

The OPPO logo is displayed in a white, lowercase, sans-serif font. It is centered horizontally and positioned above a dark green horizontal bar. The background of the entire page features a light green gradient with several overlapping, semi-transparent white circular arcs that create a sense of depth and movement.

# Annual Compliance Report

2023

Guangdong OPPO Mobile Telecommunications Corp., Ltd.

【This report was entirely written by humans, with assistance from AndesGPT for translation】

## Foreword

In 2022, OPPO published its inaugural Annual Compliance Report, marking the first systematic disclosure of OPPO's compliance efforts and achievements to the public. Furthermore, the origins of OPPO's commitment to compliance date back even further. Beginning in 2019, we began to progressively established our compliance program by integrating compliance standards, drawing on industry best practices, and aligning them with our specific business operations.

As our CEO Tony Chen has stated, "A good compliance program is the solid foundation on which the company can operate healthily. On the one hand, Senior management must recognize the importance of compliance and invest resources in compliance on a sustained basis; on the other hand, every OPPO employee should proactively fulfill their compliance obligations, as compliance is a portrait of our Benfen values and a step forward to our vision of a healthy, sustainable company." Abiding by laws and regulations is an earnest commitment ingrained within our company.

This is the second Annual Compliance Report we have released. Compared with the previous one, it reflects deeper insights and explorations. We aspire to pursue excellence, continue to improve our compliance operation, and strive for superior outcomes. At the same time, we also remain open and proactively communicate and collaborate with peers and regulators to elevate our compliance efforts to a higher plane, broaden our perspective, and foster more effective on-the-ground application.

We sincerely invite all OPPO users, partners, regulators and other relevant government departments to read this report, hoping it provides deeper insights into OPPO's compliance efforts and encourages collaboration for the best practices in compliance management.



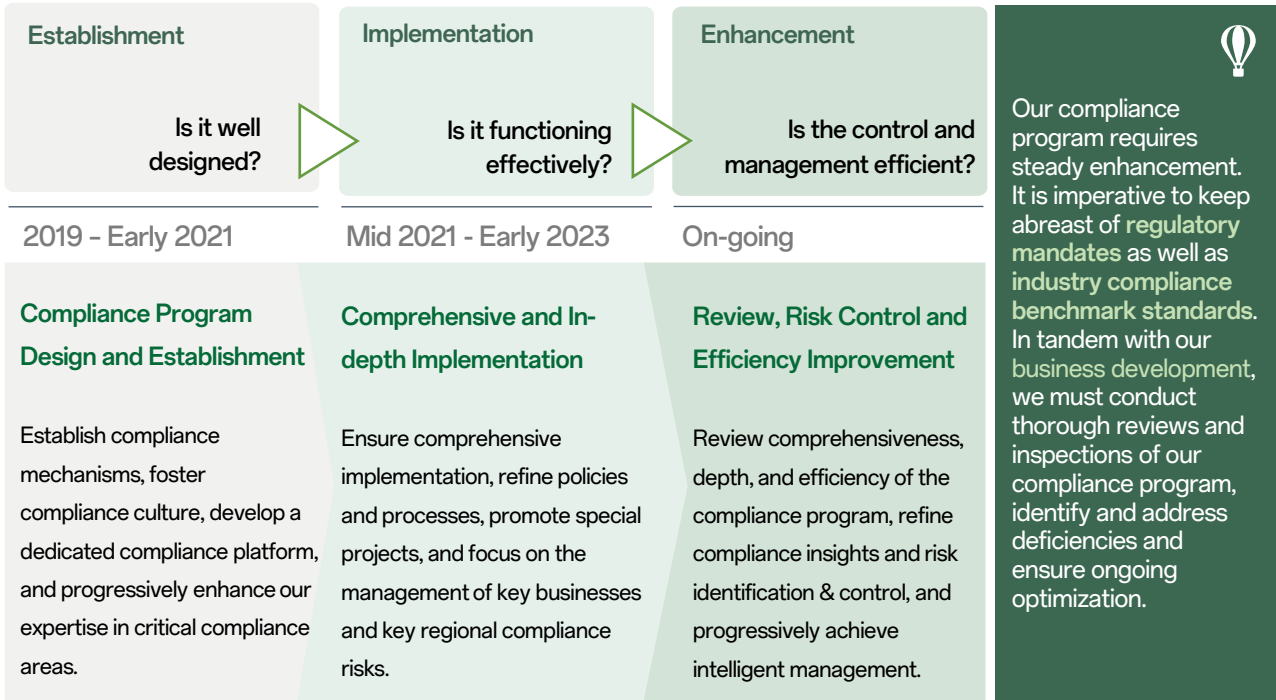
“ A good compliance program is the solid foundation on which the company can operate healthily. On the one hand, Senior management must recognize the importance of compliance and invest resources in compliance on a sustained basis; on the other hand, every OPPO employee should proactively fulfill their compliance obligations, as compliance is a portrait of our Benfen values and a step forward to our vision of a healthy, sustainable company. ”

—Tony Chen, OPPO CEO, OPPO Statement on Compliance

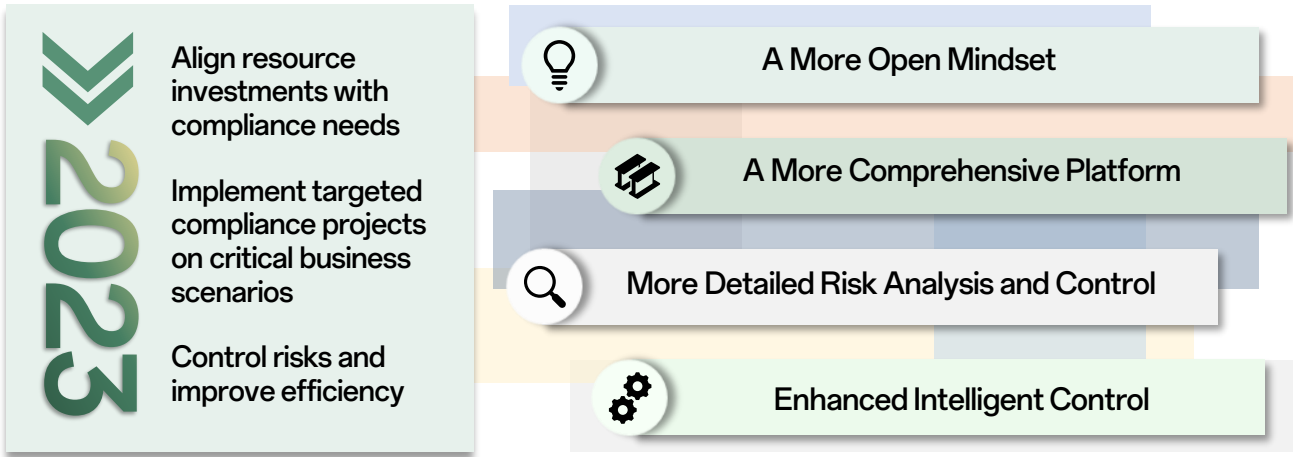
# The Development of OPPO's Compliance Program

We have tailored a comprehensive yet targeted compliance program that is customized to meet the specific development stage and operational conditions of our Company.

- ✓ Implementing Essential Compliance Elements and Mechanisms
- ✓ Prioritizing Key/Fundamental Compliance Risks






» 2022 The compliance program is comprehensive, strategically aligned with our current business development, and follows a sound and sustainable path.



# A More Open Mindset

## Balancing business efficiency with compliance management—Establish a catch-all process and proactively embrace new business ventures

In 2023, new business ventures and compliance requirements are constantly emerging. The vigorous development of AIGC (Artificial Intelligence Generated Content) technology has significantly boosted productivity across various sectors, while most countries are continuously refining their regulatory program for large language model compliance oversight. OPPO, with an open mindset, fosters internal innovation and exploration, eagerly embracing the new wave of technology. The legal and compliance department, in collaboration with pertinent departments, has jointly released relevant management policies and guidelines to ensure safety and compliance of the company's AIGC-related technology research, development, and business operations.

 <p>Collaborative procedural evaluation of compliance risks in various areas</p>	 <p>Developing an internal checklist of compliance obligations to assist business partners in conducting self-assessments</p>	 <p>Continuously monitoring various external standards to ensure internal requirements are updated in tandem</p>
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We have integrated standard compliance requirements into our business process management, and established a compliance review process to handle non-routine compliance needs or emerging business scenarios such as AIGC. As the catch-all function, this process aimed at ensuring that compliance decisions or advices are executed and traceable, thus safeguarding our business operations to consistently align with regulatory regulations and ethical standards.



<p><b>129</b></p> <p>This year, we completed 129 closed-loop compliance reviews, covering multiple compliance areas as well as new business scenarios such as AIGC.</p>	<p>New business scenarios that initiate the review</p>	<p>Immersive business engagement, individual case review, thorough oversight</p>	<p>Progressively establishing new mechanisms and new business norms</p>
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## Gradually progressing towards the “We embrace compliance” mindset—Cultivate more targeted compliance awareness enhancement and more effective cultural promotion

We are committed to establishing the principles of “Compliance in Business Operations,” “Company-Wide Compliance,” and “Compliance Begins with Me.” With our foundation “Benfen” culture, we advocate for and advance the construction of a compliance culture, cultivating a compliance mindset among all employees. This year, we have continuously enhanced our training curriculum, developing a comprehensive program that integrates both internal and external training, further enriching course content, and broadening the scope of training.

In addition, we provide specialized courses focused on the business risks and compliance requirements of key countries, as well as training for compliance business partners/contact person, to raise awareness and promote our compliance culture. We reinforce these key training sessions with designed assessments, requiring employees to take tests after training, and conducting surveys with Q&A sessions to ensure thorough comprehension and retention of the training content.

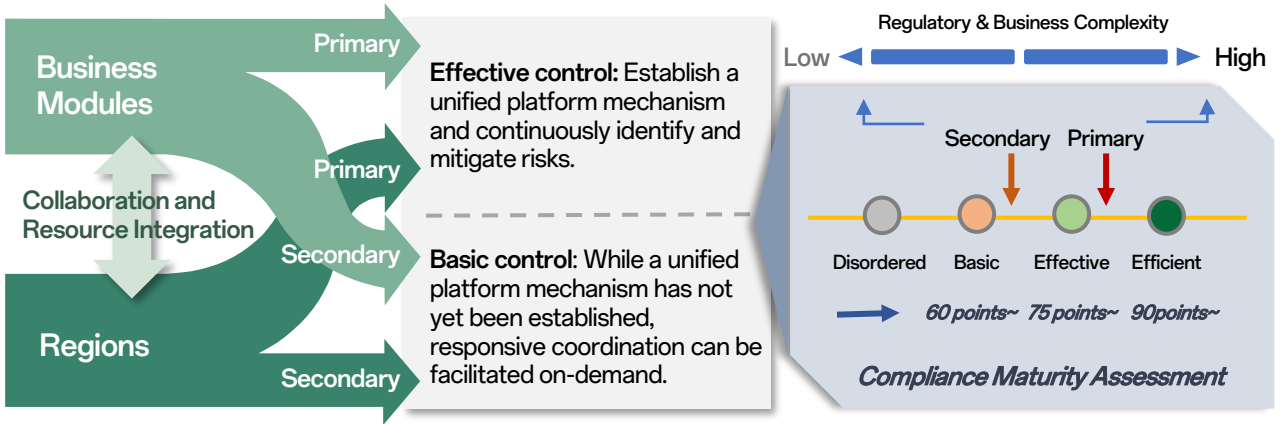
<p><b>Targeted Deployment</b></p> <p>Encompassing <b>8</b> major regions</p> <p><b>13</b> critical business units</p> <p>Over <b>40%</b> initiated autonomously by the business teams</p> <p>Covering all internal tiers within the company and business partners</p>	<p><b>Diverse formats</b></p> <p><b>118</b> online compliance courses</p> <p>Training, external discussions, signing of commitments...</p> <p><b>80</b> specialized training sessions both online and offline</p>	<p><b>Comprehensive topics</b></p> <p>Export and sanctions compliance, data privacy, antitrust, anti-bribery, trade secret, contract risks, e-commerce operations, Internet platform management, etc.</p>
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 <p><b>Training curriculum</b></p>	<p>Corporate compliance principles</p>	<p>Interpretation of company compliance documents</p>	<p>Compliance proficiencies</p>
 <p><b>Impact assessment</b></p>	<p>Individual performance evaluation</p>	<p>Departmental evaluation</p>	<p>Business compliance program</p>

# A More Comprehensive Platform

## Categorized Control

Within each of business domains, we have progressively enhanced our compliance platforms to ensure effective operations. Resources have been allocated to match the distinctive business characteristics, establishing distinct management and control objectives accordingly. Furthermore, we have improved our overseas compliance management and control this year.

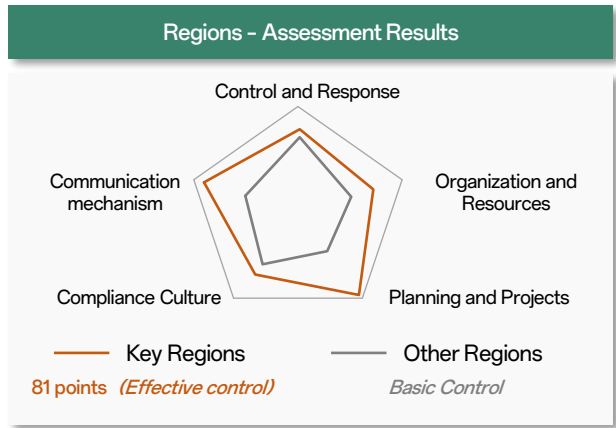
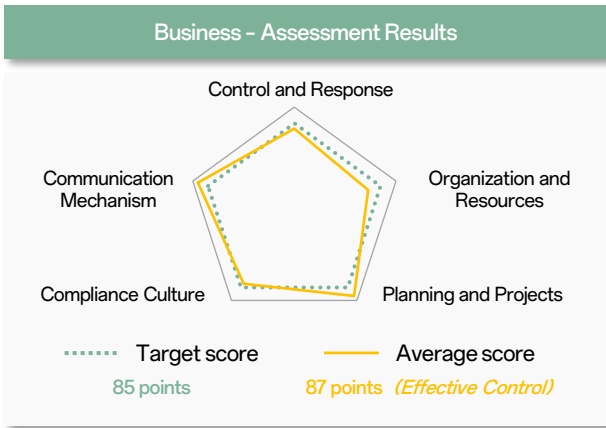


## Upgraded Evaluation

Refine the assessment criteria to impose stricter requirements on compliance capabilities and platforms across business units and regions, thereby ensuring that compliance operations are maintained at a high level.

## 5 Evaluation Criteria

Control and Response 50%	Organization and Resources 15%	Planning and Projects 15%	Compliance Culture 10%	Communication Mechanism 10%
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## Function-led Coordination

### Capability Development and Delivery

- ✓ Empower business operations with professional expertise
- ✓ Continuously perceive, identify, and monitor risks
- ✓ Foster collaboration across business units and regions

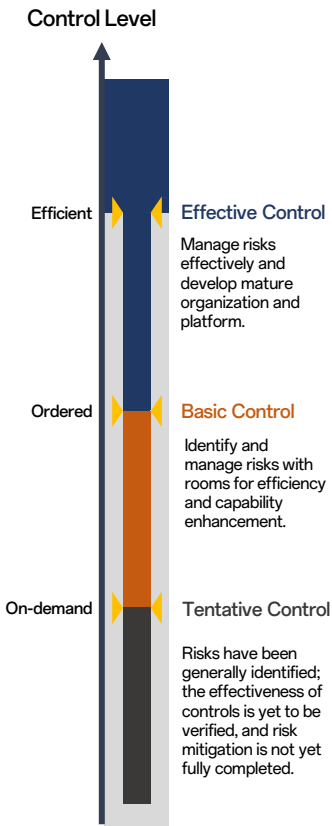
### Platform Operation Guidance and Evaluation

- ✓ Develop maturity assessment indicators that guide the development of various compliance platforms
- ✓ Oversee the execution of first-line-of-defense responsibilities and conduct periodic reviews

## Compliance Functions

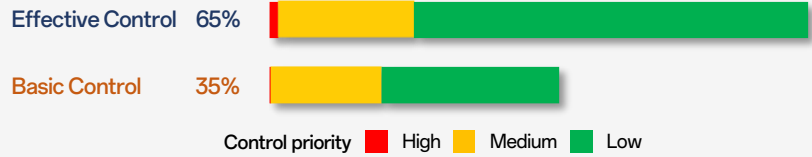
# More Detailed Risk Analysis and Control

- 2022** Based on the understanding of the business in daily compliance work and in line with regulatory requirements, we had a **basic understanding** of the main compliance risks in the business.
- 2023** Combined with business processes, we conducted a full compliance risk scan at least from the 4<sup>th</sup> level process to conduct a **comprehensive review** of compliance control effectiveness.



## Key Business

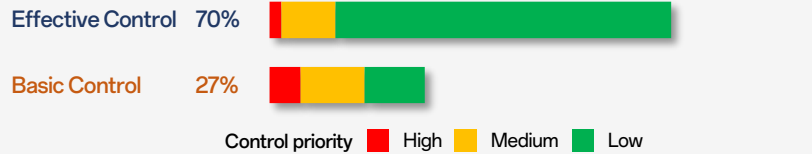
Reviewed **1,400+** business processes and sorted out **500+** control points.



Reviewed and optimized key business control points, and upgraded control levels as needed.

## Key Regions

Sorted out nearly **300** control points.



## 95% Compliance Control Objectives Achievement rate

On-time achievement rate: the number of projects that are completed or proceeding as scheduled / the total number of projects planned to be completed.

**Less than 1%** Key business and regional nodes with tentative control represent less than 1%, primarily due to the advent of new operations or a lack of existing industry practices. Management and control measures will be gradually explored and implemented.

### Compliance control sample case: upgrade Internet control measures through business reviews and sorting

In order to ensure the safety and reliability of OPPO's Internet products, the "Internet Business Compliance Management Policy" and supporting guidelines were released under the OPPO compliance framework, and a dedicated Internet business compliance program was established to proactively comply with regulations, continuously monitor and identify risks.

Compliance review of applications on the OPPO Developers Platform are conducted regularly.

Review typical cases of malicious applications and publish typical cases.

Each month, we reviewed **70,000+** applications, remediated **5,000+** applications, removed or froze **600+** applications, and froze 6 accounts.

Identify



Review



Remediate



## Enhanced Intelligent Control

As new business initiatives and compliance requirements constantly emerge, there may be issues such as increasingly stricter regulation, delayed risk identification, limited assessment perspectives, confusion regarding compliance requirements, complexity in decision-making and slow escalation process. In response to business development and in embracing changes, we are committed to enhancing the intelligence and automation level of compliance risk management and control, aiming to reduce human error, increase control efficiency, and ensure efficient business operations.

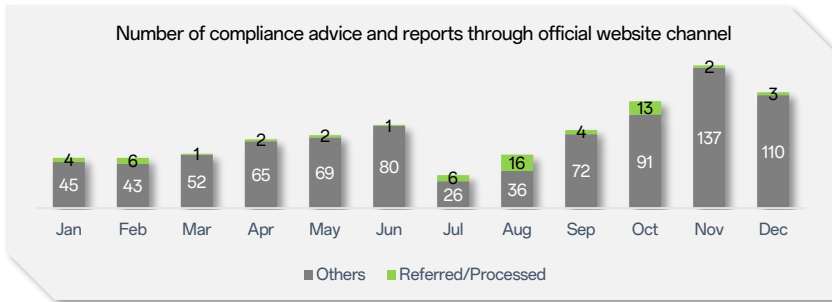
At the Intelligent Legal Technology Development Forum of the 2023 World Robot Conference organized by the Professional Committee of Artificial Intelligence Law of the CLAST (China Law Association on Science and Technology), "OPPO Intelligent Compliance Program" has been selected as an "Industry Benchmark" exemplary case.

Intelligent Compliance Program  
— Industry Benchmark Case by the CLAST

### Compliance Advice and Reports — Establish an official platform, expand channels, and improve efficiency

To enhance effective transmission and responses to compliance-related reports and government inquiries, we have established an open and transparent channel for compliance advice and reports on OPPO's global official website, opening up an information pathway to prevent regulatory requirements and inquiries from failing to reach the compliance management department. In addition, our legal compliance department, audit department, human resources department, and after-sales service department have established mechanisms for communication and collaboration to resolve potential risks and issues.

This year, we have improved efficiency and received over 880 reports and inquiries. A total of 60 valid reports or inquiries have been closed or transferred by the compliance management department, so as to ensure that our business operations comply with the legal requirements and code of ethics.



**2022** > 15 advice and reports

*Employed dedicated email address to facilitate communication within the company as well as with key suppliers and distributors.*

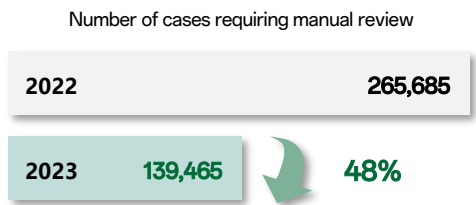
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**2023** > 880 advice and reports

*Upgraded to an open channel, allowing information to be transmitted directly and effectively to the relevant departments.*

### Optimization of Export and Sanctions Compliance Screening System — Improve review logic and efficiency

Export and sanctions compliance controls are integrated into all business processes, including customer management, contract management, financial operations, internet business, and sales management among other critical business segments. Due to the presence of numerous redundant cases and frequent need for manual reviews, we undertook a system upgrade this year, renewing and integrating with eight key IT systems, enhancing monitor and review efficiencies, refining our review logic, and consequently reducing the number of cases requiring manual review by 48% compared to last year.

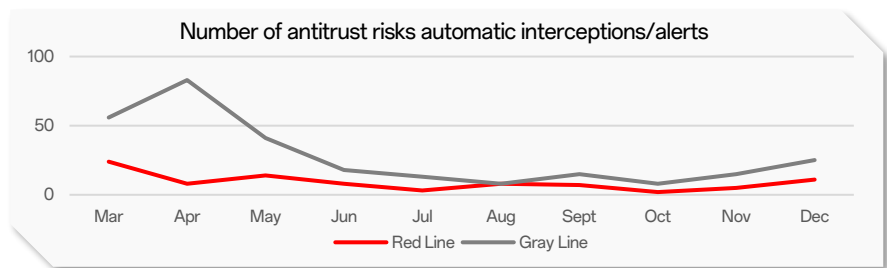


### Antitrust Risks Automatic Control — Collaborate with business and take control measures from the outset

Antitrust risks are characterized by difficult management control and delayed identification. This year, we have implemented mechanisms for automatic risk identification, notices, rectification, and red-line alerts, within the document issuing system and the email system. By identifying business scenarios, we have effectively advanced antitrust compliance measures and instituted controls from the business outset. This proactive approach also improved compliance awareness and competence, ensuring compliance of business operations.

**200+**  
Number of effective risk identification and automatic controls in the email system

**10+**  
Number of effective risk identification and automatic controls in the document issuing system



## Enhanced Intelligent Control

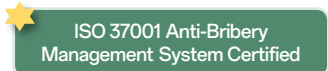
### DSR (Data Subject Rights) Platform Upgrade — Increase response efficiency

We have set up a DSR Request Platform (<https://www.oppo.com/en/privacy-feedback/>), receiving requests from global users and responding in time through SOP (Standard Operating Procedure) within the statutory timeframe.

This year, we continue to upgrade the platform, improve the process and increase response efficiency, so as to provide users with more efficient services.



### Anti-Bribery Compliance Control Process — Control major risk scenarios



**100%**

In accordance with ISO37001:2016 international standards, we have established an anti-bribery management program, and we have set up control processes for key risk scenarios, including compliance control processes for procurement, gifts and entertainment. This year, the major risk scenarios were 100% reviewed.

### Trade Secret Protection Review Process — Control information sharing risks

**48**

Compliance with the laws and principles of business ethics has always been a crucial part of OPPO's "Benfen" values and the bedrock of our commercial operations. We have been actively strengthening our own trade secret compliance construction. This year, we have reviewed and approved 48 information sharing applications through IT process.

### Compliance Managements are integrated into IT Processes in Key businesses and Regions — Ensure compliance through process control

**10+**

In line with the rollout of the company's Phoenix Program (a comprehensive digital transformation initiative at corporate level), we have leveraged IT processes to establish a comprehensive risk management mechanism, encompassing risk identification, qualitative assessment, legal compliance review, and risk decision-making, thereby achieving an effective closed-loop control. To date, we have successfully implemented systematic and automated compliance monitoring processes in over 10 business IT systems or workflows.

Business Scenarios	Key Compliance Control Points
Software design and development	Consumer rights, unfair competition, intellectual property rights, qualification access, product/service security, data privacy, export control and economic sanctions, trade secrets
Marketing, sales and aftersales business	Contract management, antitrust compliance, marketing compliance, qualification access, consumer rights and contract risks
Procurement business	Contract risk decision-making and pre-signing review for major contracts
Human resource management	Salary settlement, overseas labor compliance

#### Examples of Systematic and Automated Compliance Controls



## Commencing in the Present, the Future Has Arrived

### Compliance for Sustainability



#### 1 Continuously revisit and improve the compliance program

Through regular and continuous reviews, we reinforce the compliance foundation of our platform-based operations, implementing multi-dimensional monitoring to achieve a combination of “immediate remediation” with “long-term sustainability”.

#### 2 Consistently benchmark against industry standards and peers’ experiences to learn from the best practices

By benchmarking against exemplary industry practices and learning from the peers’ experiences, we absorb advanced compliance management experiences. This ensures we maintain a cautious and appropriate risk appetite of compliance within our industry.

#### 3 Continuously review internal and external changes, and allocate resources based on risk evaluations

Building on the results of continuously optimizing compliance control, we are deepening our focus on risk management and the efficient allocation of resources, steadily strengthening our risk prevention efforts.

#### 4 Continuously maintain open mindset and embrace changes

Steadfastly adhering our compliance obligations, we maintain an open mindset and actively pursue compliance practices that are appropriate for current and future development. Our aim is to achieve the objective of creating value through compliance.

## Contact Us

OPPO encourages every employee and business partner to report violations and welcomes suggestions on our compliance work. You can contact us in the following way:

- Providing feedback through the Page “Advice and Reports” of our official website:

<https://www.oppo.com/en/legal/form/>

You can file compliance complaints, report compliance misconducts and provide compliance related suggestions through the above page. Inquiries that are not related to compliance may not be responded to. If you need after-sales service, please contact our customer service team or make a request through our official website. For other inquiries or suggestions, please contact us by carrier. The mailing address is No.18 HaiBin Road, Wusha Village, Chang'an Town, DongGuan City, Guangdong Province, P.R. China. Please note that this page is only for compliance reporting/complaints, and we will not be able to serve any legal document to the company on your behalf.

The information you provide will be handled by our compliance team and will be kept strictly confidential. We will process your request in accordance with the applicable data protection laws and regulations. OPPO strictly prohibits direct or indirect retaliation against employees’ reporting. In addition, our human resources department and audit department have set up reporting channels respectively, together with compliance department, formed a collaborative division of labor and communication mechanism, so as to ensure that the reports and complaints of employees and business partners can be efficiently handled by professional and appropriate teams.



# oppo

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