

ZTE Corporation
Conflict Minerals Report 2020/21

2021.8

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Introduction

Founded in 1985, ZTE Corporation (“ZTE”) is a global leader in telecommunications and information technology committed to sourcing responsibly and respects human rights in accordance with international conventions and practices. With a vision of balanced, sustainable development in the social, environmental and economic arenas, the company promotes freedom of communication around the world. ZTE does not tolerate any activity that fuels conflict or violates human rights. ZTE conducted due diligence within supply chain to determine whether the necessary conflict minerals (gold, tantalum, tin, tungsten and cobalt) in our own products originated from conflict areas of the Democratic Republic of Congo and adjoining countries, as known as the Covered Countries include Central Africa Republic, South Sudan, Zambia, Angola, the Republic of the Congo, Tanzania, Burundi, Rwanda, and Uganda, or illegally taxed on trade routes, either of which is controlled by non-governmental military groups, or unlawful military factions. For many years, ZTE has been able to make substantial progress towards ensuring responsibly sourced minerals, for more information, please visit [ZTE Conflict Minerals Management](#).

ZTE is committed to respect human rights and the environment in accordance with all accepted international conventions and practices, such as those of the UN Global Compact etc. We want to ensure that all materials used in our products come from socially and environmentally responsible sources. We won't tolerate any kind of participation, trigger conflict, leading to negative environmental effect or human rights violations. ZTE has been contributing to work internally in the company and externally with suppliers, peer companies, industry associations and global officials to help fight mineral resource conflicts.

ZTE is not subjected to the SEC Conflict Minerals rule since the company is not listed on New York Stock Exchange. To ensure the accuracy and professionalism, ZTE Conflict Minerals Report 2020/2021 is prepared with reference to the Rule 13p-1 under the Securities Exchange Act of 1934 (“Rule 13p-1”). This ruling is also known as Dodd-Frank or SEC 1502.

Reporting Period

ZTE publishes its Conflict Minerals Report on a yearly basis, ZTE began to issue the Conflict Minerals Report since 2020, this is the second report.

This report covers activities related to conflict minerals from August 1st 2020 to July 31th 2021.

Glossary

RCOI – Responsible Country of Origin Inquiry (Survey / Ask)

3TG – Tin, Tantalum, Tungsten & Gold

Co – Cobalt

DRC – Democratic Republic of the Congo
CC – Covered Countries (also known as the adjoining countries of the DRC)
SORs – Smelters or Refiners
CMRT – Conflict Minerals Reporting Template
CRT – Cobalt Reporting Template
OECD – Organization for the Economic Cooperation and Development
RMAP – Responsible Minerals Assurance Process
RMI – Responsible Minerals Initiative
LBMA – London Bullion Market Association
RJC – Responsible Jewelry Council
CEO – Chief Executive Officer
CQO – Chief Quality Officer
COO – Chief Operating Officer
RBA – Responsible Business Alliance
DDMS – Due Diligence Management System
SEC – (U.S.) Securities and Exchange Commission
GESI – Global e-Sustainability Initiative
ESG – Environment, Social and Governance
MSCI – Morgan Stanley Capital International Index
CAPs – Corrective Action Plan
CCCMC – China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
RCS – Responsible Commodity Sourcing
CAICT – China Academy of Information and Communications Technology

Reasonable Country of Origin Inquiry (RCOI)

We found that small quantities of the five metals (3TG+Co) are present in parts and components used to manufacture products in our business through the material content analysis. ZTE conducted a RCOI to determine whether the necessary conflict minerals in our own products originated from the DRC or the CC. One of the principal methods to confirm the country of origin is the use of CMRT / CRT created by the RMI, a supply chain survey designed to identify the SORs, which is widely used by industry. The collected SORs list was compared to the list of RMAP to confirm whether they are validated as conflict free. The RMAP has agreed on mutual cross-recognition of gold refiner audits with LBMA and RJC are reflected in the RMI list of validated SORs.

<http://www.conflictreesourcing.org/conflict-free-smelter-refiner-lists/>

ZTE will turn to other forms of due diligence like direct contact with SORs using other assessment tools if the country of origin cannot be confirmed by the method mentioned above. For detailed result of RCOI, please refer to the section of “ZTE Due Diligence Measures Undertaken and Results in 2020/21” in this Report.

Based on our RCOI, we found the possibility that the necessary conflict

minerals contained in our products may come from the DRC or the CC. As a consequence, we established our own Conflict Minerals Program with reference to the five-step framework set forth in the OECD Due Diligence to determine whether the necessary conflict minerals utilized in our products were “conflict free.”

Conflict Minerals Program Design

ZTE designed and developed due diligence program of conflict minerals to monitor and determine conflict minerals risks, and to better help avoid contributing to responsible mineral conflicts. ZTE supports and recognizes SORs that have passed RMAP certification. ZTE conducts research and inspections on all suppliers, as for high-risk suppliers, ZTE conducts prioritized investigation with tracking; ZTE then evaluates the rationality of their mineral procurement practices effectiveness. ZTE’s due diligence program of conflict minerals is based on internationally recognized due diligence framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, to ensure accuracy and legitimacy. ZTE is committed to provide the most truthful and accurate due diligence program for conflict minerals possible.

Below is an introduction of ZTE due diligence program of conflict minerals’ 5-Step OECD Framework:

1. Develop and strengthen management systems

Design supply chain policies to strengthen the management structure, build internal management team to lead and monitor performance, develop management systems to help identify and manage risks, cooperate with suppliers to better understand their risks and set up plans to assist suppliers, introduce grievance mechanism and anti-bribery policies to insure transparency.

2. Determine and manage risks in the supply chain

Research and identify the SORs in the supply chain, determine and establish the scope of the risk assessment of the mineral supply chain. Evaluate the due diligence completion rate of the SORs to determine the risks of the SORs.

3. Responding to identified risks

Identified risks will be confirmed by the team and reported to senior-level management, management will set up meetings and conclude risk management plans and establish taskforce to implement the plans. If the supplier cannot provide effective and credible risk assessment and management policy evidence, it must accept a comprehensive third-party audit. If the supplier fails to conduct a comprehensive third-party audit as recommended or refuses to improve or does not cooperate with the improvement, the company will terminate the contract in accordance with internal policies.

4. Carry out independent 3rd party audits of SORs' due diligence practices

Engage the independent 3rd party to audit SOR's due diligence report. Establish third-party audit procedures and tools to encourage suppliers to improve their own mineral tracking.

5. Publish and report due diligence

Due diligence and related disclosures will be published within ZTE Sustainability Report or independently as publicly available information.

Description of Conflict Minerals Program Performed

1. ZTE Conflict Minerals Management Systems

Overview

ZTE has policies and guidelines in place to demonstrate our commitment to respect human rights and the environment, stipulate the conflict minerals management procedures. The Policy on Conflict Minerals Management is in line with industry and internationally accepted principles, including the United Nations Global Compact. Policy on Conflict Minerals Management is publicly available on our website:

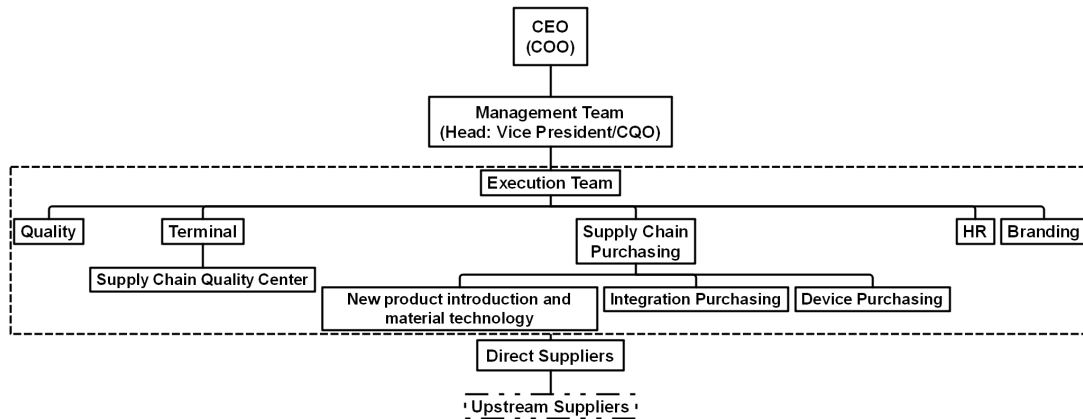
https://res-www.zte.com.cn/mediare/zte/Files/PDF/white_book/20180820CTKC.pdf?la=zh-

We also established the Conflict Minerals Management Standard to facilitate the implementation of the Policy on Conflict Minerals Management. The roles and responsibilities of management and relevant departments are clearly listed in the Conflict Minerals Management Standard. It also outlines ZTE's requirements on suppliers on the sourcing of conflict minerals and ZTE conflict minerals due diligence procedures. In 2020, ZTE reviewed all the management policies relating to conflict minerals and further enhanced the comprehensiveness of the Conflict Minerals Management Standard with reference to the feedback from different stakeholders and internationally recognized industry standards.

Governance

ZTE's conflict minerals management is guided by the management team headed by our Vice President/CQO, with the execution team consisting of appointed representatives from different departments, including quality, terminal, supply chain purchasing, human resources, and branding departments. The management team is responsible for the overall management and implementation of the Standard to ensure the applicability, transparency, and effectiveness of the Standard to monitor the risk over the conflict minerals of our supply chain. The management team conducts regular review on the performance indicators and reports to the senior management, our CEO and COO. The execution team, equipped with relevant competence

and experience, are responsible for coordinate with stakeholders on executing the Conflict Minerals Management Approach as outlined in our Standard, including the annual Conflict Minerals Risk Assessment. The conflict minerals risk and/or opportunities identified will be reported to our senior management in timely manner through the management team, so that our senior management can formulate corporate strategies related to conflict minerals.



Supplier Requirement and Engagement

ZTE aims to build long-term relationships with its suppliers by constantly communicating with suppliers on its expectations and driving improvements through the provision of support and capability building activities.

ZTE requires all relevant suppliers to guarantee that all materials are procured from environmentally and socially responsible sources. Requirements and specifications related to conflict minerals are incorporated in either the supplier contracts or Declaration of Metal Conflict-Free. All suppliers are required to sign either Declaration of Metal Conflict-Free or supply assurance contracts with terms and conditions incorporated to commit and comply to our policies and requirements on conflict minerals. The requirements include the submission of CMRT or CRT, and participation in related training and due diligence activities every year.

To support and build capabilities of suppliers on conflict minerals management, ZTE also provides both online and offline conflict-free minerals training programs for suppliers. Existing suppliers of ZTE are encouraged to contact ZTE sourcing team if they wish to seek additional guidance and assistance on conflict minerals management.

ZTE encourages and welcomes suppliers and external parties to report any problems,

concerns or violations relating to our conflict minerals program through our official grievance mechanism. The contact details are as follows:

Email: complianceaudit@zte.com.cn

Hotline: 400-830-8330 / +86 0755 26771706

Online: <https://www.zte.com.cn/global/whistleblowing/report>

2.Risk Identification and Assessment in Supply Chain

ZTE does not purchase or procure raw or refined minerals directly from SORs, which means there're many complex risks in ensuring a conflict-free supply chain. The OECD guidance recognize this as well, it's quite difficult for downstream companies to identify upstream actors. Nevertheless, ZTE tried its best to fulfill conflict-free supply chain.

We developed the Supplier Conflict Minerals Risk Management Guidance, and two other tools (Supplier Conflict Minerals Management Questionnaire and Supplier Conflict Minerals Risk Assessment Tool) were designed to further comprehend the conflict mineral management of relevant suppliers by ourselves in addition to CMRT / CRT.

ZTE conducts the annual conflict minerals survey using CMRT / CRT and Supplier Conflict Minerals Management Questionnaire, requesting information from our direct suppliers to identify the SORs they purchased with, and to report their management performance on conflict minerals. The scope of direct suppliers which involved in the supply chain inquiry is determined by our material research and design department.

After receiving the response, we will consolidate the supplier survey responses for 3TG and cobalt according to the type of conflict minerals used and compare the results with the RMI known SOR lists and the RMAP or other external sources to verify SORs, country of origin, and their conflict-free status.

Another self-developed Supplier Conflict Minerals Risk Assessment Tool is applied to assess the risk level of the surveyed suppliers. This Tool considers overall conflict minerals risk of suppliers from two dimensions, namely the influence of suppliers on ZTE's operation and the risk of their own conflict minerals management. Supplier's spend, replacement, compliance history, conflict minerals management performance, location, and the location of related SORs are all be considered as impact factors for risk evaluation. In particular, risk of SORs and supplier's location is assessed with reference to the internationally recognized resources recommended by the RMI, including Heidelberg Conflict Barometer, Control Risk Worldmap and INFORM Worldmap. Suppliers' overall risk levels will be classified into three categories: high, medium and low with the use of risk matrix.

Records related to the conflict minerals program will be maintained at our database for at least five years.

3.Management Strategies on Identified Risk with Suppliers

As a responsible company, ZTE will not terminate business relationship with the high-risk suppliers identified immediately. Instead, we actively collaborate with suppliers to optimize their management on conflict minerals through different risk mitigation measures according to their levels of conflict minerals

risk.

For all suppliers, ZTE provides annual training programs on enhancing their conflict minerals management. In 2021, ZTE has organized an on-site supplier conference on conflict minerals issues with 87 suppliers. Between 2020 and 2021, we provided online training programs in both Chinese and English which covered all suppliers involved in conflict minerals after primary screening (990) on our approach and standards for conflict minerals management, relevant laws & regulations.

We encourage our suppliers to formulate a Conflict Minerals Free Policy to regulate their sourcing activities. And suppliers are required to ensure the upstream smelters and refiners have obtained valid conflict-free third-party certification and send the relevant proof to ZTE as part of the risk mitigation plan.

For medium and high-risk suppliers, ZTE provides specialized conflict minerals management training programs based on the improvement area of the suppliers. These aim to provide suppliers with resources and knowledge to establish necessary conflict minerals management procedures and documents. We maintain on-going communication with the medium and high-risk suppliers to review the effectiveness of the new management procedures until the overall risk level is reduced to low. We further provided a face-to-face specialized conflict minerals management training to the whole 36 high-risk suppliers so as to build their capabilities and improve their performances in conflict mineral management. We will continue to build online training system at the same time.

In addition, as a member of RBA and GeSI, ZTE will audit the management performance of conflict minerals for all suppliers at risk. The qualified internal audit teams conduct audits in accordance with the audit requirement of Downstream Assessment Program of RMAP. The audit forms include on-site specialized audit and integrated audit. Assessment factors include company management, risk assessment, risk mitigation and SORs due diligence throughout their conflict minerals supply chain. In the last part of the audit, we will summarize the findings and provide corresponding corrective measures to strengthen supplier's conflict minerals management. If the supplier does not cooperate or can't meet our requirements after rectification, necessary penalties will be imposed which ultimately may lead to the termination of business partnership.

4.Independent Third-party Certification of Supply Chain Due Diligence

Although we have no direct relationship with upstream SORs, we understand the importance of the third-party conflict-free verification at the smelter or refinery level in the supply chain for downstream enterprises. We require all our direct suppliers to provide detailed list of upstream SORs used through supply chain due diligence. We compare the list against the validated smelters and refiners lists of RMAP or other external sources to confirm

whether these SORs are validated as conflict-free.

Besides that, we formulated the Conflict Minerals Third Party Audit Guidance to better guide our direct suppliers and their upstream SORs to obtain effective third-party certification. The Guidance provides detailed procedures on how to perform effective third-party audits, such as the qualifications of auditors, pre and post audit procedures, and required third-party audit documentations.

5.Report on Supply Chain Due Diligence

The summary of our policies and efforts on supply chain due diligence is disclosed annually and accessible on our Corporation Sustainability Report in addition to this Report.

ZTE Corporation Sustainability Report is available on the company website at:

<https://www.zte.com.cn/global/about/citizenship/CSR-Reports>

A list of all identified conflict minerals smelters and refiners and their third-party certification status is available for our business partners and investors upon requests.

The content of any website referred to in this Report is included for general information only and is not incorporated by reference in this Report.

ZTE Due Diligence Measures Undertaken and Results in 2020/21

The scope of direct suppliers which involved in the supply chain inquiry is determined by our material research and design department. Suppliers being phased-out and products sourced from third parties and subsequently resold by ZTE without influence over the manufacturing or design of such products were not in scope.

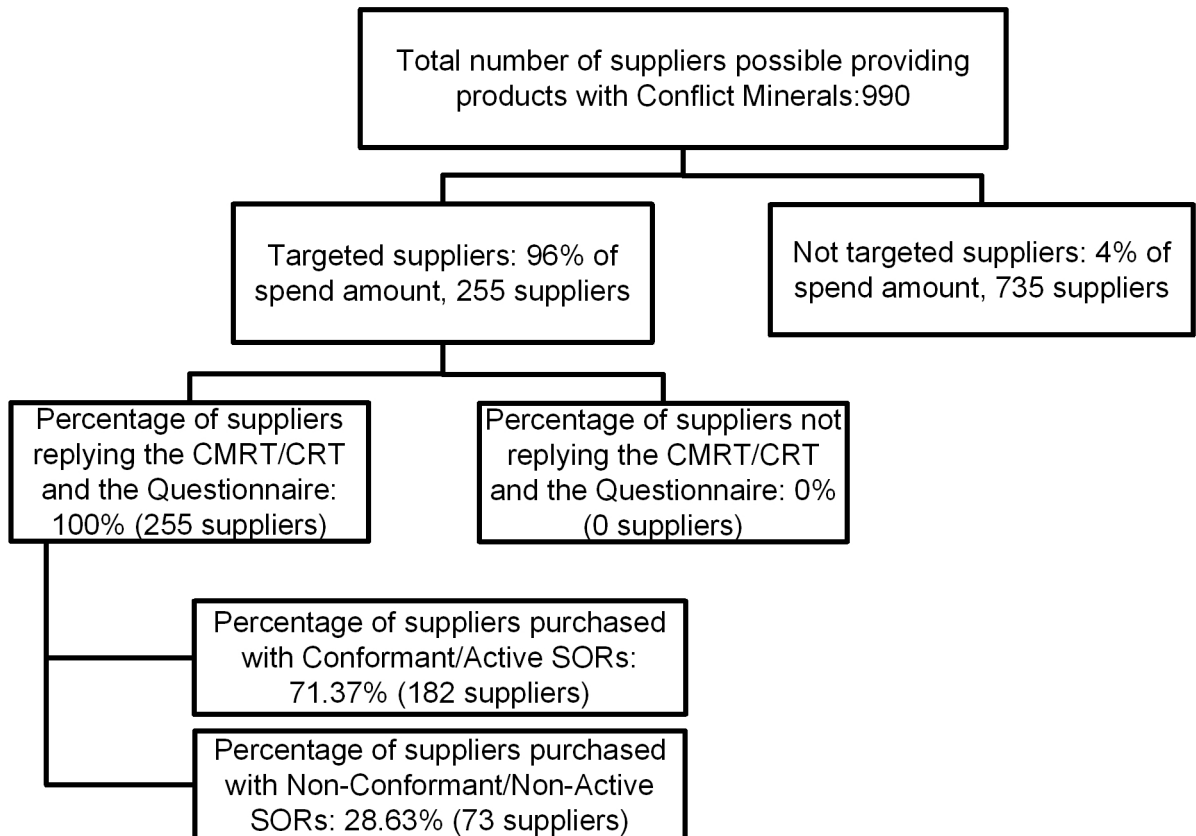
In the primary screening, a total of 990 suppliers were involved. We set a spend threshold (96%, last year was 95%) to exclude those suppliers which account for relatively low procurement spend. After the selection process of spend threshold, there're 255 suppliers remained in the inquiry scope. We surveyed and evaluated these suppliers through the tools mentioned above.

Key Statistics :

- Supplier Response Rate : 100% (255/255)
- 328 SORs were identified in supply chain, 269's RCOI information was available through validation by RMAP, we contacted with the remaining 59 SORs directly to check their information
- Conformant SORs: 248; Active SORs: 21; Not participated: 59
- Among the 255 suppliers:182 Suppliers purchased with Conformant / Active SOR; 73 Suppliers with Non-Conformant / Non-Active SOR (We contacted these 73 suppliers to reconfirm and drive them to cancel

cooperation with Non-Conformant / Non-Active SOR)

- 36 suppliers were identified as high risk
- 142 audits in total were conducted for validation on all risky suppliers, including 4 specialized on-site audits aiming at high-risk suppliers and 138 integrated audits for other suppliers at risk. Due to the impact of pandemic, more audits are on the drawing board.



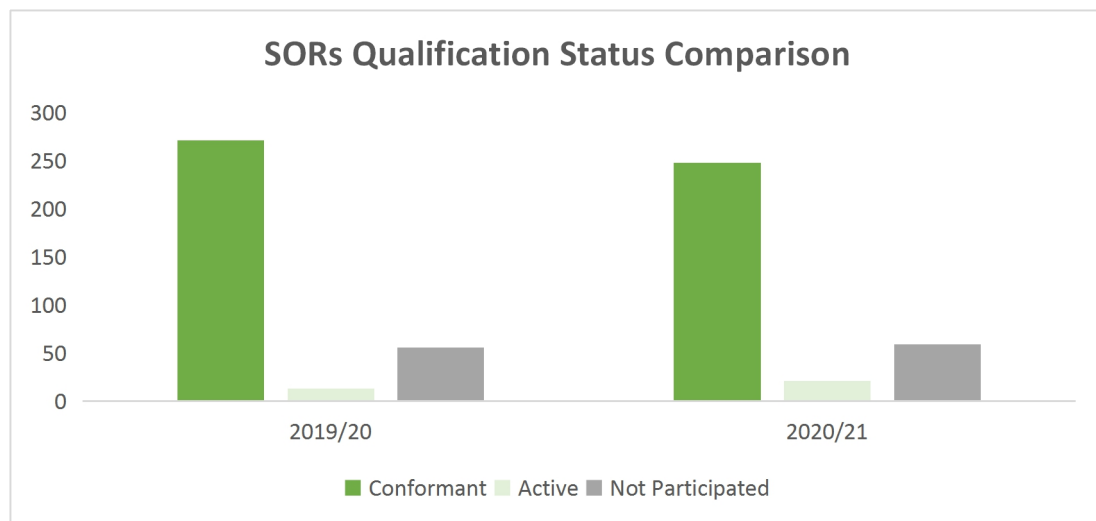
According to the due diligence exercise,

- 98.82% of our direct suppliers have conducted due diligence on their upstream suppliers
- 98.43% of our direct suppliers have already formulated a Conflict Minerals Free Policy
- 71.37% of our direct suppliers purchase necessary conflict minerals from conformant / active SORs on RMAP lists: gold 79.45% , tantalum 94.94% , tin 94.57%, tungsten 39.78% and cobalt 58.82% (the decrease is due to some certification progress delayed by the epidemic & an increase in the number of cobalt SORs which included in statistics this year)

Details of RCOI

		Conflict Minerals					
		Tantalum	Tin	Gold	Tungsten	Cobalt	Total
SORs Qualification Status	Conformant	38	52	107	42	9	248
		97.44%	83.87%	74.31%	84.00%	27.27%	76.71%
	Active	0	3	1	2	15	21
		0.00%	4.84%	0.69%	4.00%	45.45%	5.59%
	Not Participated	1	7	36	6	9	59
		2.56%	11.29%	25.00%	12.00%	27.27%	17.70%
Total	39	62	144	50	33	328	
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

Figure: Qualification Status Comparison



***Status is defined as follows:**

Conformant: SORs that are compliant with the RMAP assessment protocols or have been validated by a similar validation program (e.g., the LMBA's Responsible Gold Programme or the RJC's Chain-of-Custody Certification Program)

Active: SORs that have committed to undergo an RMAP audit or have not completed the certification due to the epidemic (especially for the Co-SOR)

Not Participated: SORs that have no plans to participate, but ZTE is assisting with targeted outreach

Based on the information collected, the countries of origin of conflict minerals in the supply chain of ZTE may include:

- *The countries of origin for Tantalum may include: Brazil, China, Estonia, Germany, India, Japan, Kazakhstan, Macedonia (the former Yugoslav Republic of), Mexico, Russian Federation, Thailand and United States of America.*
- *The countries of origin for Tin may include: Belgium, Bolivia (Plurinational State of), Brazil, China, India, Indonesia, Japan, Malaysia, Myanmar, Peru, Philippines, Poland, Spain, Taiwan (Province of China), Thailand, United States of America and Vietnam.*
- *The countries of origin for Gold may include: Andorra, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Czechia, France, Germany, India, Indonesia, Italy, Japan, Kazakhstan, Korea (Republic of), Kyrgyzstan, Lithuania, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Poland, Russia Federation, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan (Province of China), Thailand, Turkey, United Arab Emirates, United States of America and Uzbekistan.*
- *The countries of origin for Tungsten may include: Austria, Brazil, China, Germany, Japan, Korea (Republic of), Philippines, Russia Federation, Taiwan (Province of China), United States of America and Vietnam.*
- *The countries of origin for Cobalt may include: Belgium, China and Finland.*

Inherent Limitations on Due Diligence Measures

As a downstream purchaser of conflict minerals, our due diligence measures can provide only reasonable but not absolute assurance regarding the source and chain of custody of the necessary conflict minerals. Since there's no direct contractual relationships with smelters and refiners, we rely on our direct suppliers to gather and provide specific information. Besides we depend, to a large extent, on information collected and provided by independent third-party audit programs. Such sources of information may obtain inaccurate or incomplete information and may be subject to fraud.

Win-win Cooperation

ZTE realizes that conflict minerals matter involves multi-dimensional issues that require industry-wide efforts, so we collaborate with industry peers and partners to establish a win-win cooperation for everyone.

ZTE worked hard during the past few years to increase the conflict mineral management level and was successfully invited as a member of the RMI (Responsible Minerals Initiative) by GESI (Global e-Sustainability Initiative). RMI is one of the most utilized and respected resources for supply chain minerals due diligence. The RMI operates and manages the RMAP (Responsible Minerals Assurance Process). By joining as a member of the RMI, ZTE gathered new insights on the current global critical conflict mineral issues. This initiative also allows ZTE to communicate with other members as

well as learn and share more about improving the management level of conflict minerals.

ZTE participates in RMI meetings regularly and realizes that conflict minerals are not only limited to 3TGs but the mining of many other minerals that could potentially violate human rights. Conflict minerals problems occur not only in the Democratic Republic of Congo, but many more areas and countries. All mineral mining involving human rights issues can be regarded as conflict minerals. It is not restricted by the type of minerals and the place of origin. ZTE has already begun to establish due diligence on other minerals including cobalt and more. ZTE will continue to work with industry peers and partners to learn about the latest global situation on conflict minerals and further contribute to the fight for human rights.

In 2021, ZTE contracted with RCS Global for independent supply chain due diligence audits. ZTE expanded its due diligence practice to cobalt due diligence audit for collected supply chain mapping information. The audits focus on cobalt supply chain from downstream to midstream to identify cobalt suppliers and to assess risks related to human rights abuse in its cobalt supply chain. By August 2021, ZTE has completed audits on our battery supplier and cathode material supplier. As to improve ZTE's internal team's capability of due diligence management, RCS Group provided the ZTE Team with a one-day training on OECD Guidance 5 Step Framework. The training benefits various departments including Supplier Management, Procurement, New Product Introduction and Material Technology, and Human Resource. ZTE is in continuous communication with battery supplier and cathode material supplier, using CAP (Corrective Action Plan) to identify problems to enable continuous improvement. ZTE will continue to audit cobalt refinery sequentially. The selected supplier is expected to receive audit by the end of 2021.

As of August 2021, RCS has completed the audits of battery supplier and cathode material supplier and is expected to complete all audits including refinery by the end of 2021. The three audits cover the middle and lower reaches of the cobalt supply chain, from battery supplier to cathode material supplier and then to refinery. The audits identify problems in suppliers' internal management system and risk identification problems in the cobalt supply chain; then ZTE and RCS work together to improve the supplier's management system continuously. Meanwhile, ZTE gathers a better understanding of the risks in the cobalt supply chain and makes timely identifications and responses. Because the three audits are conducted on the same cobalt supply chain of ZTE, the results are more consistent and convincing. RCS will also assist us to draw a map of the cobalt supply chain after the completion of the audit according to results, to help ZTE continue to improve the risk identification ability on cobalt supply chain.

ZTE Participated in the CCCMC conference, learned more about the audit process for upper stream suppliers and companies, updates on EU's Conflict

Minerals Law, and management scopes of EU conflict minerals; built a foundation for dealing with future EU conflict minerals issues. Through Participation in activities organized by CCCMC, ZTE obtained the process of identifying enterprises in the upstream of the mineral supply chain when accepting RMI audits; learned the progress of the implementation of the EU Conflict Minerals Law, clarified the management scope of EU conflict minerals and gained a deeper understanding of EU related regulations on conflict minerals. ZTE will continue to follow up on issues related to conflict minerals management.

Speech at CAICT meeting

During the meeting held by the China Academy of Information and Communications Technology (CAICT), representatives of ZTE gave a speech about conflict minerals management backgrounds, definition, laws and regulations, NGO organizations and significances; the speech also included ZTE's accomplishments on conflict minerals, ZTE's design of conflict minerals due diligence, and shared about what the group's future plans on increasing external collaborations with more peers and industry partners to better deal with conflict mineral matters.



ZTE 2021 Supplier Training Camp

On May 21, 2021, the company's 2021 Supplier Training Camp was held in Lia Charlton Hotel, Nanshan Science and Technology Park, Shenzhen. 133 business partners and 87 suppliers participated. Experts from the ZTE

Headquarters Quality Department and the Supply Chain Purchasing Department jointly prepared for this year's supplier training camp and carefully edited the key courses ZTE Conflict Minerals Management Requirements and ZTE Green Environmental Management Requirements, and once again reiterated ZTE's requirements for suppliers of conflict minerals and green environmental protection. This training gave an accurate explanation of the content of conflict minerals, so that partners can fully grasp the background of conflict minerals, relevant international regulations and ZTE's management requirements. At the same time, the trainer also explained that ZTE is concerned about the enforcement of conflict minerals laws and regulations driven by its own corporate social responsibility and also based on customer management requirements by ZTE's high-end customers, such as Vodafone, Telefonica, KPN, China Mobile and other international brands. The meetings not only educated the suppliers with conflict mineral knowledges, but also strengthened the bounds between ZTE and all suppliers to ensure better business collaborations.



Next Steps

ZTE will undertake the following next steps to improve the due diligence process and mitigate the possibility that we are utilizing conflict minerals that benefit armed groups contributing to human rights violations:

Short-Term Objectives:

1. Combine conflict minerals management with and within the IT platform to increase working efficiency and management effectiveness;
2. Expand the scope of conflict minerals management, improve the on-site taskforce and make sure on-site audits and checks are more accurate and trustworthy;

3. Provide training for the on-site task force's auditors and inspectors to increase their working efficiency and professionalism;
4. Design and offer more training programs for suppliers to raise their awareness and to enhance their conflict minerals management capability;
5. Actively cooperate with upper-stream and lower-stream suppliers to improve business partnership and decrease potential conflict minerals related risks; participate in more international conflict minerals conventions to help the industry and expand influence, contribute to more international groups that fight for conflict mineral matters;
6. Continuously improve conflict minerals management capability to meet customer requirements and exceed the industry average;
7. Continue to require suppliers to reply to CMRT/CRT and maintain 100% response rate;
8. Ensure all qualified suppliers sign the Declaration of Metal Conflict-Free;
9. Ensure all the targeted suppliers (96% of spent amount) complete the Supplier Conflict Minerals Management Questionnaire.
10. Verify suppliers' due diligence as part of overall supplier assessments.

Mid-Term and Long-Term Objectives:

1. Actively cooperate with the upstream suppliers and SORs, provide support for suppliers to obtain third-party certification and participate in industry initiatives related to conflict minerals;
2. By 2025, more than 95% 3TG SORs must comply with the independent third-party certification standards (e.g. RMAP);
3. By 2025, at least 80% cobalt SORs obtain the independent third-party certification standards (e.g. RMAP);
4. Collaborate with suppliers, stakeholders, and peers to further improve awareness and due diligence capabilities related to conflict minerals;
5. Establish and strengthen management structure according to the ESG rating requirements and standards of MSCI;
6. Ensure steady improvements on conflict mineral management internally and externally;
7. Expand the audit scope to other key minerals in suppliers from downstream to upstream to improve the completeness of supply chain mapping and transparency of cobalt and other mineral supply chain risks.