporate values, encourages participation by both management and employees to



achieve organizational goals, focuses on the improvement of both organizational and personal abilities, and is aimed to tap into the vitality of the organization and the potential of its employees. The promotion of employees is connected to the qualifications management system, which promotes and leads the improvement of employees' qualifications and abilities, as well as the Company's overall capabilities; it further improves talent training and incentives, which in turn enables the synchronous growth of employees and the Company. The qualification management system includes qualification channels, qualification level standards, and the assessment and application of qualification certification.

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# Workplace Health & Safety

In 2020, OPPO saw the steady and effective operation of the safety management system as a whole. Productions were consistently recorded to be safe; safety objectives were fulfilled, with no occurrence of personnel injuries, major fires or explosions, leakage of dangerous chemicals, major special equipment accidents, and nor were there major traffic accidents which the Company was responsible for. The physical examination rate of the employees exposed to occupational hazards was 100%, there were no employees with occupational contraindications, and all special equipment was 100% certified before operation.

At the same, the No. 1, No. 2, No. 3, and No. 5 plants located in Chang'an, Dongguan, as well as Chongqing Industrial Park and Indian Industrial Park all passed the ISO45001 certification.

As for organizational structures, the primary person responsible for the Company's production safety is OPPO's general manager. A managerial department was also designated as the Safety Office. Full-time safety supervisors were arranged as well, with the business guided by the Safety Leadership Team.

Based on the applicable laws, regulations, and the Company's safety management systems, we have worked out a list of laws and regulations applicable to the Company, which has been developed into safety management documents, post regulations, and technical codes of practice. For the safety education of employees, we interpreted the newly launched management systems through pre-shift meetings, group learnings, and highlighted safety education among new employees to constantly improve our employees' awareness of safety and the implementation of standardized operations.

We implemented the Management System for Safety Education Training and carried out safe production training in strict accordance with the guidelines. The training cover contents including safety regulations, management system, skills for identifying dangerous sources, and the three levels of safety education for newly-transferred employees; the training also teaches and discusses accidents that take place within the Company and in the industry.

Based on individual post conditions as well as the steps, technical requirements, equipment

management requirements, and safety requirements specified to each operation, the leader in charge of technologies is required to organize technicians, main operators, and safety management personnel at a specified time each year to sort, revise, and assess the Company's management documents and post regulations. Employees must be qualified for annual regulation training before taking their posts. We also take onsite measures including accident case studies, inferring from analogies, and putting up safety warning symbols, operation reminders and operation safety billboards to increase and promote the awareness of standardized operations and improve operation safety.

Per the Occupational Health Management System, the Company conducts identifications of occupational hazards, regularly monitor assessment, and offer regular occupational health examination for the employees in toxic or hazardous jobs before, during, and after work; we manage an archive on occupational health to ensure no persons with occupational contraindication will take on toxic or hazardous jobs. Our main efforts include 1) the annual identification of dangerous sources to sort and identify occupational health hazards in different posts and develop control measures; 2) organize physical examinations every year for employees exposed to dangerous chemicals, toxic dust, noise or high temperatures, and 3) put up warning symbols based on onsite occupational health hazards.

Regarding health and safety, we have comprehensive communication channels for our employees, which include but are not limited to regular EHS work conferences, employee representative meetings, company-wide OJT training, announcement boards/announcement TVs, promotional EHS activities, an official WeChat account for feedback, TT logistical services, employee satisfaction surveys, suggestion boxes at the site, and a whistleblower hotline.

In 2020, we also completed COVID-19 prevention measures, completed internal and external EHS reviews at various plants, upgraded the emergency response plan, and made EHS management more comprehensive and standardized.

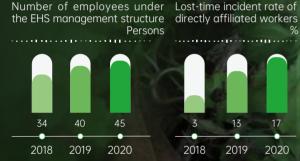
#### Data Regarding Employee Health & Safety

Indicator	Unit	2018	2019	2020
Lost-time caused by work-related injury	Hours	348	1,566	1,914
Number of employees with minor injuries	Persons	2	9	14

13

2019

2020



Lost-time serious incident rate of directly affiliated workers



Lost-time incident rate of directly affiliated workers = (number of lost-time incidents) × (1,000,000/total working hours) Lost-time serious incident rate of directly affiliated workers (number of days lost due to injury) x (1,000/ total working hours)

### Case Study | The Whole Process of OPPO's Chemical Safety Management

### Chemical safety management

Procurement

Training

Storage

Use

• Chemicals must be procured by the procurement department, private purchases are not allowed.

- Chemical suppliers must be qualified for production, transport, operation, etc.
- EHS change review is necessary during procurement.
- Chemical operators must be professionally trained and be certified for the work.
- Chemical operators must understand the hazards of chemicals and wear proper labor protection equipment before starting work.
- hemical operators must be able to handle emergencies.
- Warehouses are managed by special personnel, registration is required for use.
- Storage sites must meet fire prevention codes.
- Chemicals must be stored based on their characteristics and in the principle of isolation and separation.
- Warning and emergency response devices must be effective.
- Site chemicals must be stored in special cabinets, with the amount stored not exceeding the amount used in one day.
- Temporary storage areas are managed by special personnel, registration is required for use.
- Dangerous waste warehouses are managed by special personnel, Aband onment dangerous waste records must be kept as required.
  - Dangerous wastes must be classified, with labels posted on the packaging.



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# **Employee Benefits**

We provide a competitive remuneration system for our employees; we value the fairness of employee remunerations and adjust remunerations based on factors including the market, post, abilities, and performance, and offer fair and reasonable remuneration for employees. The average salary of our production workers is 3.23 times the local minimum wage—ensuring our frontline workers enjoy a higher quality of living.

We provide comprehensive benefits and security system for our employees; we also care about how employees feel about the benefits. We strictly abide by local laws and regulations and offer employees stronger security based on legal compliance. For holidays, OPPO employees enjoy a period of paid leave that is 1-4 days longer than statutory paid leaves.

We also pay close attention to our employees' personal security. Besides paying for the five social insurance and one housing fund for employees per legal requirements, we also offer annual health examinations and provide channels for employees to purchase commercial insurance on their own that covers severe illness, accidents, and daily medical needs.

OPPO values the contribution employees made to the Company in the past. For employees who voluntarily resign, we offer resignation subsidies based on their working years at the Company and payout year-end bonuses as usual; for the employees who has made longtime contributions to the Company, we offer extra bonuses to show our appreciation for them; we will also by offer souvenirs or organize farewell parties.

Under the labor law, we have a two-days off system for knowledge-based

employees; working hours vary with regions; we also promote flexible work schedules to allow employees to arrange their own working time based on the completion of tasks; for non-intellectual employees, we arrange shifts according to the RBA working hour management model to ensure employees have sufficient rest amidst work. We offer great care for the employees who work overtime; shuttle services are arranged for employees working in different cities and taxi fees arising from overtime working are reimbursed.

Thanks to our comprehensive HR security system, the employee dedication rate, as indicated by a survey conducted once every two years, was 87% in 2019, far higher than the level reported by the best employers in China's market (72%).

#### OPPO Staff Turnover Rate



# Empowerin<mark>g Ecology</mark> for a Better Future

After fifteen years of rapid development, OPPO has grown into a large tech enterprise with nearly 40,000 employees worldwide. The size of an enterprise is proportional to its responsibility and influence. In a range of fields from ensuring legal compliance to creating a responsible value chain together with suppliers; from seeking its own development to pursuing common progress with agents; from hardware and software development to driving developers to build an industrial ecology, and from focusing on economic development to sharing economic outcomes with global communities, OPPO hopes to convey the goodwill of technology to society and advocate for positive values both at present and in the future.



During the COVID-19 pandemic, OPPO donated more than RMB **30** million and **1** million masks in China to help fight the pandemic.

# 8

The coverage rate of the supplier conduct code is **100%** 



**&** 

In Phase I of Qineng Initiative 2.0, resources worth RMB **200** million were invested to support partners.

Create a sustainable and empowering ecology and build a development platform for shared success.

8 DECENT WORK AND

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3 GOOD HEALTH AND WELL-BEING

We promise to:

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4 QUALITY

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## Sustainable Procurement

OPPO is committed to create a healthy, safe, responsible, and sustainable supply chain across the world, observe laws and regulations, and follow the highest moral standards to provide customers with quality products and service experience. OPPO also upholds the philosophy of growing with our suppliers; we offer capacity building and training for partners to develop a partnership of collaborative success.

### Principles for supplier management

As the basic code OPPO defines for suppliers, the CSR Code of Conduct for OPPO Suppliers requires all suppliers to comply with laws and regulations, respect ethnic and folk customs, and meet the social values in the countries/regions where they operate.

The code covers 18 topics, including laws and regulations, morals and human rights, employment relations, child labor and juvenile workers, working hours, remuneration and benefits, anti-discrimination, humane treatment, freedom of association and collective bargaining, health and safety, environment, conflict minerals, trade security, information security, business integrity, document recording, supervision and auditing, and whistleblowing for the breach of laws or regulations (see https://www.OPPO.com/cn/service/help/605?name=sourcing for details.)

### OPPO takes a zero-tolerance attitude towards:

Severe infringement on human rights, immoral business practice; use of child labor, discrimination, forced labor and inhuman treatment (physical punishment, abuse, harassment), significant problems related to occupational health and safety, problems related to business morality such as corruption and briberyA. The Company also has a zero-tolerance approach towards several items identified above. Should we encounter such problems in our suppliers, we will impose business restrictions and assist their rectification efforts; the Company will not resume normal operation with the supplier until the rectification efforts pass third-party inspections.

### CSR management of suppliers

OPPO has a levelled management for suppliers; we reach agreements in principle with suppliers through contracts based on the CSR Code of Conduct for OPPO Suppliers; OPPO also supervises and conduct audits based on the benchmark requirements in the code to promote continued suppliers improvements; we also established platforms to increase exchanges with suppliers and organize the development of specialized skills. At the same time, we also actively encourage interactions among brands and with specialized organizations to enhance CSR management performance and improve the ecology across the Company's supply chain.

To date, we have already embedded the CSR management system into the supplier lifecycle and achieved the implementation of three-dimensional processes and platform-based IT management; we are steadily shifting to the regulated and standardized CSR management of suppliers. In the next three years, we will build a comprehensive CSR risk management mechanism with a standardized emergency response across supply chains; it will have auditing capabilities, capability building, and loophole identification, restoration, and prevention.

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#### The Lifecycle of OPPO's Supplier Management

Suppliers need to submit the CSR Evaluation Report and Self-review, CSR Commitment Letter, and a Conflict-free Minerals Statement, which are the basic requirements for CSR management during supplier registration. Suppliers must establish an internal CSR management mechanism to advance the progress of CSR-related compliance work. We also track the status of the supplier CSR review. OPPO also has a publicly supervised e-mail and a special team to handle violations reported by whistleblowers. We regularly complete a Supplier CSR Risk Assessment Report based on supplier CSR review reports and the events related to supplier CSR management; it is also the basis for assessing the risk status of supplier CSR work. In case of any violation(s) found in the supplier CSR review or any refusal to rectify the violation, we will impose business restrictions or eliminations based on the situation at hand to ensure the health and fairness of the supply chain.



As for the standards used to select suppliers, we have established a complete indicator system to assess whether suppliers meet OPPO's standards. Every quarter, suppliers must conduct a self-assessment of CSR performance per our requirements. We will also conduct a comprehensive supplier assessment based on reviewed information; ineligible suppliers will face business restrictions.

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OPPO's Supplier CSR Review Standards

1	General Legal Requirements and CSR Related Regulations
2	Employment Relationship Management
3	Child Labor and Protection Juvenile Worker
4	Working Hours
5	Remuneration and Benefits
6	Anti-Discrimination
7	Humane Treatment and Disciplinary Practice
8	Freedom of Association and Collective Bargaining
9	Health and Safety
10	Environment
11	Conflict Minerals
12	Trade Security
13	Information Security
14	Business Integrity
15	Management System

Ensuring system accessibility and maintaining cooperation is crucial in encouraging supplier compliance. We actively communicate with external agencies such as the Institute of Public and Environmental Affairs (IPE), regularly check environmental compliance by suppliers through IPE's environmental data system, and identify the parts vetoed in supplier CSR review to ensure proper due diligence in the management of environmental supplier risk.



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2020

**OPPO's Supplier Review Information** 



To ensure the building and development of supplier capability, we organize a supplier training once every six months, which involves topics including the supplier conduct of code, review standards, high-risk case studies, and best industrial practice; so far, these programs have covered all the manufacturers among our first-tier suppliers.

#### Case Study | Steadily Advancing the Management of Conflict Minerals

We attach great importance to the management of conflict minerals. Firstly, we specify the principle of not using conflict minerals in the CSR Code of Conduct for OPPO Suppliers; we ensure our suppliers uphold this principle via contracts or agreements. Secondly, in practice, we have developed and released the Regulations for the Management of Conflict Minerals, which covers management principles, due diligence, and the management of escalating situations; this helps the standardization of daily management, management tools, models, and organizational resources to build a harmonious and humanely responsible value chain together with our suppliers.

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# Growing with Our Sales Partners

OPPO's fast development is closely related to its sales agents.

During the selection of agents, their recognition of OPPO's corporate culture is a top priority. In terms of operation, through the cross-holding of shares, OPPO and its agents become a community of shared interests based on cultural recognition. In terms of economic development, we first ensure the profits margins of our retailers, then for provincial-level agents, and finally for the Company. As for the settlement of accounts, it has always been immediate payment for the available stock. If an agent pays in advance, OPPO will pay interests accordingly to protect the interests of the agents.

With the constant expansion of global presence, we provide well-performing agents with the OPPOrtunities to operate overseas, to achieve common growth with agents.

During the COVID-19 pandemic in 2020, OPPO's headquarters effectively eased pressures by distributing pandemic subsidies to nearly 70,000 salespeople across China and required agents to ensure the stability of their salespeople.

# **Empowering Industrial Ecology**

With 5G in the background, technological innovation, and market development cannot be completed by a single enterprise, but require participation across the industrial chain, as well as open cooperation on technological standards, smart manufacturing, popularization, and application exploration. In OPPO's evolvement from a mobile manufacturer to a provider of hardware products and software services that includes an impressive range of smartphones, IoT devices, software platforms, Internet services, and multi-scenario coverage such as personal entertainment, home furnishing, sports, and health—OPPO has

The HeyThings IoT, the platform OPPO released in 2019, will empower partners with OPPO's accumulated resources and experience to achieve shared success for both OPPO and its partners. Similarly, OPPO also hopes to deliver better products and services to its users through cooperation and create a better, smarter life for users. With five major

empowerment systems, the HeyThings IoT will support and empower ecological partners in five aspects: technology, experience, marketing, channels, and data. Additionally, as a move to make its capabilities accessible to the IoT industry, Phase I of OPPO's Qineng Initiative 2.0 will offer substantial support for partners by investing RMB 200 million worth of resources.

- Empowering through technology is to provide partners with intelligent full-stack solutions, including those related to industrial capability, special categories, and general capability. One-stop access services are available to our partners. We'll upgrade our products and support the products of manufacturers to realize management throughout the lifecycle.
- Empowering through experience helps partners achieve product interconnectivity, including cross-brand interconnection, multi-terminal integration, and multi-mode interactions. All the products with access to HeyThings can be connected with other brands. On top of that, there are multiple ways of interactions including voice control and smart screen views for quick and convenient access to multiple terminals.
- With the OPPO's brand and users as the core market competitiveness, empowerment through marketing means empowering developers with brand competitiveness in combination with resources and support for marketing plans—helping manufacturers make products that are accessible to more users, providing marketing resources like launch conference exposure, the input of ColorOS users, to ensure significant product exposure.
- Empowerment through channels is to open both online and offline sales channels to the products of partners, with the online channels including HeyTap, intelligent home apps, tmall.com flagship store, and the JD.com flagship store; offline channels mainly consist of OPPO's physical stores.
- As for empowerment through data—it is integrating OPPO mobiles, the Internet, and channels to drive comprehensive BI data through big data analysis, which helps manufacturing partners learn more about users and the market to further optimize product and sales strategies.

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So far, we have established a partnership with more than 30 brands including Media, Gree, Hisense, Changhong, Skyworth, and AU; we introduced over 50 categories of products with 300+ product SKUs. Along with it, we also reached cooperation with IDH partners in 2020, including Microvision, FN-Link, AI-Link, Chipsea, and Jingxun—meaning quicker access for equipment manufacturers.



By the end of 2020, we will make all of our interfaces available, complete platform construction, initiate our healthy ecology empowerment program; we will also offer more cooperative support in areas of data traffic, technology, brands, product selection, and funding.

## Application Ecology and Service Ecology



content ecology
Daily average exposure
Over <b>5.7</b> billion

Partners Partners on OPPO's open platform Over **140,000** 

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We are committed to building a new ecology featuring the Internet of Experiences, and we will still uphold the principle of benefiting others, pursuing shared success, and becoming future co-creators for the Internet of Experiences. Meanwhile, with the demand of worldwide users at our core, we will collaborate with developers and partners to create a multi-terminal, multi-scenario smart life for our users.

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# **Global Citizenship**

## Caring for children with hearing impairment

On November 5, 2020, when the OPPO Enco X, OPPO's brand-new true wireless noisecancelling earphones, was launched, we teamed up with Beijing Ihearu Charity Fund to fund the replacement of cochlear implants for ten children with hearing impairment. We want to help them to hear sounds clearly, understand what others say, freely express what they think, and grow up happily like any other children. In China, there are about 200,000 children under the age of 7 with hearing impairment. They are entitled to a happy life, but they live in a silent world due to their hearing impairment. In the future, OPPO will continue to support public welfare in terms of hearing health to help these children experience the colorful world of sounds and feel the warmth and kindness of the world.



## 让更多的孩子听见世界的声音

**OPPO | 夏前分** 耳蜗体外机升级计划



We are committed to advocating for and supporting transboundary thinking and art creation; we want to encourage digital natives to interpret their ideas and creativity through diverse self-expression and art creation.

In China, we launched the Renovators Global Youth Creative Program in 2019; the program aims to empower and release the potential of students in art creation, transboundary thinking, and help new-generation artists to grow. During the 2020 COVID-19 pandemic, OPPO Campus and Tsinghua University China-Italy Innovation Base jointly launched the 2nd Renovators Global Youth Creative Program to scout artists who belong to the era of digital natives—gathering online art youths across the globe, encouraging their creativity and imagination and thoughts during this special period.

Overseas, we collaborated with the Royal College of Art in the UK to help the students from the Royal College of Art take part in an exhibition displayed during Milan Design Week 2019, through a joint project design. We particularly arranged the product design project theme to be "intelligent life in the era of 5G + convergence of things." We wanted to encourage students to explore the future of personal technology through creative designs. Twenty-four students participated in the project and designed 23 products in total. In the future, we will carry out cooperation with more top art colleges, famous designers, and art institutions in more diverse forms to explore industrial designs, art designs, and innovative designs, all while training more brilliant young designers globally through project cooperation, summer holiday training programs, etc.

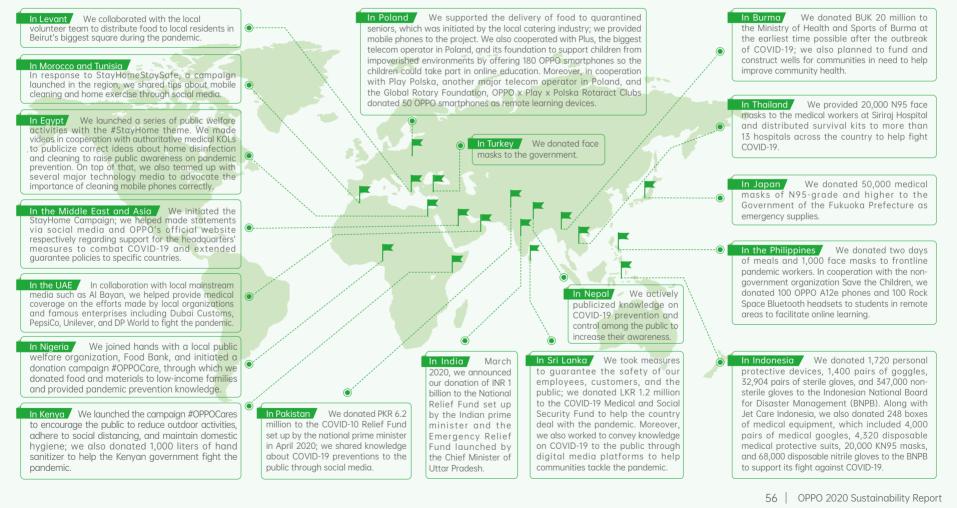
OPPO also continued to explore cross-boundary art to support innovation. On February 24, 2020, we launched an online charity auction together with the Youth Leader Fund under the China Biodiversity Conservation and Green Development Foundation. In addition to 4 pieces jointly created by artists and students, the works presented in the auction also included 10 pieces of artwork from the OPPO Campus Global Exploration Program and Renovators Global Youth Creative Program. All the funds raised from the auction were donated to the Technology and Art Renaissance Project initiated by the Youth Leader Fund, which supported South African electronic waste artist Francois Knoetze's first individual exhibition in China, in an effort to raised public awareness on environmental protection.

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### COVID-19 Fighting COVID-19, Together

In 2020, COVID-19 swept across the world. At OPPO, we joined hands with the global community and mobilized resources to combat the pandemic.

In China, our headquarters actively assisted suppliers in the fight against COVID-19, inputting more than RMB 30 million of funds and providing over 1 million face masks to help our partners get through the difficult time.



Empowering Ecology for a Better Future

## Independent Assurance Report



#### Independent Assurance Statement

#### Introduction:

TÜV Rheinland (Guangdong) Ltd., member of TÜV Rheinland Group, Germany (TÜV, We) has been entrusted by the management of OPPO to conduct independent assurance of OPPO Sustainability Report 2020 (the Report). The intended users of this assurance statement are stakeholders having relevance to the OPPO overall sustainability performance and impacts of its business activities during 2020 (January 2020 ~ December 2020).

OPPO is responsible for the collection, analysis, aggregation and presentation of information within the report, and ensure its completeness and authenticity. The scope of assurance is in accordance with the terms agreed by both parties. We have maintained complete impartiality and independence during the assurance engagement and not involved in the preparation of report contents. Our task was to give a fair and adequate judgment on the OPPO Sustainability Report 2020.TUV Rheinland is a global service provider of CSR & Sustainability Services in over 69 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Sukeholder Engagement.

#### Assurance Standard:

The assurance referred to Global Reporting Initiative (GRI) Standards, AA 1000 AccountAbility Assurance Standards 2008(AA1000 AP 2008) and related principle standard AA 1000 APS(2008), AA 1000 SES (2015), Principles of Inclusivity, Materiality & Responsiveness.

#### Scope & Type of Assurance:

Our Assurance engagement covers the following:

- In accordance with GRI Standards (including Universal Standards 100 series, Topic-specific Standards 200 series, 300 series and 400 series) and according disclosure on management approach (DMAs) from Economic, Environment & Social category, the OPPO Corporate Sustainability performance as described in the report 2020, also defined in Reporting boundaries.
- · Evaluation of disclosed information in the report as per the Assurance Standards
- Type-1,Moderate as per AA 1000 AS (2008)

Limitation: The assurance was carried out at OPPO Headquarter & Plants at No.18 haibin Road, Wusha, Changan Town, Dongguan City, Guangdong Province (OPPO Guangzhou Office). The consultations with external stakeholder were not carried out. We have not observed any significant situations to limit our assurance activity.

#### Assurance Methodology:

TÜV has examined the report contents and assess the process undertaken by OPPO from source to aggregate in disclosure of information/data related to sustainability performance. Our judgment is based on the objective review of reported information as per criteria defined under assurance standards, which is inclusivity, materiality and responsiveness.

Analytical methods and the performance of interviews as well as verification of data, done as random sampling, to verify and validate the correctness of reported data and contents in light of contractual agreement and the factual OPPO's Sustainable Strategy as mentioned in the report. Our work included consultation with over 20 OPPO representatives including middle-senior management and relevant employees. The approach deemed appropriate for the purpose of assurance of the report since all data thererin could be verified through original proofs, verified database entries.

The Assurance was performed by our multidisciplinary team of experienced professionals in the field of Corporate Sustainability, Environment, Social and Stakeholder Engagement. We are of the opinion that our work offers a sufficient and substantiated basis to enable us to come to a conclusion mentioned below and based on the content of the contract. Assurance Observation:

Inclusivity: OPPO engaged with the stakeholder through multiple channels to identify and understand the perspectives and expectations of the stakeholders. Stakeholder engagement has been integrated into OPPO's operation and management activities and has influenced the establishment of OPPO's sustainable development policies and targets. The methods of stakeholder engagement and their main concerns have been disclosed in the report.

Materiality: OPPO has established the materiality identification process. It adopted policies, regulations and industry best practices for benchmarking, corporate fundamental analysis, and public opinion analysis to formulate OPPO's sustainability topics database, and conduct consultation through internal and external stakeholders to identify materiality topics. The report also disclosed OPPO's management mechanism for substantive issues and related sustainability performance information.

Responsiveness: OPPO improves responsiveness via establishing sustainable development policies, targets and missions, enhancing corporate governance, management system and specific processes, and establishing a response mechanism to stakeholders' concerns. The report reviewed the historical data of the past two years, and responded to the sustainable development topics of stakeholders' concerns from the aspects of social and environmental in response to a number of materiality topics identified. The information disclosed in the "Report" is established based on the identification and analysis of materiality topics affecting OPPO's sustainable development strategy.

#### **Recommendations of Improvement:**

Continuously enhance the width and depth of sustainability performance information and data disclosure, such as increasing the disclosure of economic data.

Continuously improve stakeholder engagement mechanism, for example, establishing the process of stakeholder engagement management.

#### Conclusion:

In conclusion, we can mention that no instances or information came to our attention that would be to the contrary of the statement made below:

- OPPO Sustainability Report 2020 follows the requirements of the Global Reporting Initiative (GRI) standard to
  disclose its sustainability performance information.
- The Report includes statements and claims that reflects OPPO achievements and challenges supported by documentary
  evidences and internal records
- OPPO uses systematic and professional methods to collect, store and analyze sustainable development performance data. The information and data disclosed in the report are objective and reliable, and are a true reflection of OPPO's sustainable development management.
- TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision about OPPO based on this Assurance Statement.

#### For TÜV Rheinland Group

Ian Jiang

Vincent Chen

Local Field Manager

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Empowering Ecology for a Better Future

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Employee Care

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# Readers' Feedback Form

Dear Readers:

Thanks for your concern and reading OPPO 2020 Sustainability Report. We will appreciate your suggestions and comments to help us keep moving forward.

Please leave your comments: (' $\sqrt{}$ ' for what you think)

评价内容	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree			
Do you get the information you want to know?								
Do you think this report is easy to read?								
Will you pay attention to OPPO's future sustainability report?								
Which part are you interested most in the report?								
What additional topics do you want to know after reading this report?								
What's your suggestion to the future report?								
	Your contact details (optional and confidential. OPPO strictly protects your personal information and will not use it for any business purposes.)							
Name:	Phone:							
Email:								

### You can contact us through

Address: No.18, Wusha Beach Road, Chang'an Town, Dongguan City, Guangdong Province, China

Tel: 86-769-86076999

