



ONEPLUS

2019 Sustainability Report

Report Description

Report Scope

This report is the first corporate total responsibility report of OnePlus Technology (Shenzhen) Co., Ltd.. The report information and data mainly cover all total responsibility practice activities of the Company from January 2018 to December 2019. Based on the continuity and contrast of the report, some data and information are not limited to 2018-2019.

Compilation Principle

This report is prepared with reference to the requirements of Global Reporting Initiative (GRI) standard and the international standardization organization's ISO 26000:2010 Guidance on Total Responsibility.

Content Selection

In the selection process of the report content, the Company follows the principles of importance, integrity and responsiveness of GRI standard, makes statements from three aspects of economy, society and environment, and mainly discloses the Company's responsibilities in corporate governance, product responsibility, employee responsibility, environmental responsibility, supplier management, etc.. The data and information collection work of this report is carried out according to the Company's existing workflow.

Reference Description

In the report, OnePlus Technology (Shenzhen) Co., Ltd. is referred to as "OnePlus" or "Company" or "we". The copyright of this report belongs to the Company.

Publishing Mode

The report is published once a year, and released in print and online versions. The online version can be found on the Company's website (www.oneplus.com).

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Reader feedback

CEO's Speech



Fulfill social responsibilities and achieve sustainable development of the Company

Mobile Internet is changing the world and people's living habits. In the past six years, in the face of the rapid changes in the industry environment, we have always adhered to the concept of "Never Settle" and won worldwide recognition through our products and reputation, making OnePlus a respected global brand and the core brand of flagship machine market. At present, the Company has 11 offices, 5 R & D centers and 1587 full-time employees from 17 countries around the world. With Geek's brand tonality and competitive price performance, OnePlus mobile phone has a market in more than 30 countries and regions around the world. The growth of OnePlus is inseparable from our corporate culture and values of "Befen, Never Settle, Open and User driven" over the years, which is the foundation of OnePlus's successful development.

Strive for Perfect Product

I think any choice is two-way. Brands have their own attitudes and consumers have their own technological tastes. In order to link them together, we must gain the recognition from customers. Our first intention is to make perfect products. In the past six years, it has been a "Never Settle" trip for OnePlus. We have been adhering to this attitude towards dreams, and gradually moved the world. In order to continuously improve the technological content and customer experience of the products, we invest a lot of resources to support product research and development and technological innovation every year, attract global outstanding talents to expand the research and development team, and promote the continuous emergence of products and innovation achievements. By virtue of high-end smart phone products, OnePlus has been shortlisted for "Best New Startup in the World" of "Oscar in Science and Technology Field" - Crunchies Awards, won "Reader's Gadget of the Year", "Red Dot Design Award", "iF 2019 Design Award", "2018-2019 Italian Design Award", and highly praised by mainstream international media such as Time Magazine, Forbes, and Wall Street Journal.

Care for the Environmental Protection

We pay attention to the environmental impact from products and production processes. The Company has established and implemented an environmental management system in accordance with international standards, implemented green product design and hazardous material control, adopted green product packaging, and responded to global climate change through energy conservation and emission reduction. In the future, the Company will introduce the concept of environmental protection and low carbon into the entire life cycle of products, and through cooperation with suppliers, operators and users, jointly promote environmental protection actions in the product value chain.

People Oriented

Talent is the Company's development source and greatest wealth. We have 1,587 full-time employees from 17 countries, and the Company's success stems from the dedication and innovative practices of each employee. We adhere to the people-oriented principle, are committed to providing employees with fair development opportunities, pay attention to the improvement of personnel capabilities and professional development, and create a platform for employees to realize their value and dreams. We continuously improve management mechanisms such as training, assessment, and incentives, so that the wisdom and dedication of each employee can be correspondingly rewarded.

Sustainable Development

We are determined to become a superb world-class enterprise. With a firm mind, we will not forget our original intention, strive hard, never settle, insist on providing the lightest and smoothest flagship mobile phone, and allow users to enjoy the ultimate experience of products and services. We will embrace the era of mobile Internet with a more open mind, actively respond to the requirements and expectations of customers and stakeholders, and continuously improve the Company's social responsibility management level and performance. We will adhere to the code of business conduct, follow the principle of win-win cooperation, promote responsible procurement, sincerely cooperate with partners in the industrial ecosystem, jointly create a healthy, fair and sustainable business model, jointly undertake and promote total responsibility, and become a responsible corporate citizen.

CEO Pete Lau
December 2019



COMPANY OVERVIEW

- 1.1 Company Profile
- 1.2 The Development Course
- 1.3 Honors and Awards
- 1.4 Association to Participate in

1.1 Company Profile



Founded in 2013, OnePlus Technology (Shenzhen) Co., Ltd. (OnePlus for short) is an international mobile phone brand focusing on building high-end flagship products. It was jointly established by the founder Pete Lau and a group of Internet people pursuing Geek spirit. At present, the Company has 11 offices, 5 R & D centers and 1587 full-time employees from 17 countries around the world. With Geek's brand tonality and competitive price performance, OnePlus mobile phone has a market in more than 30 countries and regions around the world.

OnePlus chooses smart phones as the first step to realize its dreams, adheres to the concept of "Never Settle", and strives to be a healthy company that endures. The Company focuses on building high-end intelligent terminal equipment and providing users with the ultimate experience of "burdenless". We have been shortlisted for "Best New Startup in the World" of "Oscar in Science and Technology Field"-Crunchies Awards, won "Reader's Gadget of the Year", "Red Dot Design Award", "iF 2019 Design Award", "2018-2019 Italian Design Award", and highly praised by mainstream international media such as Time Magazine, Forbes, and Wall Street Journal.



**7TH ANNUAL CRUNCHIES AWARDS
BEST NEW STARTUP OF 2014 NOMINEE**

Techcrunch is a major Internet blog media in the United States, and the "Crunchies Awards" led by it is known as the "Oscar in Science and Technology Field".



**2015 IF PRODUCT DESIGN AWARDS
TELECOMMUNICATION PRODUCT CATEGORY**

iF Design Award is known as the "Oscar in the Design Field" and is currently recognized as one of the most important independent awards in the world.



**STUFF GADGET AWARDS 2016
THE ONEPLUS THREE IS THE READER'S GADGET OF THE YEAR**

Stuff is the largest and top fashion science and technology magazine in the UK. Every year, it has the award for the Gadget of the Year, which is freely selected by readers.

Since its establishment, the Company has released 20 products, and each new product has attracted queue panic buying from a large number of fans. In the Indian high-end smartphone market in 2019, with the outstanding performance of 7 and 7T series, OnePlus surpassed Apple and Samsung to become the king of Indian high-end smartphones and the highest-selling smartphone brand in India's high-end mobile phone market. According to the latest report from the authoritative research institute Counter-point in 2019, OnePlus has ranked among the top five with a global high-end smart phone market share of more than 400 US dollars in 2018 with its excellent market performance, and has become one of the core brands in the global flagship market.



In OnePlus, Chinese and Western cultures equally coexist, collide and merge with each other, forming an open and diverse corporate culture.

11 offices and 5 R & D centers



Global operation distribution

Asia India, China, Hong Kong, China, Middle East, Singapore, Malaysia, Saudi Arabia etc.

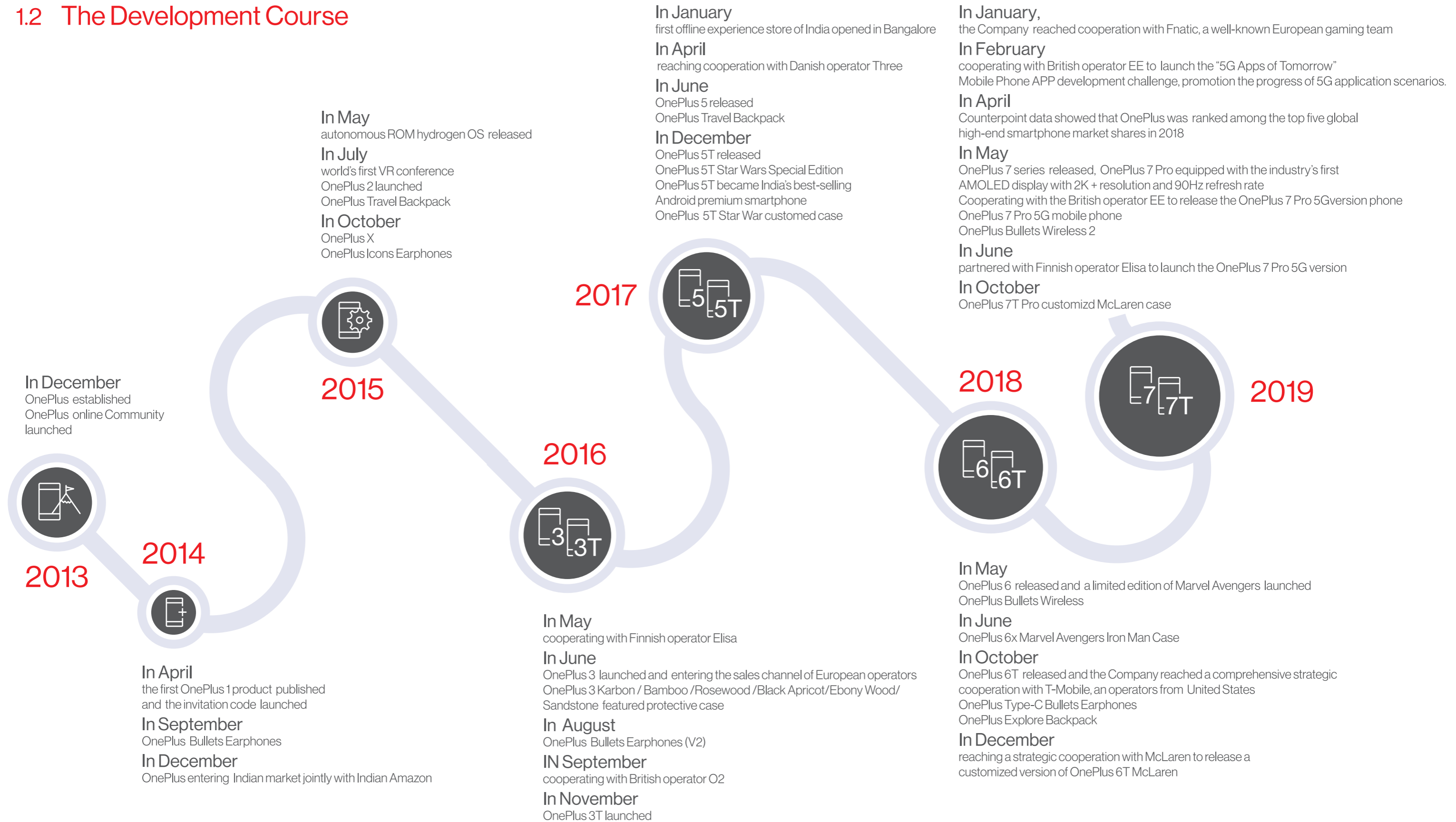
Europe 28 countries and regions including UK, Germany, France, Italy, Netherlands, Spain, Sweden, Denmark, Poland, Finland, Greece, Czech Republic, Slovakia, Portugal, Estonia, Lithuania, Belgium, Bulgaria, Ireland, Austria, Latvia, Romania and Russia

North America United States, Canada

Oceania Australia



1.2 The Development Course



1.3 Honors and Awards



OnePlus 6 won Taiwan's 2018 Golden Pin Design Award



OnePlus 6 won iF Design Award 2019



OnePlus 6 won 2018-2019 Italian A Design Design Award

Honor name	Award-winning date	Awarding unit
Most Overseas Influential Brand Award	2019	FT Chinese network
OnePlus 7 T won Digital Economy Top Ten Product Innovation Award	2019	China International Digital Economy Expo
Red Dot Design Award	2019	Red Dot Design Award Committee
OnePlus 6 won iF Design Award 2019	2019	iF Selection Committee
OnePlus 6T won Most Popular Mobile Phone of the Year	2018	Communications World media
Top 50 Employers in China	2018	Shixiseng
Best Aesthetic Design of Phone of the Year	2018	Organizing Committee of China Mobile Innovation Week
OnePlus 6 won Taiwan Golden Pin Design Award 2018	2018	Taiwan Golden Pin Award Committee
Golden Phone Award	2018	Jingdong
OnePlus 6T won Excellence Flagship Phone	2018	Pacific Network
OnePlus 6 won 2018-2019 Italian Design Award	2018	Awards Committee
Enterprise with Outstanding Achievement	2017	Private Economy News
Popular Brands for Online Shopping of Chinese Enterprises	2017	Ministry of Industry and Information Technology
2016 Best Global Brand Development Award	2016	Awarded by China Cross-Border E-Commerce Conference
Most Popular Brand of the Year, Best Progressive Brand of the Year	2016	Android China
Best Flagship Phone of the Year, Most Influential Brand	2016	Jingdong
Top 10 Potential Mobile Phone Brands in China 2015	2015	The 1st China Mobile Internet and Intelligent Terminal Industry Annual Conference
Best New Brand of the Year	2015	2015 Mobile Oscar
Best Craft Innovation Phone	2015	Mobile
Best Industrial Design	2014	Phoenix Digital
Best Mobile Phone of the Year	2014	Mobile China
China Mobile Phone of the Year	2014	New Media Group
New Entrepreneur of the Year	2014	Geek Park

1.4 Association to Participate in

Association name	Date of participation	Position in the Association
China Communications Standards Association	2018.12.4	Member
Guangdong Communications Industry Association	2018.4.23	Board member
Mobile Security Alliance	2019.7.18	Member
Wireless Power Consortium	2019.11.26	Member



Membership Certificate of China Communications Standards Association





CORPORATE GOVERNANCE

- 2.1 Corporate Culture
- 2.2 Compliance Risk Control
- 2.3 Code of Business Ethics
- 2.4 Social Responsibility Management

2.1 Corporate Culture



photographer: BWZZKDR

Vision	To be a healthy company that endures.
Mission	To empower the world through better technology.
value s	Benfen / Never Settle/ Open / User Driven

Benfen

Benfen is a demand of oneself, not of others. We believe in stepping up, taking responsibility and the importance of introspection.

Rather than focusing on self-gain, we work with like-minded partners who share our vision of co-creating long-term success.

When pressure rises, remember why we started this journey. Do the right thing, and ensure things are done right.

Never Settle

Never Settle is not about perfection. It's about the constant pursuit of better.

Open

Stay open. To users, colleagues and the world. An open attitude empowers us to listen, learn and build towards our mission.

Think big, study best practices and leverage available resources to create maximum impact.

We grow when we have the courage to speak up, celebrate our differences and champion each other's successes.

User Driven

Begin everything with a complete focus on creating value for users. Stand in their shoes and build insights from user needs and pain points. Then, set out to create a user experience that is truly beyond expectations.

2.2 Compliance Risk Control

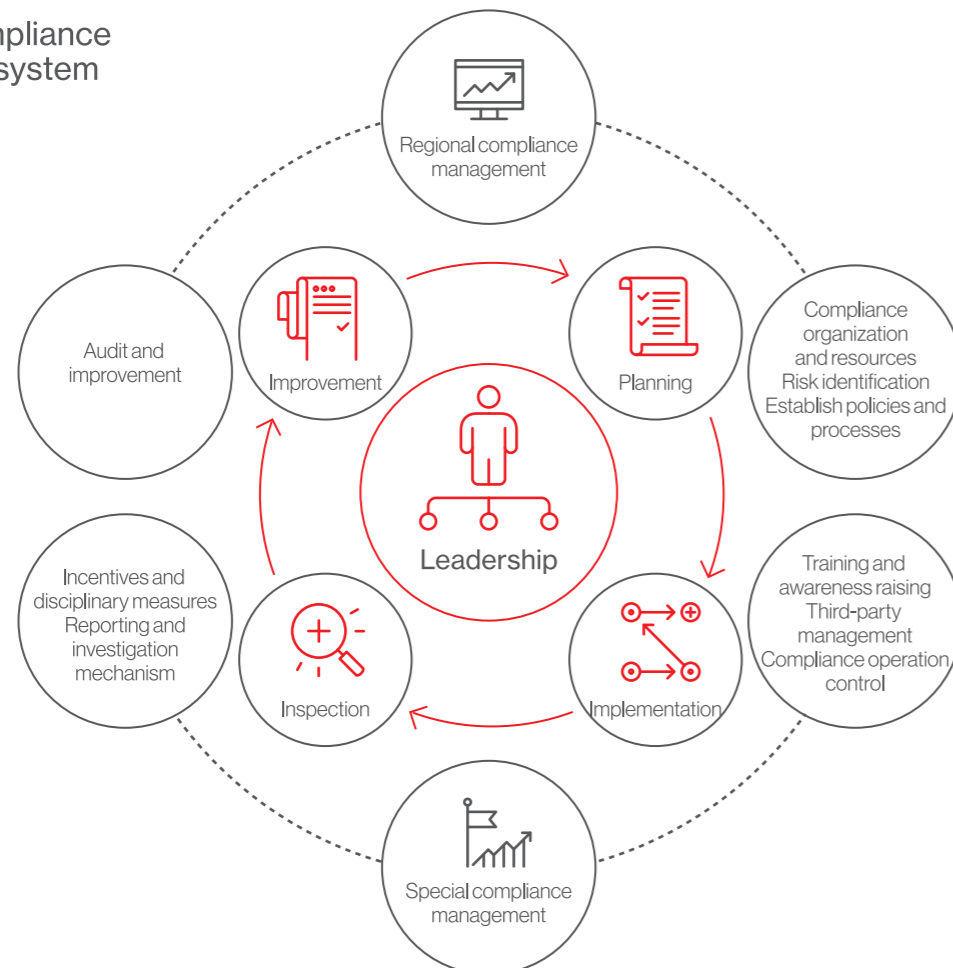
Abiding by business ethics, international conventions and relevant laws and regulations of various countries is the basis for the Company's compliance operations and the core philosophy that the Company has always adhered to. In order to control the risk of non-compliance, the Company has established a compliance management organization structure. Under the advocacy and promotion of the Company's top management, the Company has continued to build a compliance management system.

The Company's compliance management system covers OnePlus's global compliance management. The Company strives to comprehensively build OnePlus's compliance

management system focusing on nine compliance elements: management and leadership, compliance organization and resources, risk assessment, policies and processes, training awareness and promotion, third-party management, incentives and disciplinary measures, reporting and investigation mechanism, audit and management improvement.

In 2019, the Company focused on the construction of compliance management in the United States and major special compliance management, including personal data protection compliance, anti-corruption compliance, export control compliance and anti-unfair competition compliance.

Company compliance management system



Compliance risk identification:

By following the risk control ideas of risk identification, process specification construction and management requirements, the Company implemented compliance risk identification and evaluation for key processes and key areas.

(1) Comprehensively identify the legal risks in the business operation of the U.S. region, output the *White Paper on Compliance of OnePlus in the North America* and complete compliance rectification; obtain and identify the applicable *Global Compliance Obligation List* to provide the basis for long-term compliance operation.

(2) Through risk investigation and current situation review, identify compliance and transaction risks of U.S. operators, formulate the *Compliance and Transaction Risk Rectification Plan*, and centrally handle the construction of operator contract management process and review of various professional element review guidelines.

(3) Identify patent risk points, formulate risk response measures, and output *U.S. Market Patent Risk Point Early-warning Analysis Report*; and formulate *Patent Litigation Management System, IP Ban Response Handbook* and other related documents to guide case management and risk response.

Special management of key compliance:

(1) Personal data protection compliance: The Company released the *Personal Data Management System* and supporting guidelines and tools for the entire business area, established regular compliance review and emergency processing procedures, formulated department-level specifications and guidelines based on the sorting of data processing services to achieve refined management of different business areas, and formulated local compliance policies and guidelines based on regional data business conditions.

(2) Anti-corruption compliance: Through current investigations and interviews, based on the requirements of anti-corruption laws and regulations, the Company formulated the *Anti-Corruption Compliance Management System, OnePlus Global Anti-Corruption Compliance Manual, OnePlus Code of Business Conduct* and other systems and guidance documents, and improved the anti-corruption compliance awareness of all employees and their ability to respond to anti-corruption compliance risks through special training, online assessment and signing commitment.

(3) Export control compliance: It established compliance systems such as the *Export Control Management System and the Export Control Compliance Guidance Manual*, controlled two key points of the R & D process and transaction text, and effectively reduced the Company's export control risks.

Compliance culture construction:

The Company built the compliance culture with the theme of legal compliance through a variety of activities such as the legal publicity month, knowledge sharing tweets, and award-winning quizzes. The Company held a variety of special compliance trainings and annual regular regulations training to continuously improve the compliance awareness of all employees.

Compliance monitoring and inspection:

Through the establishment of a dedicated compliance organization structure, the Company strengthened the management and supervision of the execution of global business operations. The Company has established an audit working mechanism based on comprehensive risk monitoring, established cold deterrence through adopting independent audits and hiring domestic and foreign law firms to conduct compliance reviews, reviewed the integrity and effectiveness of the Company's related systems and processes, and continuously improved and optimized the compliance system based on the review results.

2.3 Code of Business Ethics

Performance

No business ethics violations in 2019

Pass rate of anti-corruption training in 2019: 100%

Signing rate of anti-corruption compliance commitment in 2019: 100%

Business ethics

OnePlus is a benfen, never settle and competitive company. Our vision is to be a healthy company that endures. We always carry out business activities in accordance with high moral standards, strictly abide by laws and regulations of various countries, isolate external pressure and temptation, do not pursue short-term interests and superficial prosperity, and take the healthy and long-term development of enterprise as the first principle.

The Company adheres to the highest standards of integrity in all business interactions, including anti-corruption, anti unfair competition and monopoly, non use of conflict minerals, protection of information security and other principles. In 2019, the Company did not have corruption cases, unfair competition operation events, or business ethics violations.



Anti-corruption

Corruption will threaten the healthy development of the company and violate our corporate culture and business ethics. We have a responsibility to comply with regulations for the benefit of our partners, shareholders and each other, and we have an obligation to create a good and fair operating environment and reject corruption.

At the beginning of the Company's establishment, it advocated the business ethics of honesty and trustworthiness, integrity and self-respect, and built integrity into the corporate culture. The Company released the *OnePlus Global Anti-Corruption Compliance Manual*, the *Integrity Code 2.0* and the *Company's Reward and Punishment Management System*, requiring employees to maintain the Company's integrity and operating efficiency, strictly abide by business ethics and codes of conduct, be honest and law-abiding, act impartially, not use power for private gain, fight against unfair competition, and actively promote a peaceful and healthy business operation environment. The Company has adopted the following anti-corruption compliance management measures:

(1) Risk identification:

In May 2018, the Department of Legal Affairs conducted a survey on the status quo of anti-corruption and compliance of all relevant departments within the scope of the Company one by one, and comprehensively sorted out the possible corruption risks.

(2) Establish systems and processes:

Based on the comprehensive analysis of anti-corruption compliance, the Company

has constructed and issued management system documents such as the *Anti-Corruption Compliance Management System* and the *OnePlus Anti-Corruption Compliance Manual*.

(3) Third-party management:

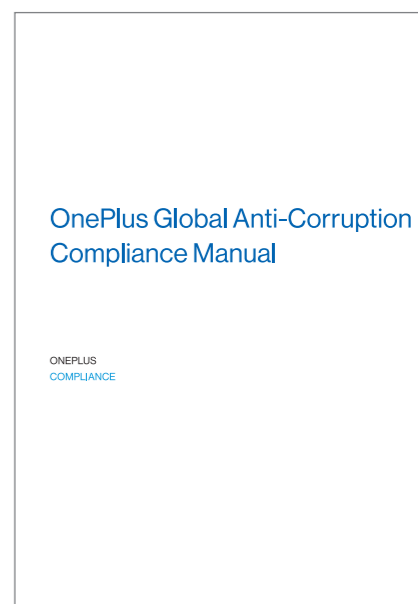
During the third-party introduction phase, it conducted the compliance due diligence on third parties to identify potential risks; during the contract signing phase, it embedded anti-corruption compliance requirements in the contract, and required third parties to make written compliance commitments.

(4) Anti-corruption training:

The Company has conducted online and offline anti-corruption training. In 2018, it conducted a total of 20 offline anti-corruption compliance trainings. In 2019, it launched online anti-corruption training, covering all employees of the Company. In 2018 and 2019, it organized the assessment of all employees and the signing of compliance commitments. The pass rate in 2018 and 2019 was 100% and 100% respectively.

(5) Reporting and investigation:

The Company has set up multiple reporting channels, and the informer can report to the direct superior, the head of Compliance Committee, the head of Department of Legal Affairs, and the head of Risk Management Department; or report to ceo@oneplus.com. At the same time, the Company has set up a special person to manage the reporting information and protect the identity of the informer. After receiving the report information, relevant personnel will



The Company released the OnePlus Global Anti-Corruption Compliance Manual

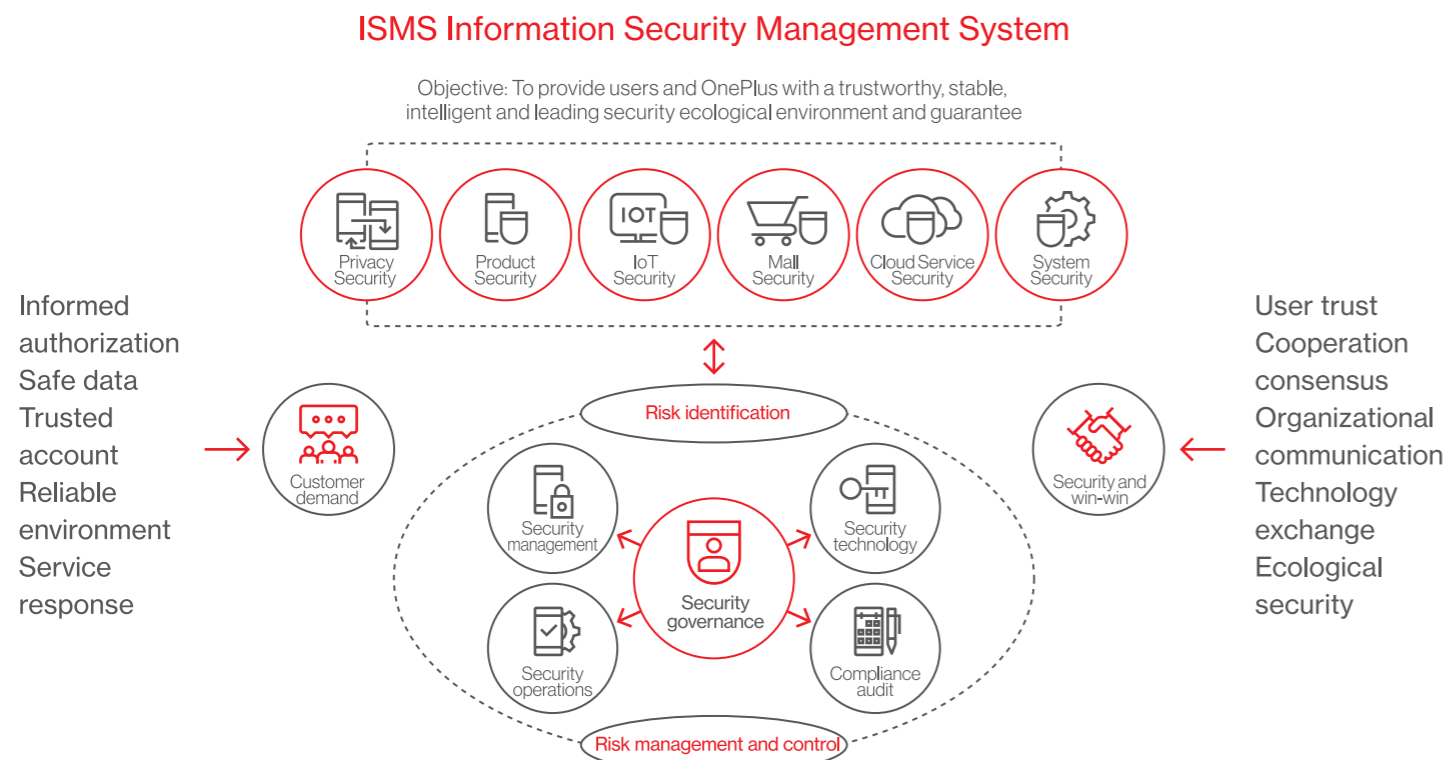
investigate and deal with it by combining routine audit with event triggered special audit.

The Company has initially established an anti-corruption compliance management mechanism, but there is still room for improvement in the practical level and integrity system construction. In 2020, based on the existing management, the Company will strengthen the risk management construction of three lines of defense, require all employees to optimize in terms of personnel, regulations and implementation, and continuously improve the level of anti-corruption compliance management.

Information Security Management

Standardize operations, focus on risk identification, implement hierarchical protection, achieve total employee involvement, and ensure information security

Information Security Management Architecture



Information Security Management System Certification



OnePlus Technology PCI Certificate

With the release of various personal data protection regulations such as the GDPR Act and the development of new technologies such as cloudification, big data, AI, IoT, and 5G, the Company faces huge security risks and challenges in the process of globalized business development. Effectively improving the protection level of product security and Internet service security, and protecting the personal data of every user around the world, are key areas for the investment and construction of information security management systems.

To this end, we have established a dedicated security team and security organizations at all levels to ensure and formulate various security specifications, processes and technologies to ensure continuous improvement of our security business capabilities. The main measures are as follows:

(1) Organizational guarantee of security governance:

The Company has established the "Information Security Committee" and "Personal Data Management Committee", and has a professional "Information Security Team" and "Personal Data Protection Team" to support the development of security services. The business departments also have various security positions such as DPC, information security officer and information security commissioner, promote information from top to bottom in combination with international standards such as GDPR and ISO 27001, and ensure that security organizations, systems, processes, solutions, technologies and risks are identified and improved stably and continuously, so as to reduce information security and network risks.

(2) Operational security management system:

The Company has established an ISMS information security management system based on the ISO27001 international standard and implemented the management requirements of 14 typical security control areas. Focusing on the working ideas of data and operational management, a security operation system has been established to ensure the stable and continuous problem discovery and improvement of security organizations, systems, processes, solutions, technologies and risks, including security product and solution operations, incident operations, covering security awareness education, incident response and investigation, security intelligence analysis and response, etc.

Personal data protection: Around the principles of legality, fairness, transparency, purpose limitation and minimiza-

tion in the processing of personal data, the Company has adopted the risk management and control and technical solutions of the entire life cycle of personal data, including collection, transmission, storage, processing, exchange, and destruction, to achieve the strict protection of personal data and prevent leakage, tampering and destruction of personal data.

Security awareness of employees: it pays attention to improving the security awareness and ability of employees, carries out information security training for all employees, and regularly updates security publicity manuals and publicity schemes. All staff must pass the regular security examination to ensure full coverage of security education and pass the security ability test.

SDL management of development security production cycle: it has embedded the security requirements into the development life cycle, strictly implemented the security management requirements of each stage of the life cycle, and integrated a series of security development requirements into the development process through security demand analysis and design, combined with security development red line, security development specification, account security specification, payment security specification and security test.

OnePlus security emergency response center OneSRC: it has established a global security emergency response mechanism and response platform OneSRC, which is committed to ensuring the personal data, asset security, and product and business security of each user of OnePlus, collecting the vulnerabilities and risks discovered by professional security

researchers and users from around the world in the first time, achieving the repair in the shortest time, and strengthening the close cooperation between individuals and organizations related to the security industry through OneSRC to improve the overall security level of OnePlus.

Third-party management: through product demand management, development testing, and deployment and implementation, it implements the security control over third parties in project management, and clarifies that third parties shall have the ability and responsibility to protect data security. Third parties without the ability to protect data security will be refused.

(3) Security technology system:

With reference to the National Institute of Standards and Technology (NIST) standard: *Framework for Improving Critical Infrastructure Cybersecurity (IPDRR)*, we build our security technology solutions around the five aspects of Identify, Protect, Detect, Respond, and Recover, including application security, network security, host security, data security, multi-cloud security, mobile security, IoT security, vulnerability detection, emergency response, threat intelligence, etc.

(4) Security compliance and audit:

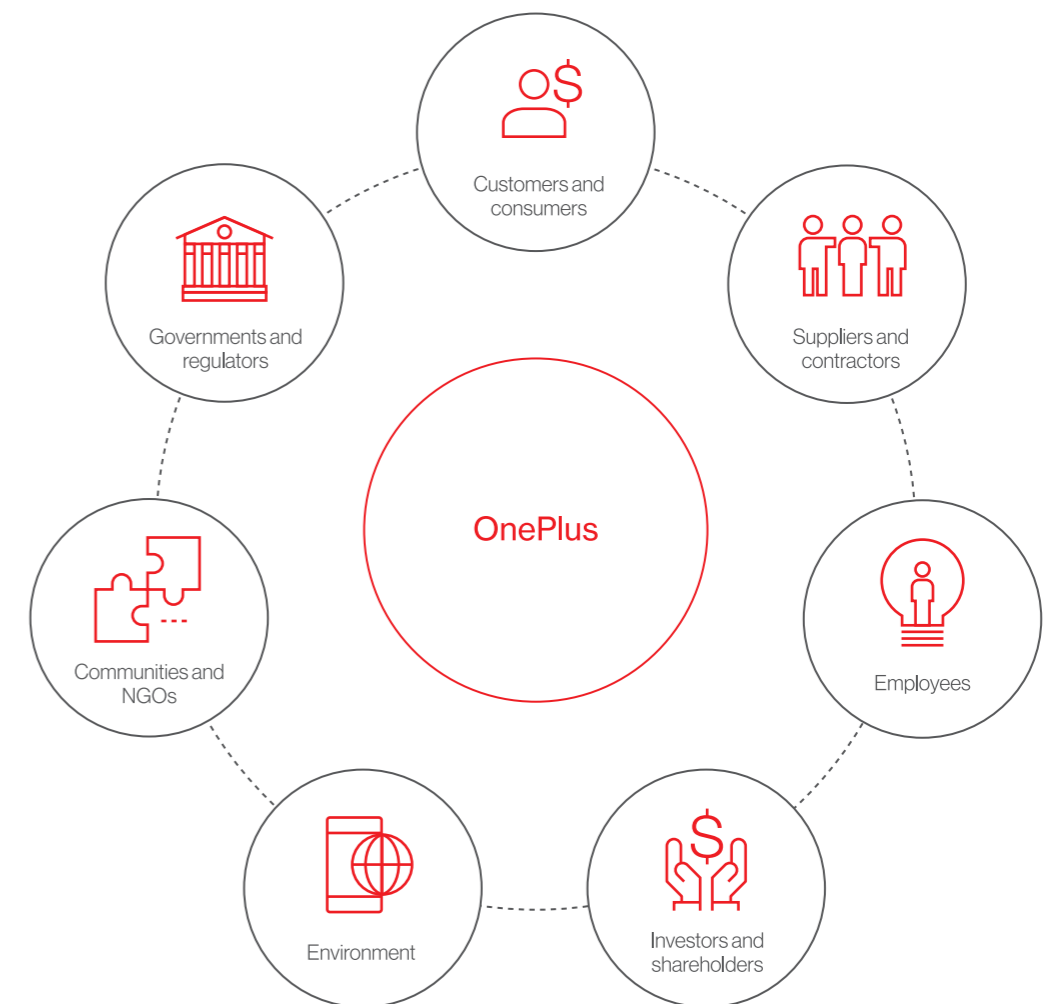
The Company took the lead in GDPR compliance assessment and management improvement, and has obtained a number of industry authoritative security certifications, including PCI-DSS payment security standard certification, ISO 27001 information security management system certification, DJBH network security level protection three-level evaluation, TRUSTe privacy certification, etc.

2.4 Social Responsibility Management



Interested parties

In order to obtain and respond to the needs of stakeholders, the Company identifies the key issues concerned by stakeholders through communication and surveys with stakeholders, and responds to the concerns of stakeholders through information disclosure of total responsibility report, so as to realize the sustainable development of the Company.

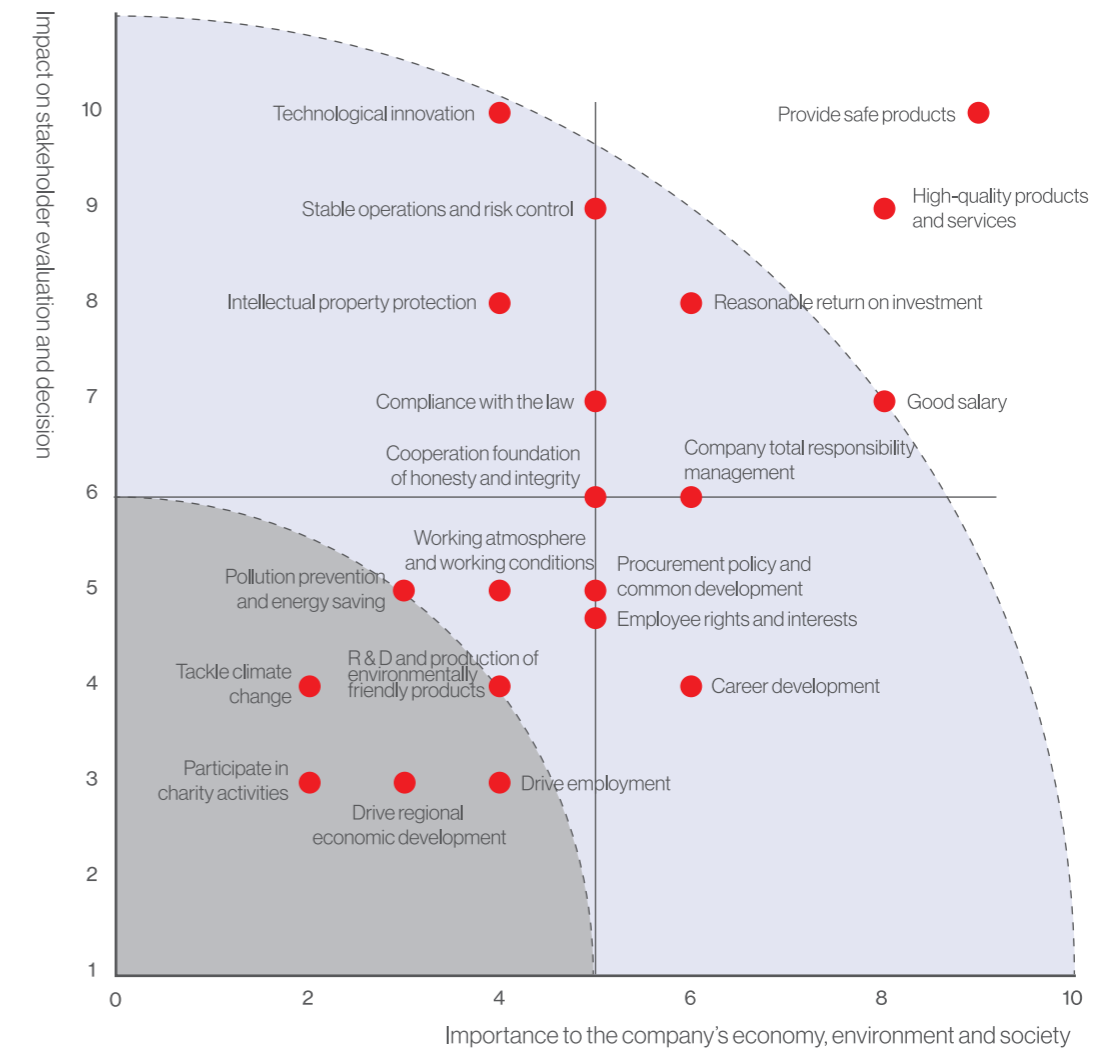


Key issues of total responsibility

In accordance with the *GRI Sustainability Report Guide*, OnePlus adopts a matrix evaluation method to evaluate the key issues concerned by the stakeholders. The matrix evaluation method evaluates the key issues from two dimensions "Impact on stakeholder evaluation and decision" and "Importance to the company's economy, environment and society", as shown in the figure below. OnePlus discloses the key issues evaluated in different sections of this report to respond to the concerns of stakeholders.

Social responsibility issues concerned by stakeholders

Stakeholder	Issues of concern	Communication mode	Information disclosure
Customers and consumers	High-quality products and services Provide safe and environmentally friendly products Total responsibility management	Satisfaction surveys, customer complaints, etc. Regular information disclosure	Chapter 3 Chapter 2
Shareholders and investors	Stable operations and risk control Reasonable return on investment	Shareholders meeting	Chapter 2
Suppliers and contractors	Cooperation foundation of honesty and integrity Common development	Supplier conference Telephone, email, on-site visit	Chapter 2 Chapter 6
Employees	Good salary Working atmosphere and working conditions Employee rights and interests Training and career development	Employee satisfaction survey; Employees forum; Internal website	Chapter 5 Chapter 5 Chapter 5 Chapter 5
Environment	Environmentally friendly products Hazardous material control Tackling climate change	Meeting, telephone, email communication Environmental information declaration	Chapter 4 Chapter 4 Chapter 4
Governments and regulators	Compliance with the law Technological innovation Drive employment	Government meetings and seminars Compliance check Site visit and communication	Chapter 2 Chapter 3 Chapter 5
Communities and NGOs		Regular information disclosure	Chapter 2





STRIVE FOR PERFECT PRODUCT

- 3.1 Product Development and Innovation
- 3.2 Production Quality Control
- 3.3 Customer Service and Communication

OnePlus offers high-quality, well-designed products and friendly services to users seeking for perfect product

3.1 Product development and Innovation

Build high-end intelligent terminal equipment and provide users with the ultimate experience of “burdenless”!



Technological innovation

Create an innovation atmosphere, improve the ability of independent innovation in development; create high-quality intellectual property rights and effectively operate IP assets; form differentiated competitiveness and help business success.

Scientific and technological innovation is the source of enterprise development. As a technology company, we pay particular attention to development investment. In order to attract more outstanding talents globally to strengthen the development team and strengthen technology, we have set up five development centers around the world: Shenzhen, Shanghai, Nanjing, Hyderabad of India, and San Diego of US. The Company invests a lot of resources every year to support product development and technological innovation, and promote the Company's products and innovation achievements continue to emerge.



Inauguration of Hyderabad development Center

(1) AI Innovation Lab:

The AI field is the newest and most challenging technology research. In 2018, we set up a whole new AI innovation lab which gathers development

technicians to carry out academic theoretical research and innovative technology exchanges in four areas: system optimization, computer vision, user behavior research and IoT, to promote the engineering practice of AI from academic field to industrial field, and finally bring the intelligent experience to our users through product landing. The research interests include: AI intelligent frequency modulation to optimize the performance and power consumption of mobile phone systems; CV filed, engaging in R&D technolgs including intelligent scene recognition, portrait mode and AI intelligent focus etc. ,Enabling high quality photography; intelligent backlight adjustment, to optimize the automatic adjustment process of mobile phone screen brightness to protect users' eyes; Recommended System, which uses big data to establish user behavior learning system.

(2) Combination of production, teaching and research:

The Company cooperates with well-known universities and research institutions in China, such as Zhejiang University. Through the combination of production, learning and research, the Company combines the latest academic research results with OnePlus engineering realization capacity to allow users experience the most cutting-edge technology and application results.

(3) 5G product innovation and promotion:

The Company cooperates with Chinese and foreign communication operators in 5G technology to promote the development of the 5G product operator

market. In China, the Company and China Mobile have completed the pioneer plan and participated in the 5G joint debugging of China Unicom and China Telecom. Our domestic 5G mobile phone will be launched in 2020. Overseas, in addition to cooperation with EE and T-Mobile, it released the first 5G mobile phone sold in North America jointly with Sprint in August 2019; in Europe, it has reached strategic cooperation with Telia, Elisa and Bouygues, and is actively planning the launch of 5G mobile phone .



OnePlus launched 5G mobile phone products jointly with BT

(4) Fast, stable, and efficient

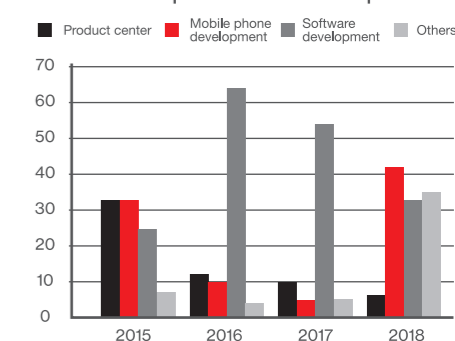
It's easy to do one thing right, but it's hard to do it well. The difference lies in the persistence of details and the importance of user experience. All the challenging work done by OnePlus is done by the people who never settle. Our employees strive for perfection, go deep into research and dare to break through. They are almost paranoid about the performance, stability and power consumption of products and technologies. This is what our technical team values and insists on. The “Never Settle” of OnePlus's corporate culture is summarized by the technical team as three basic experience metrics “fast, stable and efficient”.

Innovation Achievements

The Company's investment in scientific and technological innovation and efforts have achieved fruitful results. According to statistics, the Company applied for 319 patent applications and 96 patents were approved in 2018-2019. While the number of patent applications has been increasing year by year, the Company has paid attention to the rational layout of patents and innovation protection in key areas, and formed a comprehensive coverage of mobile phone hardware and software technology, improving the technological content and customer experience of mobile phone products. In 2014, the Company was shortlisted for the “Oscar in Science and Technology Field” - Crunchies Awards, and won the “Best New Startup in the World” title; the products developed by the Company won “Red Dot Design Award”, “iF 2015 Telecom Product Design Award”, “iF 2019 Design Award”, “2018-2019 Italian Design Award”, and many other honors.

Performance data	2018	2019
Number of patent applications	116	203
Number of approved patents in the current year	39	57

Distribution of patents in different specialties



Product development management

Throughout the product development process, the Company uses IPD (Integrated Product Development) for quality control of the development process. IPD is a management framework based on many best practices in global product development management, including five aspects: product development management, technology development management, decision-making mechanism, multi-project management, and performance management. The Company has set up cross-functional teams, implemented decision-making checkpoints, and adopted structured management processes, enablers and supporting systems to effectively manage the entire life cycle of product development.



There are three cross-functional teams in the product end-to-end process: product planning team, product development team, and lifecycle management team. The three teams perform their duties and effectively collaborate to achieve the goal of product from planning, listing to the whole life cycle. The planning team is responsible for product planning, coordinating resources and decision-making support in the process of product development; the product development team is responsible for the realization of product concept, the process control from the planning to the market stage, and the realization of product development quality, cost and cycle target requirements; the cycle management team is responsible for the management of life cycle stage after the product is launched.

Decision-making and review throughout the product development life cycle



Due to the complexity of mobile phone products, tens of thousands of tasks must be completed. In order to manage these large and complex issues, the Company has structured the product development process into 6 stages, 6 decision-making review points, 6 TR technical reviews. Points and 22 SBU-TR review points.

(1) The product development life cycle includes different stages such as concept, planning, research and development, validation, launch, and life cycle

management. The Company conducts decision-making inspections and technical reviews at key stages and nodes to effectively control product development quality and risks.

(2) Technical review is used to assess the maturity of each stage of the product and provide input for business decision-making; technical reviewers perform technical reviews on key development processes and key nodes according to the development process.

(3) The business decision mechanism is a key element of the IPD process system, which is of great significance for determining product competitiveness, allocating resources and promoting the product development process. The decision-making review team is headed by the director (Pete) and members in the product, development, marketing, customer service, delivery, risk control and other fields to make decision-making review on project decision, plan decision, prototype decision and release decision.

3.2 Production Quality Control

OnePlus has established a comprehensive and strict quality control system in accordance with the international standard ISO 9001, covering the product life cycle. In addition to product development design and control, it also includes supplier quality management, production quality monitoring, sales service quality and customer satisfaction. At the same time, the Company has also established the detection and control mechanism for key processes and key indicators, including raw material and incoming material inspection, assembly process testing, product inspection, and reliability testing.

The Company's business processes achieve effective integration and uniform implementation of multi-pipe management systems to meet multi-party certification requirements. At present, it has passed the management system certifications such as ISO 9001, ISO14001, OHSAS18001, ISO27001, ISO14064, and CSR management based on RBA standards.

(1) Through a strict supplier certification process, select qualified suppliers to provide production materials, and develop comprehensive incoming material inspection standards to control incoming material quality;

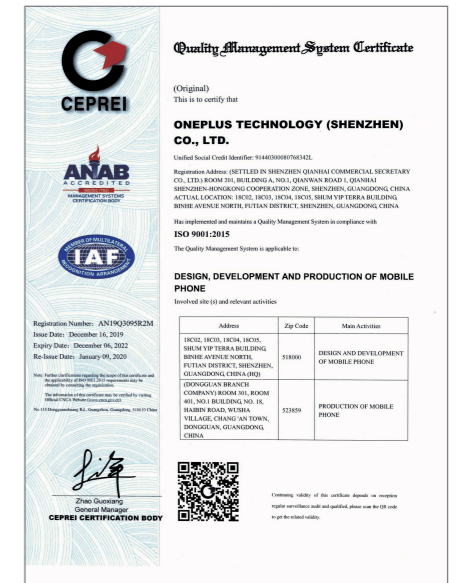
(2) Adopt process control methods to conduct capacity training for relevant personnel in the production process; conduct effective maintenance of production equipment; formulate and implement production operating procedures; measuring and improving key indicators of processes and products;

(3) The Company continues to optimize product quality standards, and conducts tests on products before marketing in accordance with customer experience requirements to prevent the sales of products that the customers are not satisfied with;

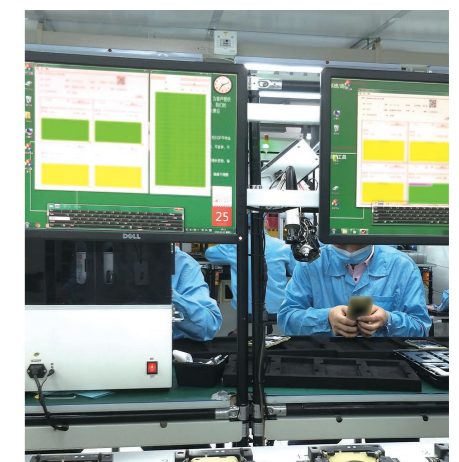


GPS/Wi-Fi test

(4) Promote the timely resolution of customer complaints through after-sales service quality management, and improve service quality and customer satisfaction;



OnePlus Quality Management System Certification



Charging test

(5) Promote the construction of quality knowledge base, accumulate experience, improve the ability to solve problems, and quickly promote the application of customer complaint problem solving measures to the development and design of new products to prevent similar failures from recurring.



3.3 Customer Service and Communication

After-sales service network

In order to provide customers with fast and thoughtful after-sales service, the Company has established service teams covering 30 countries and regions around the world - European and American service team, Indian service team and Chinese service team. The service teams provide users

with 365-day, multiple-language, multiple-channel (including: telephone, instant messaging, email, social media, remote support, etc.) and high-quality real-time services. Globally, after-sales service outlets exist in all regions and countries where OnePlus mobile phones are sold.

Product QE test

The Company's laboratory is equipped with comprehensive testing equipment and professionals. By referring to international standards, national standards, industry standards and customer needs, QE Laboratories has developed testing standards such as mechanical stress testing, environmental

testing, product life testing, and functional testing, can provide testing of product reliability, product quality, and environmental performance, and can carry out all-round and full-cycle quality and environmental inspection and evaluation on mobile phones, materials, accessories, and production process indicators.

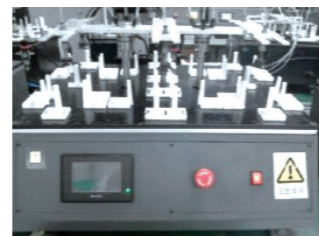
QE laboratory mechanical stress testing equipment



Tumble tester



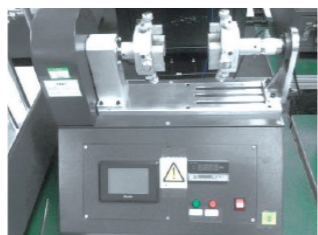
Drop tester



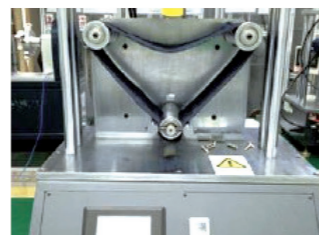
Micro-Drop tester



Drop ball impact tester



Twist tester

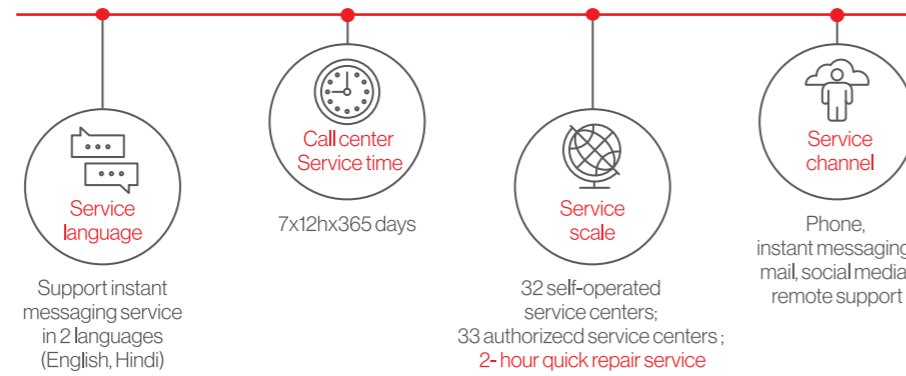


Compression stress

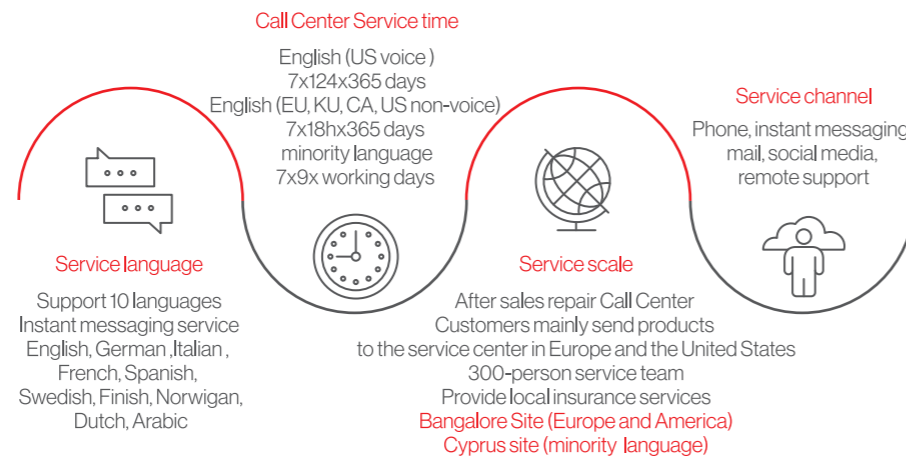
Global Service Outlets



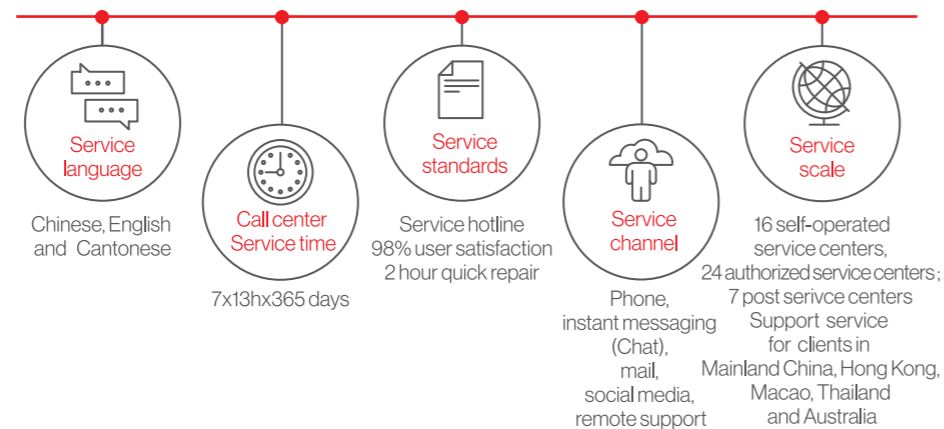
India Service Team



European and American service team



Asia-Pacific service team



Friendly service

With the tenet of "providing friendly services for customers", OnePlus bring happy experiences to the clients through whole-hearted services by various ways including one-stop service and one time quick problem solving etc.

(1) After-sales service is not a simple repair or replacement. When users have difficult problems, they can call the hotline. The hotline service staff will ask enthusiastically, patiently record, and analyze and deal with the problems in time, minimize the process links and speed up the processing.

(2) Professional knowledge is a prerequisite to ensure excellent service. OnePlus can quickly solve problems through the cooperation of customer service staff and professional developers, strive to improve technology and research and development, and jointly make perfect products.

(3) The company has set up a special group to provide one-stop service and solve user problems at one time. The user does not need to make a second call. The expert team uses professional knowledge and skills to make expert judgment and conduct on-site analysis and troubleshooting.

(4) In addition to providing customers with after-sales services for OnePlus products such as mobile phones, ESC also provide customers with free tea, coffee, snacks and film pasting services; users waiting on the spot can also choose to watch movies, videos, games on the waiting area while waiting for the completion of service, or experience the latest generation flagship products of OnePlus in the product experience area of the store.



OnePlus ESC of India (Exclusive Service Center) officially opened in Coimbatore

The first ESC of India (exclusive service center) independently operated and directly managed by OnePlus in India was officially opened in Coimbatore, bringing users 1 hour fast repair service and product experience. At the same time, we have also launched coffee and Xbox game services for customers waiting for services. From the perspective of user demands, we have made our service more quality, intimate and convenient.

Typical case: “Make my family members happy and satisfied”

Mobile phone has become an integral part of our lives. In a day, we spend more time with mobile phone than with our loved ones. It is our indispensable partner in the 21st century, we can't live without it. When your mobile phone fails, your life is disrupted, which is why we need after-sales service personnel.

Dilshad is a OnePlus service personnel in Jaipur. His familiarity with mobile phones is like a doctor's understanding of the structure of human body. Repairing a mobile phone is impossible for most people, but easy for him. One day, he received a call from the hospital. A OnePlus user was unfortunately involved in a serious traffic accident. On the way to Jaipur, her arm and leg were broken, and her mobile phone was also hit in the accident. She had to use someone else's mobile phone to make an emergency call. The broken mobile phone prevented her from contacting and getting help from her family, and she did not remember any phone numbers. Dilshad understood the urgency of this situation. He immediately rushed to the hospital to get the user's mobile phone. The screen was broken, and fortunately, the important parts of the mobile phone can be repaired. Within 45 minutes, he repaired the mobile phone with his skilled repair technology and delivered it to the user without any delay. Finally, the patient notified her family with the repaired mobile phone.

At OnePlus, every user who comes to us with a question should leave with satisfaction. We never settle, and our work is very important to users. Sometimes it's just a SIM card replacement or a mobile phone repair for a user, but after that, changes have happened. That's all about OnePlus. Dilshad said, “What I learned at OnePlus is to treat all users as family members, and my job is to make my family members happy and satisfied”.



Understand customer needs

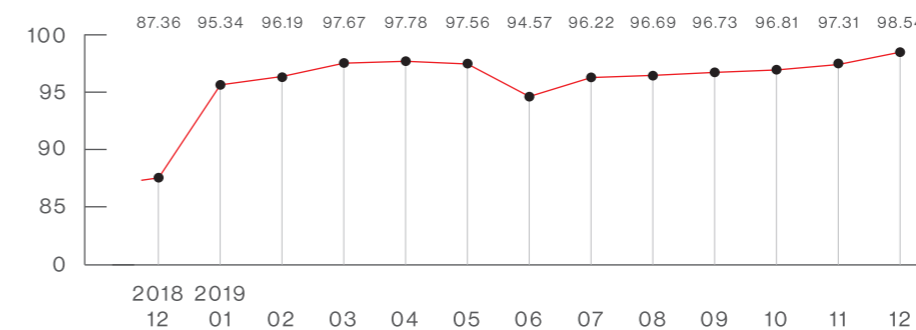
The Company attaches great importance to the opinions and suggestions of each customer. The Company has established and improved the Customer Complaint Handling Process, and carried out specific cause analysis and professional handling for the needs, dissatisfaction and complaints raised by customers, and adopted full communication and explanation with customers to achieve customer satisfaction. With customer complaint as the starting point, the Company has established the customer complaint follow up and review system to improve the products and services.

The Company uses customer interviews and telephone interviews to conduct satisfaction surveys. The survey content focuses on customer experience products, services, brand image and product cost performance. According to the survey results, from December 2018 to December 2019, customer satisfaction continued to improve, customers' satisfaction with the Company's store environment, waiting area, quotation and completion of acceptance/maintenance was higher, and customers' satisfaction with store location, reception and business acceptance was lower. In light of the above, the company took the following improvement measures:



- (1) Increase the intensity and number of store trainings, especially training in personnel service attitude, professional knowledge and personnel image;
- (2) Regularly perform performance appraisal of employees, and if necessary, add the reward and punishment system;
- (3) Standardize service procedures and uniformly implement store service standards, such as unified greetings, service procedures, clothing and badge wearing.

Call Center Satisfaction Statistics in 2019



The earth is our common home, and protecting the environment is our responsibility. The Company is committed to consider reducing its environmental impact during the product development stage; Working with suppliers to promote low-carbon environmental protection and jointly address climate change.



CARE FOR ENVIRONMENTAL PROTECTION

- 4.1 Environmental Management System
- 4.2 Green Product Design
- 4.3 Hazardous Material Control
- 4.4 Tackling Climate Change

4.1 Environmental Management System



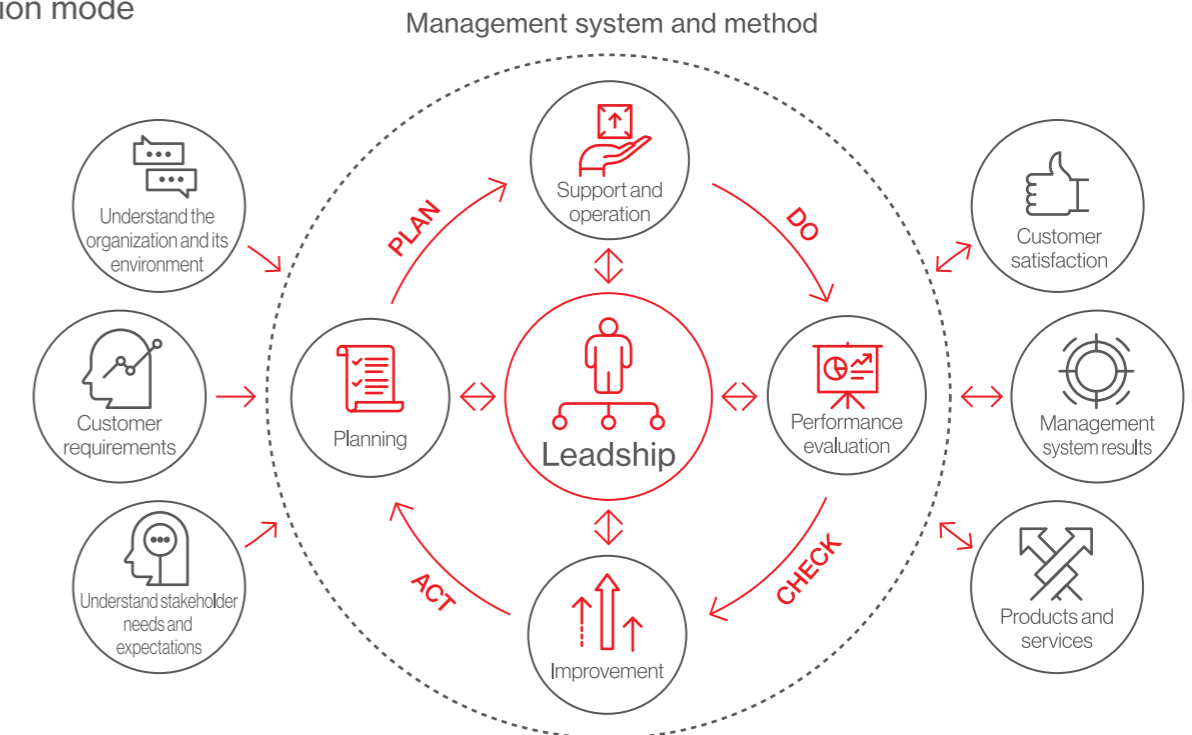
photographer: Him Surreal

Enhance the environmental awareness of employees, comply with the requirements of laws and regulations, continuously improve environmental performance, and create a harmonious living environment.



ISO 14001: 2015 Environmental Management System Certification

Environmental management system operation mode



In order to protect the environment and fulfill environmental protection responsibilities, the Company has set up special environmental protection position and established and implemented an environmental management system in accordance with the ISO 14001 international standard. Through the systematic identification and evaluation of environmental factors, the

Environmental target indicators		2018	2019
Amount of investment in environmental protection and safety	(RMB10,000)	129	239
Wastewater discharge	(ton/year)	2807	8367
Total power consumption	(KWH)	646665	1661341
Greenhouse gas emission	(ton/year)	894.5	868
Sewage treatment compliance rate	(%)	100	100
Total water consumption	(ton/year)	2807	8367

formulation and planning of environmental target indicators, the implementation of effective pollutant operation control measures and the supervision and inspection in accordance with the requirements of environmental protection laws and regulations, IT achieved the control of environmental risks. The Company conducts training and advocacy within the company, improves compliance and sustainable development management capacity building, promotes green product design and green procurement management, reviews and approves major decision-making issues for sustainable development, and proactively improves corporate environmental management performance.

From 2018 to 2019, the Company's investment in safety and environmental protection reached RMB 3.68 million, and the sewage treatment compliance rate was 100%, achieving good environmental performance. The Company has never had any environmental pollution accident, or any economic or non economic punishment for violation of environmental protection laws and regulations.

4.2 Green Product Design

Reduction of environmental impact starts with product design!



photographer: Rogerio Panades

Green product design

As a mobile phone research and development institution, the Company attaches great importance to environmental protection in the product life cycle, and reflects the concept of environmental protection in each process of product design. The Company's research and development team considers

various environmental factors during the product development stage, and through green design, reduces the environmental impact of the product in each stage of resource collection, manufacturing, logistics, use and final waste disposal.

(1) Improve product environmental safety:

In order to reduce the radiation level of the product during use, OnePlus R&D staff have conducted in-depth research on product radiation. Through continuous debugging and polishing, the product's radiation data is controlled to be far lower than domestic and international standards. For example, the radiation exposure to humans specified by EU region is 2.0W/kg (10g), and the measured maximum value of OnePlus product does not exceed 1.4W/kg (10g), which ensures product safety.

(2) Reduce energy consumption during product use:

With the support of Warp flash charging technology, the charging speed is gradually increased, the charging loss is gradually reduced, and the energy saving and environmental protection of the product are continuously improved; through the deep optimization of software algorithms, the power consumption of the product is reduced and the product life is improved. Through continuous technical improvements, the Company has extended the theoretical call duration of the product to 24 hours and the theoretical standby time to one week.

(3) Product green packaging design:

Since the beginning of 2017, the Company has begun to use green packaging at

the design end of packaging to reduce the impact of non-degradable packaging waste such as plastic on the environment. In terms of packaging design, the packaging carton uses environmentally friendly paper certified by the Forest Stewardship Council (FSC). The raw materials of pulp products are renewable waste materials such as bagasse, reeds, bamboo, straw, etc., which replace the traditional wood paper products, not only protecting the original forest, but also achieving renewability and natural degradation. At

present, the Company's mobile phone packaging materials have reached a 99% recycling rate.

(4) Recycling of resources:

In order to facilitate the dismantling and recycling of used mobile phone products and reduce the negative impact on the environment, the Company's product design phase adopts a convenient disassembly design. The disassembly and reuse rate reaches more than 80%, exceeding the 55% recycling rate required by the EU's *Directive on Waste Electrical and Electronic Equipment*.



Green packaging of products



Product recycling and disposal

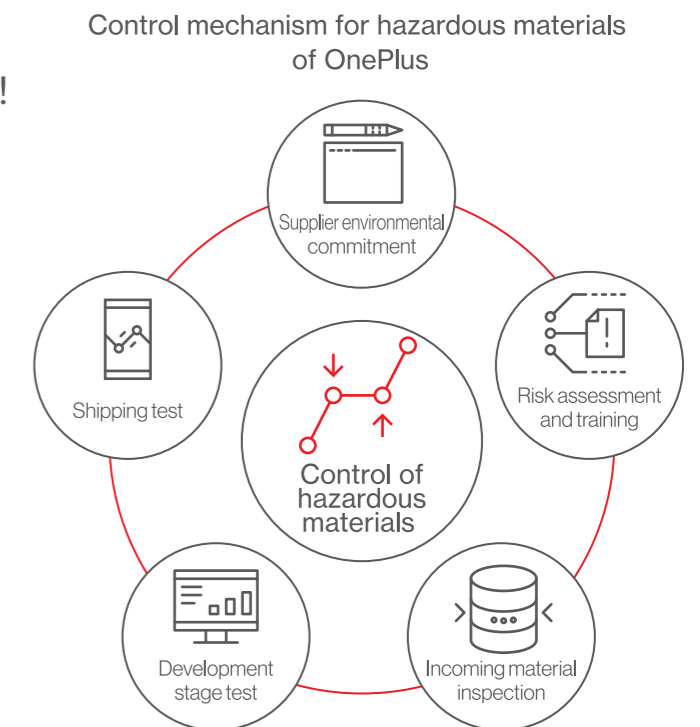
The used old mobile phones may have harmful effects on the environment. The Company takes the initiative to fulfill the extended obligations of the producer. Through the construction of recycling system, the Company has issued the trade-in policy to recycle the old electronic products such as mobile phones.

The Company encourages users to give waste products to the company through various forms such as repurchase/purchase subsidies. Then the Company will carry out unified recycling of waste electronic products to promote the maximum utilization of waste electronic products and promote the circular development of economy. The Company actively carries out online trade-in business in China and overseas; at the same time, in overseas, OnePlus also cooperates with professional third-party recycling companies and entrusts them to regularly recycle and dispose waste products offline.

4.3 Hazardous Material Control

Together with suppliers, OnePlus is striving for a beautiful earth!

Our products use thousands of spare parts. In order to avoid the use of materials harmful to the environment and ensure the safety of products to the environment and customers, the Company has implemented strict control over hazardous materials in products. The Company has established a control mechanism for hazardous materials, which integrates the control requirements of hazardous materials into the life cycle process of product selection, development, production, etc. through the control methods from, Self environmental protection declaration of suppliers to Risk analysis and assessment of raw materials to Incoming material inspection and detection to product verification and finally to - delivery test, which can ensure that all products meet the environmental protection laws, standards and customer requirements, ensure product safety, and reduce product environmental impact.



(1) Supplier environmental commitment:

Before entering the supply chain, the supplier shall sign environmental protection declarations and commitments to ensure that the relevant raw materials used are in compliance with environmental protection requirements and shall provide relevant raw material information.

(2) Risk assessment and training:

The Company identifies and judges the risk of harmful factors through its internal control system for hazardous materials, and focuses on monitoring high-risk materials. In addition, the Company also organizes the publicity and training of hazardous substance knowledge to relevant suppliers, and guides them to understand and monitor the control requirements of hazardous materials.

(3) Incoming material inspection:

All incoming materials are inspected by professional engineers to ensure that the raw materials meet the requirements. For

problematic materials, suppliers are required to make timely improvements.

(4) Development stage testing:

During the product development stage, the Company sends the product to a third-party testing laboratory for hazardous substance testing to ensure that the product complies with relevant domestic and foreign laws and regulations, including the *Directive on the Restriction of the Use of Certain Hazardous Substances in Electronic And Electrical Equipment and the Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals*.

(5) Shipping test:

Before the products are shipped, the Company randomly selects production samples and sends them to a third-party laboratory for verification test to ensure the consistency and compliance of the shipped products. Non-compliant products are never allowed to flow to the market.

4.4 Tackling Climate Change



With the development of global economy, the consumption and demand of human beings for energy are increasing rapidly. Energy consumption leads to a large number of greenhouse gas emissions, and the greenhouse effect brings global climate impact.

In order to cope with climate change and actively respond to CDP carbon disclosure actions, the Company, in accordance with the *ISO14064 Specifications and Guidelines for Quantification and Reporting of the Organization's Greenhouse Gas Emissions and Removals*, has adopted the computational methodology and tools in *GHG Protocol Corporate Greenhouse Gas Accounting and Reporting Standards* and *UKDEFRA Environmental Reporting Guide* to promote and implement the inspection and verification of greenhouse gases. The Company first determined the organizational boundary and conducted an inspection of greenhouse gas emission sources within the boundary; then collected relevant activity data and selected applicable emission factors around different emission sources; used calculation tools to calculate greenhouse gas emissions; and completed the annual greenhouse gas inspection report of the Company. According to the third-party's verification and inspection, the Company's greenhouse gas emission in 2019 was 868 tons of CO₂-e.

In order to further reduce greenhouse gas emissions, the Company has formulated the following measures to save electricity, water and paper based on the actual work of the office:

- (1) If the computer is idle or not used within two hours, it shall be shut down in time to ensure that "when people leave the office, the power of computer shall be cut off".
- (2) The computer needs to be maintained and cleaned frequently. Pay attention to prevent dust and moisture to reduce power consumption.
- (3) Turn off the water dispenser, computer, printer and other electrical equipment 20 minutes before the end of work, unplug and disconnect the power supply.
- (4) The use of air conditioners shall strictly follow the 26 °C standard. The air conditioning must be turned off after leaving for more than half an hour to reduce energy consumption.
- (5) Replace the high energy consumption lamps in the office area with energy-saving lamps.
- (6) Copy paper and print paper shall be used on both sides to save paper consumption as much as possible.
- (7) Replace the "dropping, bubbling, dripping and leaking" faucets in time to reduce the waste of water resources.



At present, the Company's technical team is conducting a product life cycle analysis to investigate and study the energy consumption and carbon emission data of different stages of the product. In the future, the Company will formulate and implement low-carbon management plans and actions around the results of statistical analysis of carbon emissions data, actively promote suppliers to implement energy-saving and emission-reduction measures and achieve the goal of gradually reducing the carbon footprint of products, making OnePlus a designer and producer of low-carbon environmentally friendly mobile phones.



PEOPLE ORIENTED

- 5.1 Our Staff
- 5.2 Salary and Benefits
- 5.3 Training and Development
- 5.4 Health and Safety
- 5.5 Recreational and Sports Activities

5.1 Our Staff



The Company is committed to providing an equal, fair and diversified working environment. Everyone is treated fairly at work, regardless of factors such as race, age, gender, religion, belief, etc., and employees are given fair employment opportunities based on their ability. With the continuous expansion of the

Company's business scale, as of the end of 2019, the Company's total number of employees has reached 1,587. The excellent workforce has better supported the Company's sustainable development. The Company complies with national laws and regulations and international

codes of conduct, establishes and improves human resources management systems, guarantees employees' legitimate rights and interests, protects employees' health and safety; the Company is also against forced labor, use of child labor and occupational discrimination.



HR management indicators		2019
Total number of employees	(person)	1587
Ratio of male and female employees	(male : female)	4 : 1
Proportion of middle-level and above female managers	(%)	18
Number of minority employees		31
Proportion of foreign employees	(%)	15
Age ratio of employees (under 30 years old / 30-50 years old)		47 : 53
Proportion of employee's education background (undergraduate and above/ below)		94 : 6

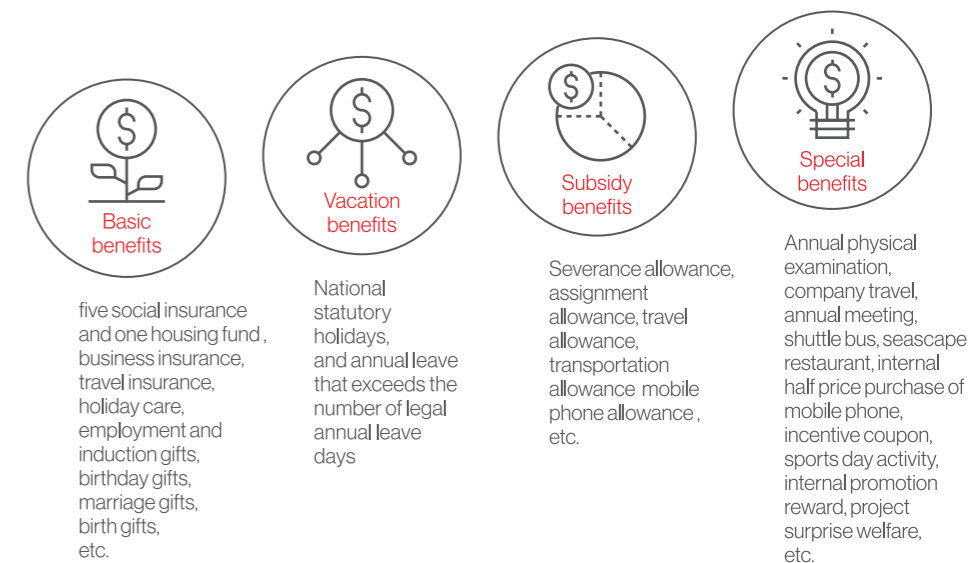
5.2 Salary and Benefits

On the basis of compliance, the Company provides a competitive salary and welfare system to attract, retain and motivate employees, as well as challenges and sense of achievement of the work content itself, a good working environment and flexible working hours. The salary management of the Company takes internal fairness and external competitiveness into consideration, and pays according to personal ability, position and performance, while referring to market levels. The Company encourages employees to focus on long-term development and grow with the company.

The Company signs labor contracts with employees and normalizes the management of labor relations in accordance with the requirements of laws and regulations to protect the legitimate rights and interests of employees. In order to understand the needs and expectations of employees in time, the Company communicates with employees through various communication channels and ways, understands the confusion and needs of employees in time, and improves employee satisfaction and cohesion of the Company.

In accordance with relevant regulations and corporate culture, the Company provides employees with company-specific benefits, continuously improves employees' welfare experience, and comprehensively improves employee satisfaction. Employee benefits include: basic benefits, vacation benefits, subsidy benefits, special benefits, etc. The basic benefit coverage rate is 100%. The details are shown in the following figure:

Various benefits for company employees



HR index data		2018	2019
Ratio of average wage of Shenzhen employees to local minimum basic wage		8:1	9:1
Employee turnover rate	(%)	15	11
Employee satisfaction		/	65
Salary ratio of men and women in the same position	(%)	1:1	1:1
Labor contract signing rate	(%)	100	100
Annual social insurance coverage	(%)	100	100



5.3 Training and Development

Talent development plan

The Company is committed to building a learning organization, focusing on the ability improvement and career development of employees. Massive actions have been taken by the Company with a lot of money and energy every year to provide various knowledge training for employees, creates conditions for the improvement of employees' personal ability, and makes employees' ability gradually meet the needs of business development, so as to realize the common growth and development of the Company and employees. According to statistics, in 2018-2019, the Company invested RMB 6.73 million in training, with more than 150,000 class hours and 200 kinds of training courses.

The Company has formulated a talent development plan guided by strategy. According to the characteristics of fresh graduates, grass-roots employees, first-line managers and middle and top management, it has planned the corresponding training and development plan. The Company attaches great importance to the training of fresh graduates. Through outdoor challenges,

Performance indicators		2018	2019
Employee training input	(RMB 10,000/year)	242	451
Total annual training hours of employees	(hours / year)	69092	85824
Categories of training courses	(per / year)	150 (6 major categories)	200 (7 major categories)
Average training hours of employees	(class hours/person/year)	12.65	12.9

“Talent development plan” for employees at different levels



comprehensive course training, corporate culture perception, production line practice, customer service experience and other various ways, as well as rich training and experience, Spark Camp Program allows new employees to perceive OnePlus's unique corporate culture and integrate into the OnePlus family as soon as possible. The project

management training camp for grass-roots employees improves the project management ability and execution ability of grass-roots employees through the training of project management, professional knowledge and skills, general knowledge and skills, and trains reserve forces for grass-roots managers.



Talent development plan” for employees at different levels



Middle and top management participated in the “Battle Horn Program”



Fresh graduates participated in the Spark Camp

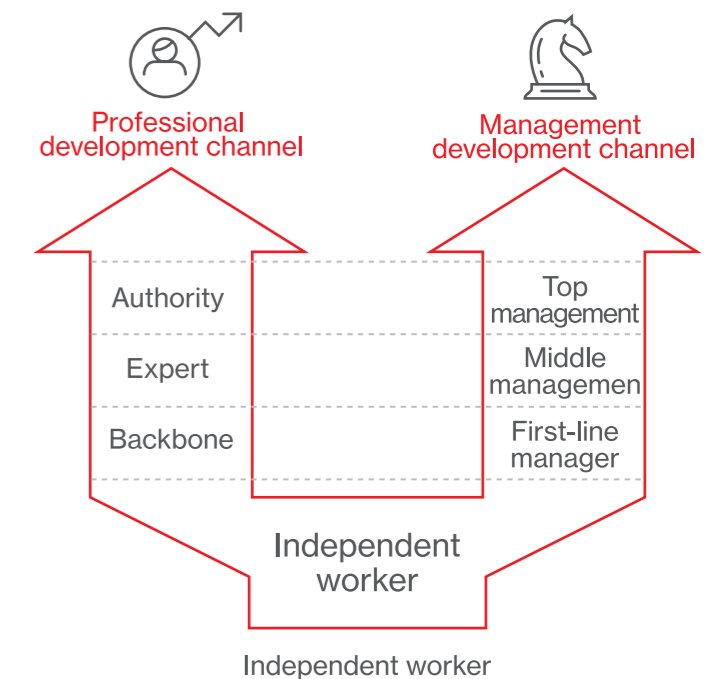


Employees participated in the project training camp program

Career development channel

The development of employees is closely related to the growth of the Company. The Company pays attention to the professional development of employees, gives full play to their strengths and advantages, uses its professional development channels to help employees grow, and develops self-improvement and broad workplace development space for employees. In order to meet different career pursuits, the Company has established a dual-track career development channel, which provides a wide range of career advancement for professionals in the professional field, without having to be constrained by the traditional development model from professional to management; at the same time, it has truly cultivated and selected a group of talents suitable for management to enter the management channel, allowing different types of employees to achieve good career development.

OnePlus career development system



5.4 Health and Safety

Comply with the requirements of laws and regulations, continuously improve the working conditions, adhere to safety first and prevention first, and ensure the occupational health and safety of everyone in the company.

In order to protect the occupational health and safety of employees, the Company increased its investment in safety resources. According to statistics, from 2018 to 2019, a total of RMB 3.68 million were invested in safety and environmental protection. In addition, the Company established the occupational health and safety management system in November 2018 in accordance with the requirements of the OHSAS 18001 international standard and following the PDCA operating model, and controlled occupational health and safety risks through a systematic safety management mechanism. The specific implementation steps and actions are as follows:

- (1) The Company organizes all departments to use a systematic method to identify and evaluate important sources of hazards in each department, process and place.
- (2) Focusing on important hazards, the Company formulated OHS target indicators, planned the operation control procedures for important hazards, and promulgated the *OnePlus Integrated Management Manual* and 22 operating procedure files as norms and standards for all employees to control occupational health and safety risks.

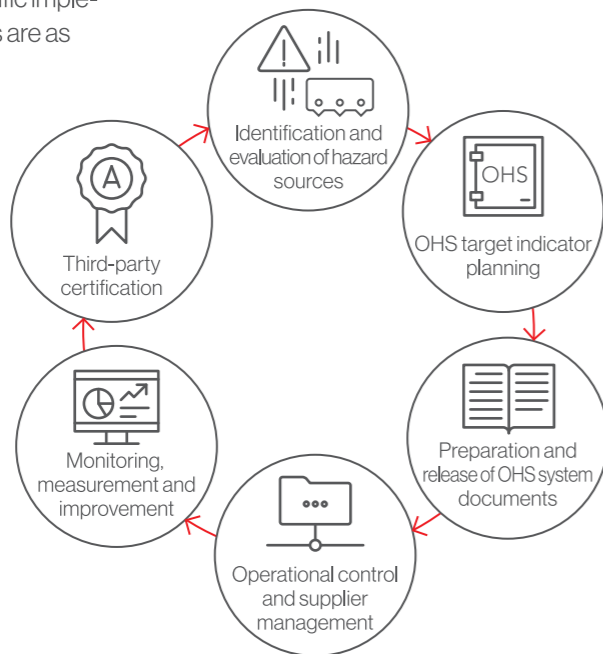
- (3) Through safety training, employees' safety awareness and EHS knowledge level have been improved. In 2019, the heads of the Company's supply chain delivery center have obtained safety qualification certificates for safety production managers and EHS commissioners.
- (4) During operation, it focuses on key links such as occupational safety, fire safety, and supplier safety management.

- (5) In order to control the security risks of suppliers and contractors, the Company strengthens the supplier EHS management through the EHS security agreement. By the end of 2019, 100% of the Company's material suppliers had signed the EHS agreement commitment.

- (6) Through routine monitoring and measurement, internal audit and management review, problems in the operation process of the OHS system are discovered and rectified in time, and continuously improved.

The company passed the third-party audit in July 2019 and obtained OHSAS 18001 certification. No security incidents occupational injury accidents occurred in the Company in 2019, and made good safety performance.

OHSAS establishment and promotion steps



The Company launched fire fighting knowledge training



Employees participated in first aid training

2019 Safety performance data Statistics

Safety Indicators		2018	2019
Medical examination coverage rate of employees	(%)	100	100
Deaths due to work	(person/year)	0	0
Occupational disease occurrences	(disease / year)	0	0
Total investment in safety and environmental protection	(RMB 10,000)	129	239



OHSAS 18001 OHSAS Management System Certificate

5.5 Employees Care

Talk with Pete

In order to understand the needs and expectations of employees in a timely manner, the Company communicates with employees through various communication channels and methods, timely understands employees' confusion and needs, and improves employee satisfaction and company cohesion. For example: The company regularly holds "Talk with Pete". Through face-to-face communication and interviews, CEO Pete Lau answers employees' questions to make employees understand the Company's core values and strategic development directions in a timely manner. At the same time, management personally understands the employees' voices and needs.



Employee Family Day

The Company regularly carries out the "Employee Family Day" activity, on which OnePlus staff can temporarily unload their work fatigue and enjoy a relaxed and happy time with their families. Through game interaction, family members can understand the working environment and atmosphere of OnePlus staff, the colleagues of their family members, and the Company's corporate culture and future development. Employee Family Day encourages implicit employees to express their feelings to their families bravely through program design such as "Entering the Office", "Crown Court Dance" and "Just Go".



At the 5th anniversary celebration party, employees performed a wonderful show

5th Anniversary Event

After five years of entrepreneurship, five years of struggle, five years of hard work, OnePlus has grown into a high-tech company with a global flagship mobile phone core brand with excellent products. At the Company's 5th anniversary, a series of commemorative activities and celebrations were held, including "OnePlus Museum", "OnePlus Messenger", "OnePlus Service 5 Years Staff Award", "OnePlus Culture Story" and "5th Anniversary Celebration Party".



At the Company's 5th anniversary celebration, employees from different countries and regions gathered together



SUPPLIER MANAGEMENT

- 6.1 Supplier Code of Conduct
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6.1 Supplier Code of Conduct



photographer: SSSNDSJS

With the rapid development of the global economy, the sustainable development of enterprises is increasingly being affected by their supply chains. In order to assume social responsibility on the basis of complying with laws and regulations and fulfilling the highest ethical standards, to achieve the sustainable development concept of becoming to be a healthy company that endures, the Company strengthens supplier compliance management and social responsibility promotion, builds a responsible supply

chain, maintains integrity and honesty, and creates a fair, just and open operating environment.

OnePlus implements supplier selection, surveys and evaluations through a rigorous supplier admission process. The Company issued the *Supplier Code of Conduct*, which includes principles and requirements in the areas of integrity management, anti-corruption, environmental protection and safety, employee rights, child labor and minors protection,

conflict minerals, information security and privacy protection, and intellectual property rights. OnePlus requires partners, collaborators and service providers at all levels in the supply chain to comply with the requirements of the code of conduct, and encourages suppliers to engage in production and operation activities that exceed the requirements of laws, regulations and ethics standards, so as to benefit employees, give back to the community, and fulfill corporate social responsibility.

Supplier Certification Process



6.2 EHS Management

The Company entrusts its suppliers and factories to manufacture the products designed and developed by it. According to the requirements of ISO14001 & OHSAS 18001 international standard, the Company has established and implemented the *Supplier Performance Results Application Process*. By means of supplier commitment and EHS agreement, the Company has urged the production suppliers

to comply with the requirements of national laws and regulations in the production process, established and operated environmental protection and safety management facilities, guaranteed the discharge of pollutants up to standard, and prevented the occurrence of safety accidents. At present, 100% of the Company's material suppliers have signed EHS agreements.

Example: Manufacturer's EHS management performance

The Company entrusts its manufacturers to assemble and produce mobile phone products. Mobile phone foundries produce domestic sewage, production waste gas, kitchen soot, production noise, and solid waste during the production process. The manufacturer has established and implemented an environmental management system in

accordance with the requirements of the ISO 14001 international standard, invested resources to control pollution sources, and passed a third-party certification. At the same time, the manufacturer has established and implemented an occupational health and safety management system in accordance with the ISO45001 standard,

carried out standardization of production safety, conducted regular safety monitoring of key links such as production safety and fire protection, and provided employees with workplaces and working conditions that met occupational health requirements. The table below shows the manufacturer's environmental safety performance data in 2019.

Manufacturer's EHS performance results in 2019

EHS index		Implementation situation in 2019
Investment in environmental protection	(RMB 10,000)	70
Effluent discharge	(Ton/year)	840000
Greenhouse gas emission	(Ton/year)	3460
Production exhaust emission	(m³/year)	76050
Safe disposal of hazardous waste	(Ton/year)	9.5
Standard emission rate of exhaust gas	(%)	100
Testing compliance rate of effluent, waste gas and factory boundary noise	(%)	100
Number of serious injuries, deaths, explosions, fires and other major accidents		0
Number of minor injuries throughout the year	(Times)	2
Rectification of safety hazards	(%)	95
Security investment guarantee rate	(%)	100
Accident of diagnosed occupational disease		0
Compliance rate of workplace harmful factors	(%)	100
Employee safety education and training rate	(%)	90
"Three-level" safety education and training for new employees	(%)	100

Example: Energy management and greenhouse gas inspection of mobile phone manufacturers

In order to fulfill the manufacture's responsibilities and obligations, and reduce energy consumption and greenhouse gas emissions during production, the Company established an energy management system (EnMS) in accordance with GB/T 23331 -2012 & ISO 50001: 2011 standards for energy consumption status review, summarized and analyzed energy use data in 2018, and developed priority energy saving implementation plans and programs. The Company eliminated high-energy-consumption air-conditioning

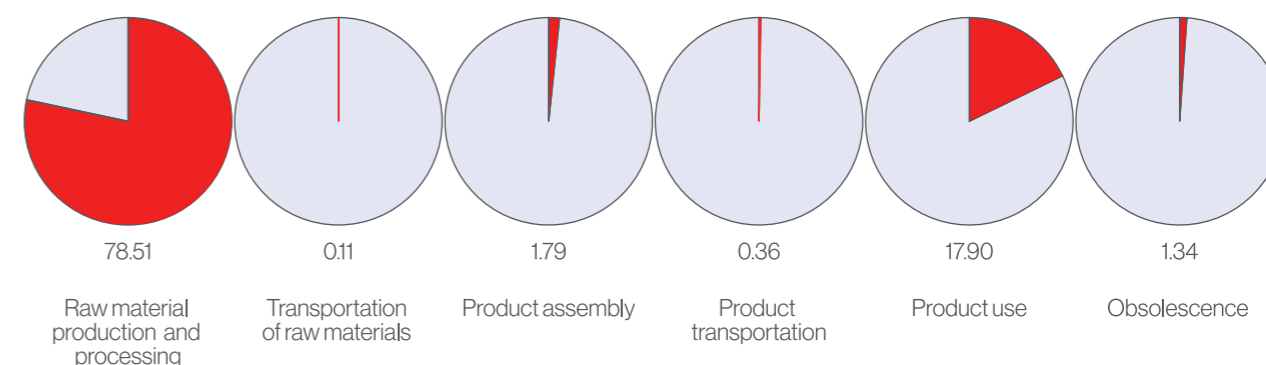
mainframes and replaced them with energy-saving magnetic levitation mainframes, which saved more than 40% of energy consumption during the year and saved 1 million kilowatt hours of power consumption. In 2019, the Company introduced the ISO14064 greenhouse gas quantification and verification management system, conducted an inspection of energy consumption and greenhouse gas emissions data for 2018, and calculated that the Company's greenhouse gas emissions in 2018 were 3605.0 TCO₂-e.

The Company analyzes the product life cycle according to the requirements of ISO 14040-ISO 14044, and calculates the carbon emissions during the product life cycle. According to the product carbon footprint investigation and data analysis results, the contribution of greenhouse gas emissions in the production of raw materials and the use of products accounts for a high proportion. The Company will focus on energy consumption management and green product design of raw material suppliers in the future.

Energy consumption and greenhouse gas emission data of the Company in 2018

Energy index	2018
Power consumption	4973.4MWH
Natural gas consumption	80740 NM3
Diesel consumption	45735 KG
Energy consumption per unit of product	1.25kwh/product
Greenhouse gas emission	3605.06 TCO ₂ -e

Data analysis of greenhouse gas emissions in different processes in the product life cycle (%)



6.3 Conflict Mineral Management

Conflict minerals refer to stannum (SN), wolfram (W), tantalum (TA), aurum (AU) and other rare metals in Congo and its surrounding countries and regions, the mining of which has caused serious human rights and environmental protection problems. Most of the mining activities in these areas are related to the armed groups in conflict (funding), resulting in long-term instability in these areas, so the four kinds of metals produced in these areas are called "conflict minerals", which are widely used in information and communication technology products.

In July 2010, the U.S. government issued the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Article 1502 of the Act requires all publicly listed companies in the United States to disclose and report on the conflict minerals (stannum, tantalum, wolfram, aurum) used in their products to the US Securities and Exchange Commission (SEC).

The Company has formulated the Supplier Code of Conduct and the conflict minerals management system, requiring its suppliers to take responsibility for conflict minerals management. In 2020, the Company plans to improve the manage-

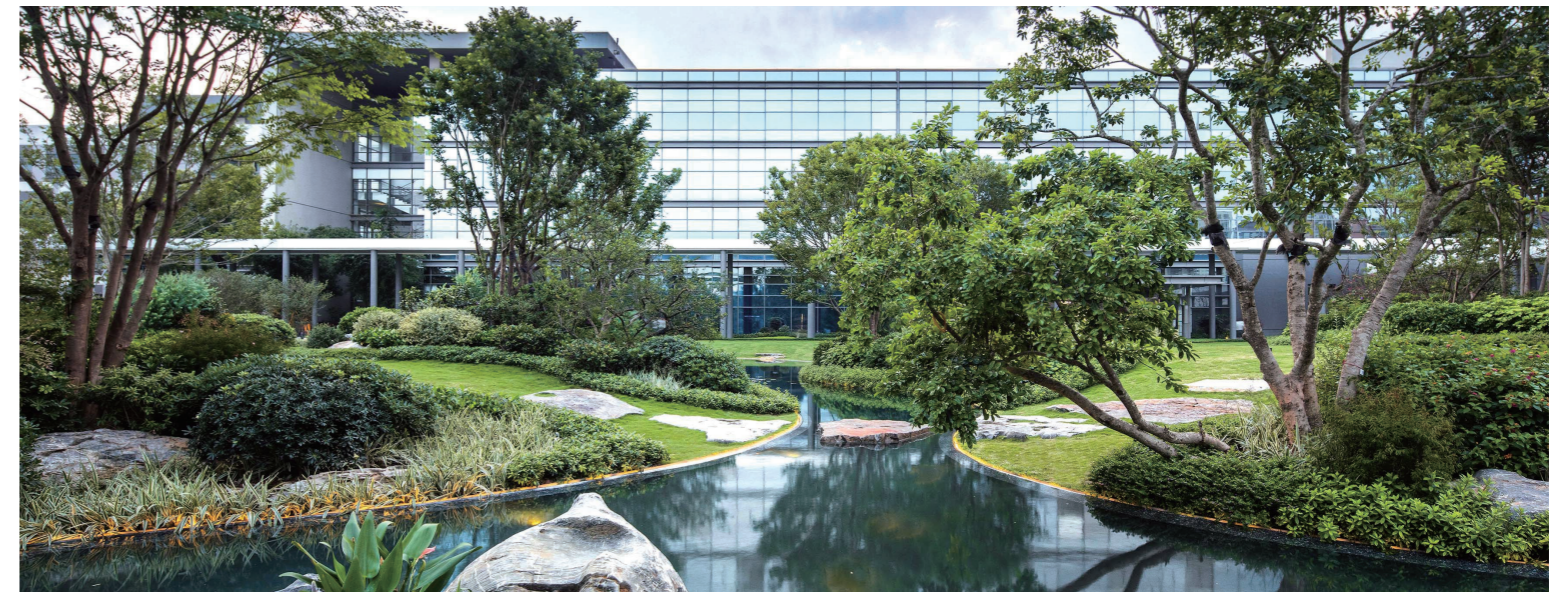
ment of supplier conflict minerals, include conflict minerals in the supplier's access link, and conduct planned due diligence and risk assessment of conflict minerals. Based on the existing EHS management and control, the Company will monitor the conflict minerals compliance of suppliers. OnePlus promises not to use conflict minerals, upholds its commitment to build a responsible and sustainable procurement supply chain, actively responds to the Responsible Minerals Initiative (RMI), assumes procurement responsibilities, and strives to improve due diligence management practices for conflict minerals in the supply chain. The Company resolutely refrains from participating in and supporting anti-human rights mining activities in conflict-affected and high-risk areas (CAHRA) to ensure that its business associated with conflict minerals complies with the Responsible Minerals Initiative (RMI) principles, and ensures that no material ingredients that directly or indirectly finance or benefit anti-human armed organizations in the Democratic Republic of the Congo and its neighboring countries are used in the product manufacturing process or contained in the products and packages.

In order to fulfill its commitment not to use conflict minerals, the Company has adopted the following control measures:

- (1) The Company has formulated the *Supplier Code of Conduct* and the *Conflict Minerals Management System*, included conflict minerals in the supplier's access link, required suppliers to sign a commitment not to use conflict minerals, and taken measures to undertake the management of conflict minerals responsibility;
- (2) The suppliers fill in the Conflict Minerals Investigation Form in

accordance with the requirements of the management system, and the Company uses irregular random checks and audits to ensure that suppliers fulfill their commitments on conflict minerals;

- (3) In the future, the Company will continuously improve the management of supplier conflict minerals, conduct due diligence and risk assessment of conflict minerals in a planned and systematic manner, and adopt appropriate methods to monitor the conflict minerals compliance of suppliers.



photographer: 135088XX660

Example: Conflict minerals management of mobile phone manufacturers

The manufacturer of OnePlus mobile phone is an RMI member. In terms of conflict mineral management, the manufacturer requires all suppliers to assume responsibility for conflict mineral management and cooperate to complete the annual conflict minerals survey. At present, all of its subordinate raw material suppliers cooperate with the manufacturer to conduct conflict

mineral investigations, and most of the subordinate suppliers have signed the *Commitment Not to Use Conflict Minerals*.

As of the end of 2019, more than 90% of suppliers of OnePlus mobile phone manufacturer have completed their commitment not to use conflict minerals. This number will gradually increase to

100% in the future. The manufacturer will complete the supplier's conflict mineral risk assessment based on the survey information and RMI resources, complete the supplier's performance assessment and life cycle maintenance based on the conflict mineral compliance status.



6.4 Labor Practice Management

The Company requires its suppliers to strictly abide by national laws and regulations and national codes of conduct in terms of labor practice management, prohibit the use of child labor and forced labor, and take measures to protect the rights and interests of employees. In the future, the Com-

pany will promote all suppliers to sign the Supplier Code of Conduct as a red line and commitment to fulfill social responsibility in the supply chain. The Company will monitor the labor practices of suppliers through inspection, audit and review.

Example: Manufacturer labor practice management performance

The manufacturer strictly abided by the requirements of international conventions, laws and regulations, issued a *Zero Tolerance Declaration*, which clearly states that in terms of labor practice management, "no child labor, free choice of employment, no discrimination, no abuse, no deduction of wages, safety in production, and no danger to life and health", and used the zero tolerance declaration as a red line for external commitment and internal management. The manufacturer has established and implemented proce-

dures such as the *Management Procedures on Prohibition of Forced Labor*, the *Management Procedures on Prohibition of Child Labor and Misuse of Child Labor*, and the *Management Procedures on Prohibition of Discrimination*. There were no incidents of child labor, forced labor or discrimination in the Company during 2018-2019.

The manufacturer provides employees with a competitive compensation system pays attention to the fairness of employee compensation returns,

provides employees with comprehensive employee benefits and guarantee systems, and pays attention to employee welfare and experience. In addition to five social insurances and one housing fund in compliance with legal standards, it also provides employees with an annual health examination plan, purchases additional commercial insurance for employees, and provides additional protection for employees' serious diseases, accidents and daily medical treatment.



Manufacturer's production line staff training

Manufacturer's labor practice indicators	Performance data for 2019	
Proportion of average wage of operating staff to local minimum basic wage		3.23 : 1
Child labor, forced labor and discrimination		0
Salary ratio of men and women in the same position		1 : 1
Labor contract signing rate	(%)	100
Compliance rate of labor time management	(%)	100
Annual social insurance coverage	(%)	100
Punctuality rate of payroll payment	(%)	100
Employee training coverage	(%)	100
Employee complaint handling completion rate	(%)	100

Reader Feedback

Dear readers, Greetings!

Thank you very much for reading the 2019 Sustainability Report Report of OnePlus Technology (Shenzhen) Co., Ltd.. If you have any thoughts or suggestions about this report, please fill out the feedback form below and send it to us by mail, fax or email. We thank you very much for your valuable comments!

Name: _____ Tel: _____ Email: _____

1. Which chapter do you think provide you with important information?

- Company Overview
 Corporate Governance
 Strive for Perfect Product
 Care for the Environmental Protection
 People Oriented
 Supplier Management

2. How do you evaluate this report?

- | | | | |
|--------------------|-------------------------------|-------------------------------|-------------------------------|
| Readability | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| Integrity | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| Cogency | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| Typesetting design | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |
| Overall impression | <input type="checkbox"/> Good | <input type="checkbox"/> Fair | <input type="checkbox"/> Poor |

3. What are your suggestions for our next annual report?

4. Please contact us:

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