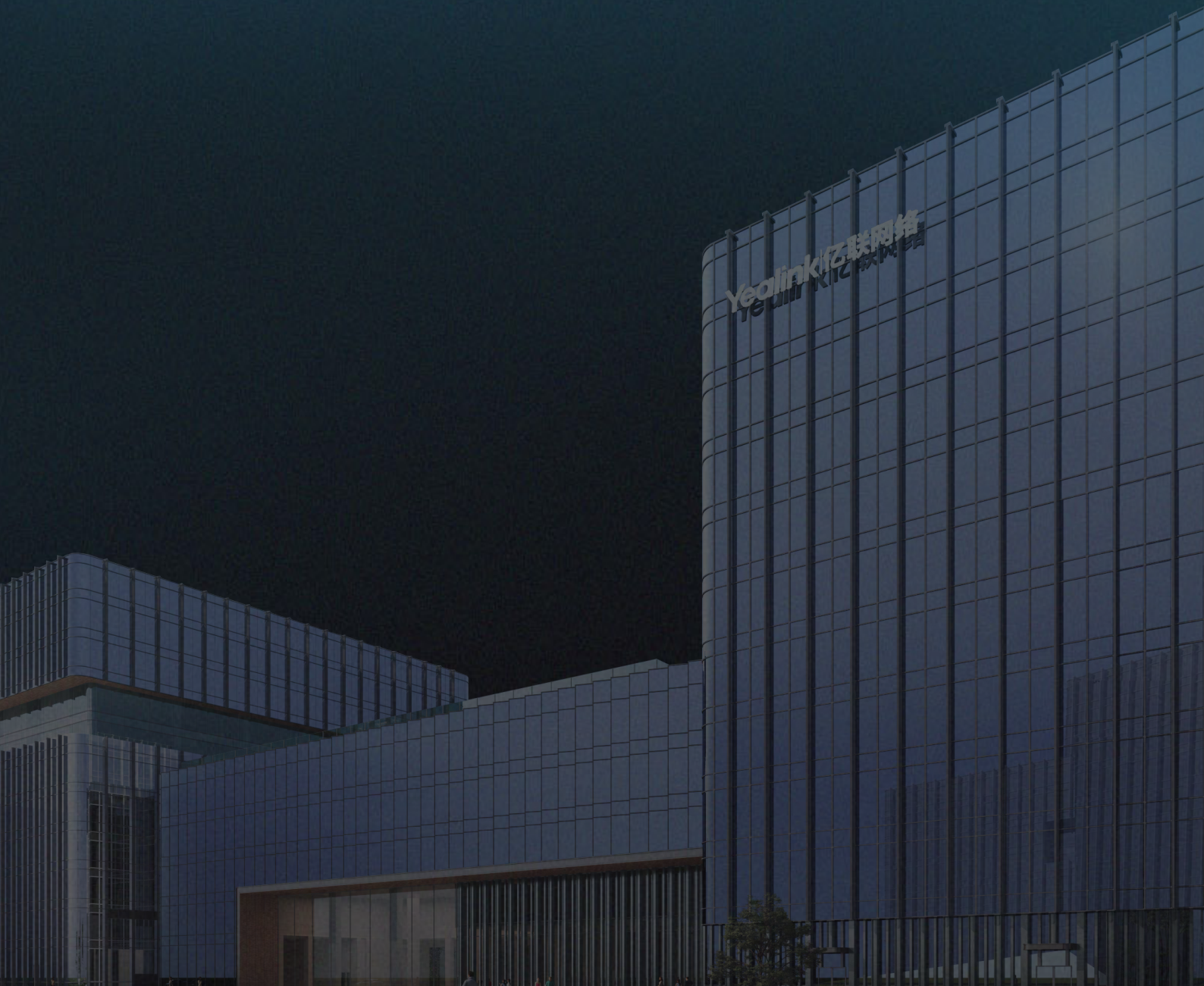# YEALINK 2021
SOCIAL RESPONSIBILITY REPORT

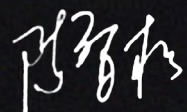Yealink (Stock Code: 300628)

TO SHAREHOLDERS

Founded in 2001, Yealink is a leading global provider of communication and collaboration solutions, offering unified communication solutions to enterprise users around the world. Having specialized in enterprise communications for 20 years, we always insist on a business philosophy of "segmentation focus, continuous investment, global leadership," with the commitment "to make communication simpler and more efficient." Also, as a world-leading listed enterprise communications company, we actively undertake our social responsibilities and due social obligations, leveraging technology to create value and benefit humanity. Through our emphasis on contributing to areas such as industry empowerment, social welfare and environmental protection as well as protecting the rights and interests of stakeholders, including shareholders, suppliers, customers and employees, we are committed to driving our company's sustainable development and operations, and building a responsible corporate image.

TACKLING DIFFICULTIES, ENSURING STEADY DEVELOPMENT

In 2021, we were challenged by some adverse external factors, including a tight supply of raw materials and exchange rate fluctuations. In response to the global problem of a tight supply of raw materials, we chose to work more actively to find and screen more raw material suppliers. In addition, in order to adapt to the different raw materials, our R&D team put a lot of effort into alternative product plans, which greatly tested our overall R&D capabilities and ability to coordinate and collaborate among various departments. Ultimately, all our employees solved these problems with concerted efforts and full dedication throughout this difficult journey. Despite the complex macroeconomic environment, we grew our revenue by 33.76% and our net profit by 26.38%. We continued to improve our market competitiveness and maintained a high profitability.

INHERITING TWO DECADES OF LEGACY TO START A NEW JOURNEY

Looking back upon the adversity of the past two decades, we have matured, growing from obscurity into a global leader. In the future, we will continue to focus on our underlying audio and video technical capabilities and work hard in directions such as corporate offices, intelligent meeting rooms, communications and collaboration; improve the user experience and enhance our industry influence through continuous technology and product innovations; and build our ability to sell large projects and "platform + intelligent hardware terminal" solutions. Such efforts will strengthen our long-term competitiveness to better benefit employees, customers, shareholders and the community.

Chairman of Yealink
April 22, 2022

ABOUT THIS REPORT

1. REPORT DESCRIPTION

This is the Social Responsibility Report of Yealink (Xiamen) Network Technology Co., Ltd. (hereinafter referred to as the "Company"). The report intends to provide a focused discussion on the Company's social responsibility concepts and practices, and truthfully reflect the Company's initiatives and performance in areas of social responsibility, such as **technological empowerment, social welfare, win-win collaboration and environmental protection**, during the year of 2021.

2. TIME FRAME

The time frame of this report is mainly the year 2021 (i.e. from January 1 to December 31, 2021). Some information and data are traced backwards or extended forwards as appropriate.

3. COMPILATION BASIS

This report is compiled primarily in accordance with the "Social Responsibility Report Disclosure Requirements for Companies Listed on the Shenzhen Stock Exchange" and "Social Responsibility Report Disclosure Requirements for Companies Listed on the Shenzhen Stock Exchange ChiNext Market," and by referring to the "GRI Standards" for sustainability reporting published by the Global Reporting Initiative (GRI).

4. DATA DESCRIPTION

The data in this report mainly comes from the Company's 2021 annual report. Some data may be traced backwards. Other data and information mainly come from the Company's related internal statistical reports or documents. The monetary amounts in this report are in RMB.

5. FORM OF RELEASE

This report was considered and approved by the Company's board of directors on April 22, 2022, and is published, in the form of an electronic document, on cninfo (http://www.cninfo.com.cn)—the information disclosure website for the Growth Enterprise Market board as designated by the China Securities Regulatory Commission (CSRC).

OPERATIONAL AND FINANCIAL PERFORMANCE

Revenue
3.684B RMB
33.76% YoY growth

Net profit
1.616B RMB
26.38% YoY growth

Cash dividends
722M RMB
44.67% dividend rate

R&D AND PRODUCT PERFORMANCE

R&D investment
365M RMB
23.37% YoY growth

R&D personnel
870
25.18% YoY growth
50.17% share of total workforce

Number of patents
612 patents as of end-2021
YoY increase of 96 patents

EMPLOYEE AND SOCIAL RESPONSIBILITY PERFORMANCE

Number of employees
1,734
24.48% YoY growth

Employee training
1,000+ people covered
1,000+ total training hours

Social welfare
Donations of approximately 2.2M RMB
worth of the Company's products,
epidemic prevention supplies and cash

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CHAPTER I
ABOUT YEALINK

1. COMPANY PROFILE

Yealink (Xiamen) Network Technology Co., Ltd. (hereinafter referred to as the "Company") is a leading global provider of communication and collaboration solutions. Since the Company was founded in 2001, we have always been focused on enterprise communications, offering unified communication solutions to enterprise users around the world. Our existing services range from desktop communication terminals and intelligent meeting rooms to cloud office terminals. We provide intelligent hardware terminals that correspond to different segmentation scenarios to satisfy enterprise users' communication requirements for personal desktop offices, meeting room offices, and personal remote mobile offices, and a top-quality user experience with our system platforms, forming enterprise communication solutions with matching intelligent hardware terminals and system platforms in different office scenarios. We offer a highly efficient, intelligent office collaboration experience to enterprise users.

2. CORPORATE CULTURE

· CORPORATE CULTURE SYSTEM

In 2021, the 20th anniversary of the Company, we released the all-new "Yealink Corporate Culture Handbook," having established a corporate culture system that is based on our mission "to make communication simpler and more efficient"; our vision "to become a leading global provider of communication and collaboration solutions"; and our core values of "pursuing truth, pragmatism, excellence and win-win collaboration." We share and learn together with our employees, and lead to build an enterprise where employees work happily, and with full passion.

Fig. 1: The Company's corporate culture

CORPORATE CULTURE

| Mission	To make communication simpler and more efficient
Vision	To become a leading global provider of communication and collaboration solutions
Core values	Pursuing truth, pragmatism, excellence and win-win collaboration
Business philosophy	Segmentation focus, continuous investment and global leadership
Organizational management principles	Simple, transparent and efficient

· PURPOSE OF SOCIAL RESPONSIBILITY

As a leading global provider of communication and collaboration solutions, we actively undertake our social responsibilities and due social obligations, leveraging technology to create value and benefit humanity. Our commitment to promote sustainable social development includes a corporate DNA that solves social and environmental problems. Through continuous R&D and upgrades as well as constant improvements to our business model, we promote our sustainable operations and build a responsible corporate image. During the reporting period, we made achievements in many areas, including industry empowerment, social welfare and environmental protection as well as protecting the rights and interests of stakeholders, including shareholders, suppliers, customers and employees.

3. CORPORATE GOVERNANCE

In order to clarify the duties, authorities and operational procedures of our shareholders' meeting, board of directors, board of supervisors and senior management, and normalize our corporate governance structure in accordance with the requirements for establishing a modern enterprise system, we developed detailed rules and regulations—including the "Rules of Procedure for Shareholders' Meetings," and "Rules of Procedure for Board of Directors Meetings"—based on requirements in our articles of incorporation as well as relevant laws and regulations, such as the "Company Law" and "Securities Law." Therefore, we have defined the nature, duties and working procedures of our shareholders' meeting, board of directors, board of supervisors and senior management, as well as the qualifications, authorities and obligations of the chairman and directors (including independent directors) of the board, supervisors and the general manager, and established the power of balance among our shareholders' meeting, board of directors, board of supervisors and senior management so as to ensure standardized operation of our highest-authority, decision-making, supervisory and management bodies. During the reporting period, we disclosed our information promptly, accurately, truthfully and completely in strict accordance with requirements in relevant laws and regulations, including the "Company Law," "Securities Law," "Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange (December 2020 Revision)" and "Guidelines on Self-Regulation of Shenzhen Stock Exchange Listed Companies No. 2—Standardized Operation of Companies Listed on the ChiNext Market." The procedures for holding shareholders' meetings complied with laws and regulations. At the same time, we improved our transparency by fully communicating with investors in various ways, including utilizing our in-house developed platform "Yealink Meeting" to hold online performance briefings as well as telephone meetings, an investor hotline, and offline research and investment strategy meetings.

During the reporting period, we actively contributed to our shareholders by developing the 2021 annual profit distribution plan in accordance with regulations such as the "Company Law," the "Enterprise Accounting Standards," the CSRC's "Notice on Further Implementing Matters Concerning Cash Dividends of Listed Companies," CSRC's "Regulatory Guidelines for Listed Companies No. 3—Distribution of Cash Dividends of Listed Companies" and our "Articles of Incorporation," taking into consideration capital requirements for our long-term sustainable development. We distributed cash dividends of 8 RMB per 10 shares (tax inclusive, same hereinafter) to all shareholders and 722M RMB of cash dividends in total, which accounted for 44.67% of net profit attributable to our common stock shareholders on the consolidated statements. In the past five years, the cash dividends that we distributed accounted for, on average, up to 40% or more of net profit attributable to our common stock shareholders on the consolidated statements.

Fig. 2: The Company's cash dividends in the past five years

722M RMB

539M RMB

586M RMB

239M RMB

359M RMB

2017	2018	2019	2020	2021
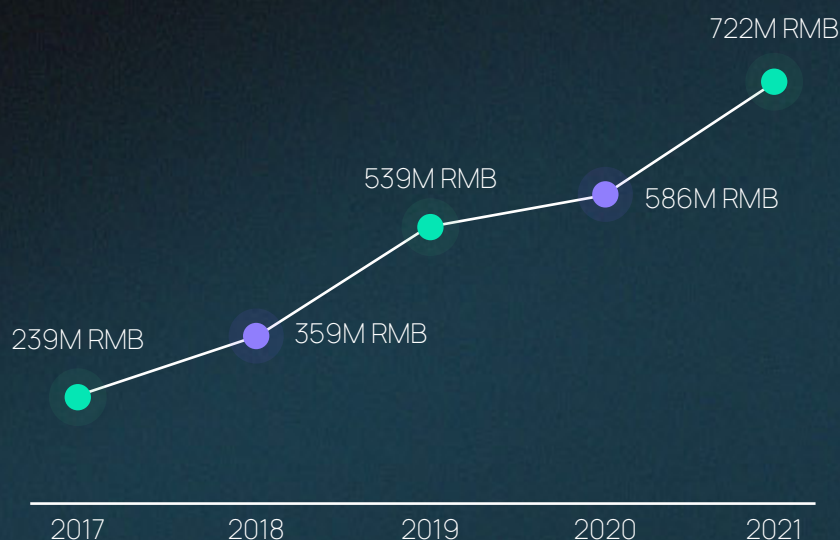
In the future, our management and all employees will continue to work hard together to improve our performance and profitability to bring good returns on investment to our investors and share our business results with all shareholders.

4. INTEGRITY BUILDING

In order to build a fair, just and open cooperation environment, we have actively created a simple and transparent management system to prevent all kinds of corruption. We also urge partners to actively assist us in building integrity. By requiring them to follow the "Yealink Partner Integrity Code" and sign the "Partner Integrity Commitment Letter," we advocate mutual supervision to jointly create an open, transparent, honest, credible and healthy business environment of fair competition. At the same time, we also actively strengthen the construction of the professional ethics of our employees. We require all employees to scrupulously fulfill their duties, abide by measures related to anti-bribery and anti-corruption, and sign the "Anti-Bribery/Anti-Corruption Agreement." We work together to build a "sunny," upright, fair and transparent working platform, maintain good business ethics, and prevent commercial bribery and corruption.

In order to correct bad behavior in time, we encourage partners to expose and report corruption of our internal employees, and reward active whistleblowers appropriately. Also, we have established integrity supervision channels, including a reporting email address, telephone reporting hotline and reporting postal address. In addition, we have established a "Yealink Audit Bulletin Board," on which we release monthly integrity warning lists and communicate regularly about key contents, such as internal control, operational compliance, integrity building, and anti-corruption and anti-bribery, enhancing employees' awareness of integrity, so they work with integrity.

CHAPTER II
TECHNOLOGICAL EMPOWERMENT

Empowering the digital transformation of all industries with technology, to make communication simpler and more efficient

Devoted to the mission "to make communication simpler and more efficient," we utilize technology to empower the digital transformation of all industries, leveraging technology to create value and benefit humanity. So far, we have provided communication and collaboration solutions to millions of enterprise and individual users worldwide, including medical institutions, educational institutions, enterprises and public institutions in many provinces and cities in China. We provide them with applications of multi-scenario solutions, such as remote consultations, remote classrooms, emergency command and remote offices.

1. MEDICAL EMPOWERMENT

We empower telemedicine construction of various types of medical institutions by utilizing the Internet and open, compatible high-definition audio and video technologies in the form of "the Internet + medicine." We use the telemedicine collaboration network to connect various levels of medical institutions to break through the limitations of time and space. We allow high-quality medical resources to benefit more people and help build a healthy China. We provide all-scenario telemedicine collaboration solutions ranging from remote consultation platforms to professional medical terminals. Our product line covers video conferencing platforms and cloud services, video conference room terminals, desktop video phones, PC soft terminals and mobile apps to satisfy all-scenario user requirements of various types of medical institutions, including "consultation rooms, ambulances, inpatient wards, care units, expert desktops, doctor desktops and mobile medicine." We deliver intelligent services, such as remote consultation, remote image diagnostics, remote education and training, remote visitation and monitoring, two-way referral and real-time data monitoring. The following are examples.

We assisted a city in creating an intelligent "cloud women and children" platform to protect the health of women and children. In 2021, to respond to the National Health Commission's call to establish and improve provincial-level "cloud women and children" platforms and strengthen the construction of telemedicine information systems by implementing the "Big Hands Holding Small Hands" program for women's and children's health in individual provinces, the Women's and Children's Healthcare Center in a city used our telemedicine collaboration solution to build a "cloud women and children" platform for "Provincial Women's and Children's Hospital - District/County Women's and Children's Hospital - Treatment Center" three-tier telemedicine services. The intelligent "cloud women and children" platform promotes intelligent services such as remote consultation and remote image diagnostics, helps reduce the number of times patients have to stand in line, effectively reduces the waiting time, and optimizes the medical experience of women and children. Furthermore, the platform promotes telemedicine services, encourages the provision of high-quality healthcare and medical resources for women and children at primary levels, and dramatically alleviates the inconvenience of pregnant women, puerperal women, infants and young children to go out for primary-level medical care.

We help medical institutions in remote counties to solve the "big problem" of seeing doctors in "small consulting rooms." In 2021, a provincial health commission used our conferencing products to construct a "one provincial-level center, one remote private network, a three-layer application mode and five-tier institutional coverage" provincial-level telemedicine network system and build a "provincial telemedicine platform + county remote

consulting room" one-stop telemedicine service system. By establishing remote consulting rooms at 132 county-level hospitals and more than 80% of township health centers across the province, the province improved the service capabilities and standards of county medical institutions, allowing patients to get medical treatment locally. In addition, we also provided conferencing products to help the said province's provincial-level hospitals to deliver medical education, remote workshops, online learning and so on to their medical staff, and help primary care doctors to improve their professional skills.

Our Yealink Cloud Video solutions empower surgery teaching. In 2021, our "cloud + terminal" telemedicine video solution helped a research institute of oncology and basic medicine to conduct remote high-definition surgery teaching. Yealink Cloud Video technology has broken through the limitations on space and the number of observers in the operating room, allowing experts and doctors to conduct "face-to-face" surgery teaching in the form of live video. The high-definition smart camera can focus on close-ups in real time and adjust the image size intelligently, so that every detail of the surgery becomes clearly visible. The voices of experts and doctors can be accurately and clearly transmitted to remote doctors and students through video conferencing equipment. This allows high-quality surgical teaching resources to be shared in real time with doctors in other regions, thus further improving the clinical and operational skills of medical students, trainee doctors and county-hospital doctors. In addition, the hospital can retain surgical images and videos and archive medical histories so that its physicians have access to more diversified learning materials when conducting academic seminar activities after surgeries.

Moreover, our telemedicine video solutions play a critical role in various telemedicine scenarios, including mobile ward rounds, special telemedicine training, and academic medical seminars.

The Company's products are used in medical scenarios such as consultation rooms, surgical areas, and ambulances
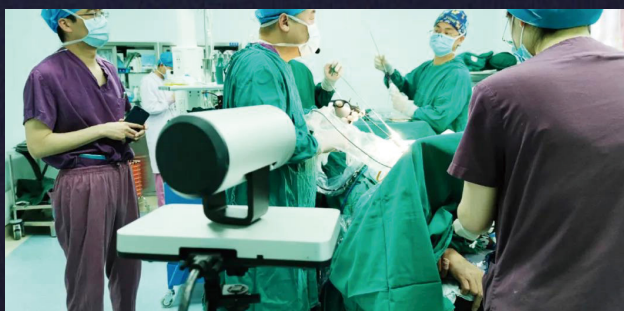
2. EDUCATIONAL EMPOWERMENT

As a world-leading listed enterprise communications company, we are devoted to the mission "to make communication simpler and more efficient." With our video conferencing platform, we build remote interactive teaching platforms combined with various high-quality hardware terminals to deliver a high-definition, professional-level audio and video experience. The platform satisfies diverse application scenarios such as "double-teacher classes," online live broadcasts, teaching recording and broadcasting, and home-school interaction. By empowering classroom education with information, we help students to become pillars of China. The following is an example. Based on the development goals in the "Medium and Long Term Development Plan for Educational Informatization (2021-2035)" and "14th Five-Year Plan for Educational Informatization," an education bureau was urgently looking for more advanced, information-based methods to manage district schools, improve the quality and efficiency of school teaching, and cope with the pressure of a short supply of high-quality education resources. Our remote education collaboration solution helps the said education bureau to interact with 116 district schools, carry out teaching management and teaching work more conveniently and efficiently, deliver remote video conferencing and remote classes, and allow high-quality teaching resources to benefit more people.

Through the Internet, our "immersive interactive classroom" breaks through the time and space limitations of traditional classes. Educational institutions can obtain desired teaching resources anytime and anywhere, and quickly connect with experts and professors in various regions. Classes can be accessed via multiple methods, including mobile phones, computers, telephones and other video terminals, facilitating in-depth interaction and communication with local teachers and students. We make learning more convenient and deliver more flexible learning methods. Currently, our "immersive interactive classroom" remote video solutions serve a number of well-known universities in China and abroad, including Peking University, Tsinghua University, Shanghai Jiao Tong University, Tianjin University and Xiamen University. We help them establish remote teaching classrooms, assist their faculty in carrying out remote teaching and research activities, and allow their faculty and students to benefit from Internet communication technologies.

Furthermore, it is clearly pointed out by the central government in its "Guiding Opinions on Policies Related to Poverty Alleviation through Education" that we must speed up the process of educational informatization, so "the Internet + education" breaks through time and space, to bring high-quality education resources to remote and poverty-stricken areas, opening a new world for the many rural children. As a corporate citizen of the community, the Company will never forget our responsibilities. We use video technologies to help more children in poor mountainous areas enjoy access to better education, including donating remote teaching devices to Xiamen Jin An Primary School, its assisted Huli Hope Primary School in Dashu Township, Dongxiang Autonomous County, Linxia Autonomous Prefecture, Gansu Province, Xiamen Torch School, and its assisted Torch Primary School in Guanghe County, Gansu Province. By transferring high-quality education resources to these schools, we allow technology to create more value and accompany the growth of more teachers and students.

The Company uses video technologies to help more children in poor mountainous areas enjoy access to better education

3. GOVERNMENT ADMINISTRATION EMPOWERMENT

In the current situation of global instability and differing epidemic prevention and control requirements in various regions, governments want to quickly carry out their organizational work in emergencies and teams want to quickly restore business. Remote communication is playing an increasingly critical role. Utilizing our outstanding audio and video capabilities, we help government departments solve the "Countless Paperwork and Meetings" problem to attain the goals of working more directly, more quickly and more efficiently than ever before. We leverage technology to help government departments to actually carry out and promote innovative government services, empowering governmental digital transformation. During the epidemic, many government departments find it difficult to carry out business work normally. Our remote video solutions help all kinds of government units to communicate remotely and efficiently, and carry out business work normally, all through our "cloud + terminal" seamlessly converged video solutions.

CHAPTER III
SOCIAL WELFARE

Leveraging technology to create value and benefit humanity

As a responsible corporate citizen, the Company attaches great importance to our public relations and social value. We always regard operating according to laws as the basic principle of our business, and focus on both economic and social benefits by strictly abiding by the provisions of national laws, regulations and policies; operating with honesty; paying taxes according to laws; creating jobs; and supporting local economic development. While working hard in our operations, we earnestly fulfill our social responsibilities and care about social charity causes, actively participating in various social welfare activities to contribute to the construction of a harmonious society.

In 2021, we donated a total of approximately 2.2M RMB worth of products, epidemic prevention supplies, and cash (the value of the products as well as epidemic prevention supplies is calculated based on market prices) to Minning Town, Yongning County, Yinchuan City, Ningxia Hui Autonomous Region, the Xiamen Shuguang Rescue Team and the Xiamen Red Cross Society. During the reporting period, we actively participated in various social welfare activities, mainly including poverty eradication, anti-epidemic assistance and emergency rescue.

Yealink

1. POVERTY ERADICATION

In order to fully implement the central government's "Guiding Opinions on Policies Related to Poverty Eradication," we actively undertake our corporate social responsibility and utilize the power of technology to assist in poverty eradication. During the reporting period, we won the honor of "Advanced Group of Poverty Eradication in Fujian Province."

Regarding poverty alleviation through education, we deeply implement the central government's strategic deployment for strengthening poverty alleviation cooperation between eastern and western regions. In accordance with the spirit of the "Framework Agreement on East-West Poverty Alleviation Cooperation between Xiamen and Linxia Hui Autonomous Prefecture," we have donated remote teaching devices to Xiamen Jin An Primary School, its assisted Huli Hope Primary School in Dashu Township, Dongxiang Autonomous County, Linxia Autonomous Prefecture, Gansu Province, Xiamen Torch School, and its assisted Torch Primary School in Guanghe County, Gansu Province, over the past two years. Dongxiang County is a deeply impoverished county in Gansu Province. In July 2020, we officially signed a partner assistance agreement with Dongxiang County to donate procurement supplies for local industry development and remote teaching devices to transfer high-quality education resources from Xiamen. We have deployed remote education terminals at Dongxiang Huli Hope Primary School. Together with the Huli District Education Bureau of Xiamen and Jin An Primary School, we connect warmth with technology and change the future with knowledge. We transfer high-quality education resources through the remote classrooms we have built. The advanced teaching methods and professional teaching techniques stimulate children's interests, allowing the children in mountainous areas to be seen, noticed and recognized equally. Remote education programs have empowered traditional education, shortened the distance between urban and rural areas, alleviated the lack of educational resources in poverty-stricken areas, and revolutionized teaching methods at schools that lack resources. Poverty alleviation through education will not happen overnight. We are committed to creating value with technology by using video technology to help more children in poor mountainous areas enjoy access to better education, assisting in laying a foundation for the future of poverty-stricken areas.

During the reporting period, in addition to our efforts in poverty alleviation through education, we provided a complete set of smart village solutions worth 1M RMB to the six villages of Minning Town, Yongning County, Yinchuan City, Ningxia Hui Autonomous Region, which was used to build Minning Town's "Town-Village-Person" integrated service platform. At the same time, we donated a supporting video conference room to Ningxia's office in Xiamen. Minning Town, which used to be a poverty-stricken area with partner assistance by Fujian Province, is a successful example of China's poverty-stricken areas moving towards overall moderate prosperity through partner poverty alleviation cooperation. It is an epitome of China's great poverty eradication project. With the beginning of the new journey of rural revitalization, Minning Town is looking for more efficient grassroots governance methods. We donated a complete set of smart village solutions to Minning Town and provided its grassroots governance with communications support to help Minning Town upgrade its administrative management, further strengthen and consolidate the outcome of collaboration between mountainous and coastal areas, and ensure that Xiamen's partner assistance work is carried out efficiently.

In the future, we will continue to respond to the calls of the central government, alleviate poverty through education and eradicate poverty in more ways and categories, leverage our technological advantages, and actively participate in the cause of poverty alleviation through education and poverty eradication.

2. ANTI-EPIDEMIC ASSISTANCE

In September 2021, a new round of COVID-19 broke out locally in Xiamen. We actively responded to the call of government departments and quickly organized volunteers to support the epidemic areas. During the epidemic, more than 200 of our employees applied for volunteer work. Always ready to go to the front line to participate in epidemic prevention and control, they were willing to contribute to fighting the epidemic with their original aspi

ration and the courage to face dangers. After arriving at epidemic areas, our volunteers were mainly responsible for tasks such as assisting information entry at nucleic acid testing sites, maintenance of on-site order and transport of daily supplies. Being a technology company specialized in video conferencing, we dispatched volunteers who were mostly computer-savvy engineers. In addition to helping handle supplies, they also provided technical support for various nucleic acid testing sites, solved equipment problems caused due to various situations, and assisted individual communities in debugging their information systems. Thus, they removed a major pain point in epidemic prevention in a timely manner. Moreover, we supported grassroots service personnel who contributed to their communities. Via the Huli District Red Cross Society of Xiamen, we made designated donations of medical supplies—including protective clothing, medical alcohol, and N95 masks—to Heshan Subdistrict, where the Company is located.

During the past two years of the epidemic, we actively leveraged our advantages and linking function as a listed enterprise communications company. We utilized our remote video platform to support the resumption of work and production in all industries. With our product and technology advantages, we launched free video conferences allowing up to 100 participants for many medical institutions, school classrooms and enterprise users. When the epidemic just broke out in 2020, we acted immediately to give full support to epidemic prevention and control by donating video conferencing systems to Wuhan Union Hospital and Wuhan Tongji Hospital, which enabled multiple application scenarios such as remote consultations, mobile ward rounds, image diagnostics and remote visitation, helping the front lines fight the epidemic. At the same time, we assisted a front-line medical center, Henan "Xiaotangshan Hospital" (the Infectious Diseases Hospital of Zhengzhou No. 1 Hospital), build an audio and video converged communication and collaboration system consisting of IP phones and video conferencing systems—an "airborne hospital" for fighting the COVID-19 epidemic.

In the future, we will continue to contribute to the fight against the epidemic by providing free high-definition cloud video conferencing services to enterprise and individual users in need.

3. EMERGENCY RESCUE

We keep in close contact with the Xiamen Shuguang Rescue Team over the long term and provide them with daily public welfare funds and rescue devices. We have helped Xiamen Shuguang Rescue Team establish a three-level linked rescue mechanism. Our communication devices are deployed at Xiamen Shuguang Rescue Center's headquarters and on its rescue vehicles. The products are also worn by its front-line rescuers, allowing them to interact and talk to each other in real time. Equipped with noise reduction technology, these devices can realize clear synchronous transmission of sound and picture in noisy rescue sites to ensure a smooth flow of information from top to bottom and protect the safety of first responders and rescuees.

In addition to donating devices and deploying solutions, we make monetary and supply donations to the Xiamen Shuguang Rescue Team. In July 2021, a flood disaster hit Henan province. The Xiamen Shuguang Rescue Team went there to help in disaster relief efforts. In support of the rescue team, we donated 1 million RMB in cash. In September 2021, COVID-19 infections broke out locally in Xiamen. The Xiamen Shuguang Rescue Team arrived at the high-risk epidemic area immediately, actively involved themselves in the front-line battle, and assisted government departments in relocating and isolating people. We made additional emergency donations for the rescue team to replenish supplies in time.

CHAPTER IV
WIN-WIN COLLABORATION
All communities of interest grow together and share results under the win-win principle

While creating value for our shareholders continuously, we also actively undertake our responsibilities to other stakeholders, including suppliers, customers and employees. We grow together and share results with all communities of interest under the principle of win-win collaboration.

1. SUPPLY CHAIN MANAGEMENT: WIN-WIN SUPPLY CHAIN RELATIONSHIPS

We respect the lawful rights and interests of suppliers and have established good cooperative relationships with them. Today, we maintain long-term, equal communication and cooperation with more than 250 suppliers. We adhere to the principle of honesty, trustworthiness and mutual benefit, and respect reasonable quotations from suppliers, seeking win-win cooperation and common development.

We have developed a supplier sustainable development plan. From business to manufacturing procedures, we try to analyze difficulties and develop demand-matching plans more often from the perspective of suppliers. We encourage suppliers to actively participate rather than passively cooperate so as to better win their trust. To improve product yield, we provide suppliers with training from time to time.

2. PROTECTION OF THE RIGHTS AND INTERESTS OF CUSTOMERS AND CONSUMERS: WIN-WIN CUSTOMER RELATIONSHIPS

We respect the lawful rights and interests of our customers. The consumer rights and interests of customers have always been key to the Company. Protecting consumer rights and interests is not a slogan, but a solid responsibility. We always believe that any trust and feedback from users is a form of great support for the Company.

Consumer safety and product quality have always been the focus of consumers' attention. Our technical strength and product quality have always been widely recognized in the industry. For example, in terms of data transmission, our cloud video products adopt multiple security protection measures, including multi-bit security encryption, data desensitization for transmission and disaster recovery backups. Therefore, we can avoid data leakage from the source and assure customers of secure and reliable teleconferences. Our video system was awarded the industry's first CTTL 5-star security certificate issued by the China Academy of Information and Communications Technology. This certificate represents the highest security level of video products in the industry today. In addition, we have also passed the European GDPR standard test, which is known to be "the most stringent personal data protection regulation in history."

Fig. 3: CTTL 5-star security certificate / European GDPR standard test

We constantly tackle technical problems and strive for ultimate excellence in terms of consumer safety and product quality. We always insist on improving the satisfaction of customers by providing them with the best quality, secure, trusted audio and video products and devices.

3. PROTECTION OF WORKERS' RIGHTS AND INTERESTS: GROWING TOGETHER WITH EMPLOYEES

We respect and safeguard the personal rights and interests of employees by strictly complying with relevant laws and regulations, including the "Labor Law" and "Labor Contract Law." We have established sophisticated management systems, including internal qualification management, salary management and performance management, to ensure employees' growth, compensation and benefits. We pay close attention to the health, safety and satisfaction of employees. We protect the rights and interests of our employees by allowing them to effectively improve and develop through methods such as theoretical training of knowledge and skills, and practical operational skills training.

In terms of talent management, we always believe that talents are the foundation of enterprise development and regard talent management as the top priority of all management work. We encourage employees to realize their own value while the Company develops. We promote "same-frequency resonance" between employee development and enterprise development. We insist that employees and the Company should win together, grow together, and share results. We have built a long-term career development space for employees and implemented a multi-level, long-term motivation mechanism, including a business partner shareholding plan and restricted stock incentive plan, so that everyone can find value, create value and deliver value within the organization.

Fig. 4: The Company's restricted stock incentive plan
(Note: The 2022 restricted stock incentives have not been discussed at the shareholders' meeting. Therefore, only the data in the draft is shown.)
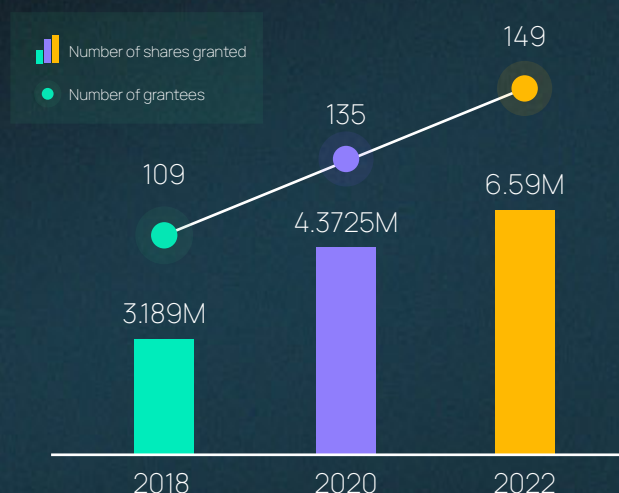
In terms of employee training, we founded the "Yealink Academy," which offers all-round training programs for different groups, different levels and different jobs, including new hire orientation training, reserve cadre training, middle-level cadre training, high-level cadre training and professional job skills training. By establishing a sophisticated internal training system, we help employees to continue learning and add value by realizing their self-competence. During the reporting period, we organized various employee training activities, including approximately 30 company-level training sessions that covered approximately 1,000 staff members with a cumulative training duration of more than 400 hours, and approximately 350 business-level training courses that covered business personnel of almost all departments of the Company with a cumulative training duration of more than 500 hours.

In terms of employee communication, we always believe that effective internal communication ensures stable enterprise operations. Therefore, we have established a multi-dimensional employee communication mechanism to help them effectively convey various demands. We jointly pay attention to employees' growth needs and capability development bottlenecks through regular top-down performance feedback. An effective performance enhancement mechanism plays a critical role in improving employees' vocational skills. We promote inter-departmental information interaction and exchange through regular exchanges or meetings among peer-level departments. We ensure bottom-up information transmission throughout the Company via centralized communication feedback of employee subgroups.

In terms of employee care, we established the Yealink Employee Assistance Foundation in 2011. This foundation aims to "carry forward the spirit of solidarity and mutual assistance, carry forward excellent corporate culture, and promote the harmonious development of the Company." It is intended to provide major injury and disease support, major property loss support, home purchase support and so on to qualified Company employees. So far, this foundation has cumulatively supported nearly 100 employees with a cumulative support amount of over 11M RMB. In addition, we also provide employees with various welfare policies, such as employee dormitory accommodation, home purchase discounts and employee healthcare (including regular employee physical examinations and employee mutual medical assistance security). We work hard to create a comfortable and caring working environment for our employees, allow them to feel that we care about them, and support them to pursue a happy life in a more healthy and sustainable way.

2021 marked the 20th anniversary of the Company. In terms of employee activities, we were delighted to create a loving "Big Yealink Family" while focusing on performance growth. During the reporting period, we held a series of activities to celebrate the 20th anniversary, including the first employee dragon boat race, an event series involving five major sport clubs, a club photography competition, a Family Open Day for employees, an event featuring executives and a 20th anniversary gala. Through these activities, we guided employees to know more about our growth path over the past two decades, revealed the true meaning of company management to employees, and defined our development direction in the future. These activities have enhanced employees' happiness and sense of belonging to the Company, and effectively improved their cohesion.

CHAPTER V
ENVIRONMENTAL PROTECTION

Regarding low-carbon emissions and environmental protection as an important factor in brand building and product positioning

Environmental protection compliance and certification

Energy conservation

Resource conservation

Green offices

We are a unified communication solution provider specialized in audio and video communications. We provide unified communication solutions to global enterprise users. Our main products include desktop communication terminals, conferencing products, and cloud office terminals. We adopt an asset-light model and focus on R&D and sales. Environmental protection departments do not list us as a key pollutant-discharging organization. Thus, there are no major environmental protection problems.

As a leading global provider of communication and collaboration solutions, we have attached great importance to environmental protection and sustainable development since our founding. We have adopted the following measures in terms of **environmental protection compliance and certification, energy conservation, resource conservation and green offices:**

1. ENVIRONMENTAL PROTECTION COMPLIANCE AND CERTIFICATION

We commission outsourcing vendors for product manufacturing, and our production and manufacturing are 100% outsourced. Therefore, our daily business does not involve production processes. However, we still require outsourcing vendors to ensure green processing and manufacturing in the production process by strictly complying with relevant laws and regulations as well as restrictions against toxic and hazardous chemicals set forth in international standards during product manufacturing. Outsourcing vendors' business and operations must also comply with the ISO 9001 Quality Management Standard and ISO 14001 Environment Management Standard.

In order to effectively ensure that our products can be sold globally, we need to guarantee that our product sales can meet the environmental, safety and management standards of different countries and regions. After prolonged efforts, our products have successively obtained a number of product entry and environmental protection certifications in countries and regions such as the European Union (EU), the United States (US), Brazil and Australia. These are primarily shown below:

Fig. 1: The main environmental, safety and management standards with which the Company complies

Type	Standard
Environmental	EU RoHS, EU REACH, EU Packaging Directive, EU Batteries Directive, EU POPs, US Toxic Substances Control Act (TSCA), China RoHS, etc.
Safety	US FCC certification, US UL certification, EU CE certification, Australia RCM certification, United Kingdom UKCA certification, China 3C certification, China network access certification, etc.
Management	ISO 9001 Quality Management Standard, ISO 14001 Environment Management Standard

2. ENVIRONMENTAL PROTECTION COMPLIANCE AND CERTIFICATION

We not only use green as the representative color of the Company, but also regard low-carbon emissions and environmental protection as an important factor in brand building and product positioning. Therefore, we use ecological design as much as possible in product design, and use ecological and environmental protection materials to reduce energy consumption. All our products can use a PoE power supply to reduce power consumption. We always insist on using energy-saving chips to reduce the power consumption of our products. Ecological design is not only a kind of product design with environmental protection awareness, but also a kind of approach to reduce the environmental impact during the product life cycle. It is intended to develop products that require the least amount of energy and resources during their life cycle and offer opportunities for material recovery and reuse at the end of their service life. During the reporting period, we adopted measures to reduce energy consumption by optimizing product design, such as the following.

Optimized wireless products. Wireless products were designed with a deep sleep mode. When disabled for half an hour, the devices can automatically enter deep sleep mode and shut down redundant modules, reducing the whole machine's power consumption to 200uA, and reducing power consumption by 98%. In low power consumption mode, the standby current of the optimized wireless products is only 14mA@3.8V.

Improved the power adapter to increase power supply utilization and fully utilize the power supply's wattage. The improved adapter can meet the US/EU energy conversion level VI (level V formerly), and an average of 0.1W–0.3W power consumption can be saved per unit.

Optimized PoE power consumption. For T3X series phones, PoE power consumption decreased from Level II to Level I, the power limit decreased from 6.8W to 3.8W, and power consumption was reduced by 44.1%. For T4XU series phones, PoE power consumption decreased by more than 15% as a whole compared to the legacy T4XS series.

Modified power supply feedback resistors to reduce the DDR voltage. For example, for UVC30 in standby mode,

power consumption was 2.7W before optimization and 1.2W after optimization, so the power consumption was reduced by 56%. In service mode, power consumption was 3.1W before optimization and 2.5W after optimization, so the power consumption was reduced by 19.4%.

By adjusting the inductance and MOS transistor packaging outside the system's primary power supply, the primary power efficiency increased from 85% to 95% and approximately 6W of chip dissipated power can be saved.

3. RESOURCE CONSERVATION

We always insist on using environment-friendly, recyclable materials and green product packaging to save resources, improve transportation efficiency, and reduce environmental damage from the production process and products themselves. We actively seek to replace non-recyclable materials with degradable materials, or increase the proportion of recyclable or recoverable materials in products so as to reduce the impact and pollution of waste materials on the environment. During the reporting period, we mainly adopted the following resource conservation measures.

Saving of packaging materials. During the reporting period, we set up a special packaging materials saving team to continuously optimize specifications and models of packaging materials, such as kraft paper boxes, inner partition boards and outer boxes, so as to package products with the most appropriate volume of packaging materials. This helps cut back on space requirements and packaging material costs while avoiding wastage of packaging materials and reducing the impact of resource use on the environment. As of the end of 2021, our special packaging materials saving team has completed preliminary packaging material switching tests of multiple phone products including desktop communication terminals, and confirmed that they can be introduced into production. It is expected that packaging materials and corresponding cost expenses for more than 1 million phones can be saved per year beginning from 2022.

Saving of metal materials. Our original conference phone CP960 used a steel net design. With an optimized product design, new products such as CP965 and CP925 have replaced the metal materials with a more environmentally friendly mesh design for reduced metal consumption.

Saving of paper. We advocate information-based management and a paperless office. We continue to save more paper and reduce printing ink consumption by gradually increasing the digitalization of internal processes via office systems, including OA, contract reviews and approvals, and conference management platforms. As of the end of 2021, we have had more than 20 online office systems and more than 300 OA office processes, which help control office paper consumption at a very low level.

In addition to the above measures, we also actively encourage outsourcing vendors to adopt corresponding resource conservation measures, such as the following.

Promoting recyclable design to reuse recyclable wastes and turn them into treasures. We continue to encourage suppliers to design incoming material packaging for recycling, such as replacing foam pads with the reusable container packaging of patches. At the same time, we promote the reuse of production wastes and use various recycled materials to make production tools. For example, in the burn-in area, we store tubes in containers made from recycled trays; on the production line workbench, we store tube materials in customized spacer areas made from recycled trays; and in the maintenance area, we use recycled empty solder paste bottle caps as

temporary solder paste storage areas.

Promoting recycled utilization of packaging materials to improve the recycling rate of packaging materials. Currently, we mainly recycle cartons, packaging tubes and pearl cotton, or use patch and tape materials more often to reduce the use of packaging materials. First of all, we designate departments responsible for recycling packaging materials and production departments to carry out daily monitoring and data collection continuously. Secondly, we establish annual indicators on the recycling of packaging materials, for which the relevant departments collect and tally data on a monthly basis, and perform timely analysis and improvements if abnormal situations arise. Thirdly, we collaborate with the sales department to communicate, negotiate and follow up with customers who fail to recycle or have low recycling rates. In 2021, the average recycling rate of our outsourcing vendors for main packaging materials exceeded 90%. Therefore, we have saved a lot of packaging materials and corresponding cost expenses.

4. GREEN OFFICES

At the beginning of 2022, our new headquarters building was completed and put into use. The new headquarters building is characterized of technological concepts, the green office philosophy, environment-friendly and energy-saving materials, and intelligent ways of building energy conservation to reduce the energy consumption of the office building and facilities. It is Xiamen's first office tower completely equipped with an intelligent integrated management system. The new headquarters building offers contactless accessibility. The intelligent meeting rooms deployed provide intelligent management and control of air conditioners, lights and door access, switching them on and off or opening and closing them intelligently as employees move about. It provides a more human-friendly office space and a better optimized office environment for employees to improve their service capabilities and management efficiency. Meanwhile, we are actively building an intelligent manufacturing industrial park, which is expected to be put into use in 2023. This intelligent manufacturing industrial park is also constructed for the purpose of energy conservation and ecological environmental protection. It will offer streamlined operations, maintenance and management to ensure intelligent, efficient and energy-saving operations management. When completed, the intelligent manufacturing industrial park will help optimize our supply chain management standards and improve the efficiency of collaboration between the Company and supply chain. In addition, some of our outsourcing vendors also have solar power supply systems. They have installed solar power generation units on the roof of their buildings and use solar energy to generate power. This helps save non-renewable resources and promote sustainable development.

Fig. 5: Intelligent meeting room

Meeting room sensor

Air conditioning

Lighting

Intelligent video terminal

Intelligent door panel

Intelligent curtain

Display

Fig. 6: Intelligent manufacturing industrial park

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In addition, we are deeply aware that it is far from enough to achieve low-carbon emissions and environmental protection in our own production processes and products alone. We also need to help more enterprises reduce environmental damage from their office processes and encourage all kinds of enterprises to work green. Therefore, we have a long-term commitment to developing energy-saving and emission-reducing products. We are working hard to reduce the negative impact on the environment. In recent years, through continuous R&D and innovation, we have launched various environment-friendly products and developed enterprise communication solutions covering diversified application scenarios. We support telecommuting and online meetings in all industries to reduce unnecessary transportation. Besides reducing the exhaust pollutants emitted by all kinds of vehicles, this saves travel expenses for enterprises and reduces the travel time of their employees. The solutions we provide are powered by three major platforms: Yealink Meeting Server (YMS), a converged communication video conference platform, Yealink Meeting and Yealink UME, an audio and video converged communication platform. These platforms provide users with a high-quality user and service experience, and work with intelligent hardware terminals in different office scenarios to satisfy users' actual implementation and deployment requirements. They ultimately form enterprise communication solutions covering diversified application scenarios, including personal desktop offices, small/medium/large meeting room offices and personal remote mobile offices. Our solutions improve enterprise communication efficiency and the convenience of remote communication, help enterprises work green, and empower the digital transformation of all kinds of enterprise users. We call on every industry to start from themselves and contribute to the cause of environmental protection.

Fig. 7: Enterprise communication solution
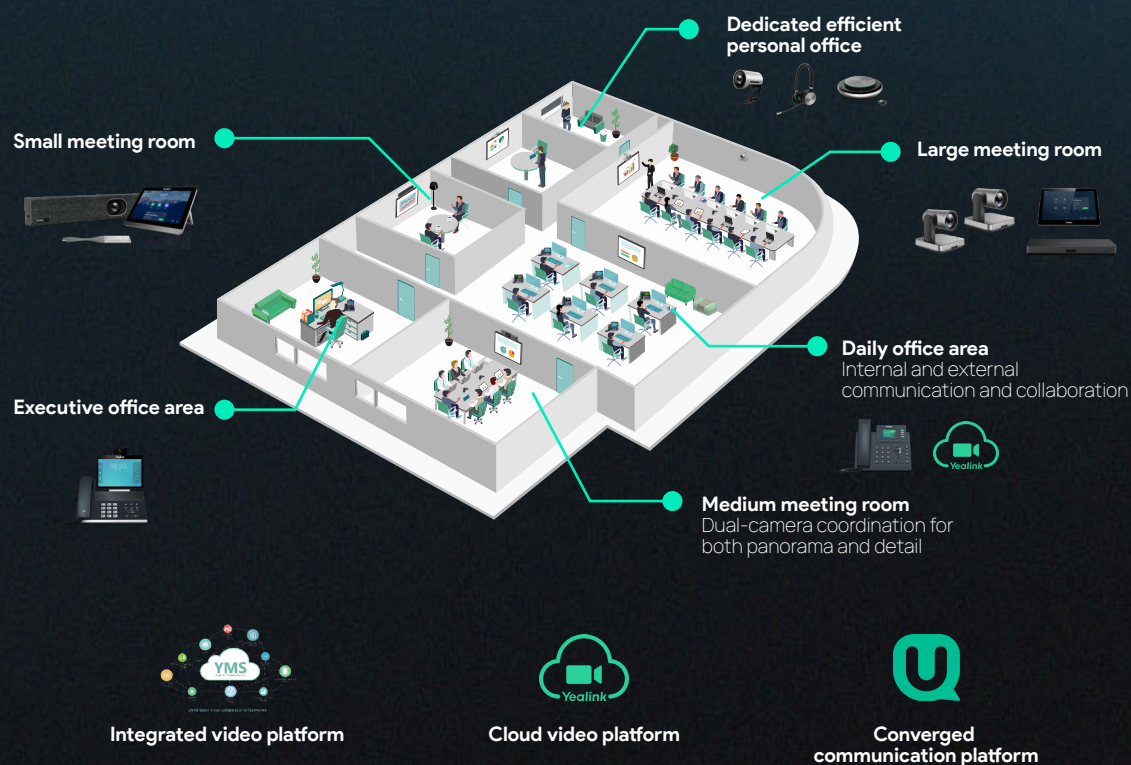
CHAPTER VI
LOOKING AHEAD

2021 marked the 20th anniversary of the Company. Looking back upon the adversity of the past two decades, we have matured, growing from obscurity into a global leader. Our existing services range from desktop communication terminals and intelligent meeting rooms to cloud office terminals. We provide intelligent hardware terminals that correspond to different segmentation scenarios to satisfy enterprise users' communication requirements for personal desktop offices, meeting room offices, and personal remote mobile offices, and a top-quality user experience with our system platforms, forming enterprise communication solutions with matching intelligent hardware terminals and system platforms in different office scenarios.

Looking forward into the future, we will continue to focus on **R&D investment, marketing, organizational management, and operations support**, consolidate our competitiveness in the industry, and ensure the long-term, healthy, stable and sustainable development of the Company. At the same time, we will continue to actively undertake our social responsibilities and due social obligations, improve our internal control systems, and increase our corporate governance standards so as to better benefit employees, customers, shareholders and the community. We will grow together with employees, cooperate and win together with customers, share business results with shareholders, and seek sustainable development with society.

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