

ZTE Corporation
Conflict Minerals Report 2024

March 2025

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Introduction

Founded in 1985, ZTE Corporation ("ZTE") is a global leading provider of integrated information and communication technology solutions. During its operations, ZTE always respects human rights in accordance with international conventions and practices. With a vision of balanced and sustainable development in the social, environmental, and economic areas, the company promotes equal communication around the world, and shows zero tolerance to any activity that fuels conflicts or violates human rights. ZTE conducts due diligence across its supply chain to determine whether the minerals (gold, tantalum, tin, tungsten, cobalt, and mica) used in our products originate from conflict-affected areas in the Democratic Republic of Congo and its adjoining countries/regions, including Central African Republic, Sudan, South Sudan, Zambia, Angola, the Republic of the Congo, Tanzania, Burundi, Rwanda, and Uganda, or from trade routes controlled by non-governmental military groups or unlawful military factions through illegal taxation. For many years, ZTE has made substantial progress in ensuring responsible sourcing of minerals. For more information, please visit the official website for [ZTE Conflict Minerals Management](#).

ZTE always respects human rights and the environment in accordance with international conventions and standards such as the *United Nations Global Compact*. We strive to ensure that all materials used in our products come from socially and environmentally responsible sources. We do not tolerate any form of participation in or triggering of activities that may harm the environment or violate human rights due to conflicts. Meanwhile, ZTE has been making efforts both within the company and with external parties such as suppliers, peer companies, industry associations, and global official departments in addressing the problems of conflict minerals.

ZTE is not subject to the conflict minerals rules of the Securities and Exchange Commission (SEC) since the company is not listed on the New York Stock Exchange. To ensure accuracy and professionalism, *ZTE Conflict Minerals Report 2024* is prepared in accordance with Rule 13p-1 under the Securities Exchange Act of 1934. ("Rule 13p-1 is also known as Dodd-Frank Act Section 1502.")

Reporting Period

ZTE has published its *Conflict Minerals Report* on a yearly basis since 2020. This is the sixth report.

This report covers activities related to conflict minerals from January 1, 2024 to December 31, 2024.

Glossary

RCOI – Reasonable Country of Origin Inquiry

3TG – Tin, Tantalum, Tungsten, and Gold
Co – Cobalt
DRC – Democratic Republic of the Congo
SORs – Smelters or Refiners
CMRT – Conflict Minerals Reporting Template
EMRT – Extended Minerals Reporting Template
OECD – Organization for Economic Co-operation and Development
RMAP – Responsible Minerals Assurance Process
RMI – Responsible Minerals Initiative
LBMA – London Bullion Market Association
RJC – Responsible Jewellery Council
CEO – Chief Executive Officer
CQO – Chief Quality Officer
COO – Chief Operating Officer
RBA – Responsible Business Alliance
DDMS – Due Diligence Management System
SEC – Securities and Exchange Commission
GeSI – Global e-Sustainability Initiative
ESG – Environmental, Social, and Governance
MSCI – Morgan Stanley Capital International
CAP – Corrective Action Plan
CCCMC – China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters
CAICT – China Academy of Information and Communications Technology

Reasonable Country of Origin Inquiry (RCOI)

Through material content analysis, it is found that small quantities of the six minerals (3TG, Co, and mica) were contained in the parts and components used to manufacture products. Therefore, ZTE conducted an RCOI to determine whether the minerals in our products originated from the DRC or adjoining countries. CMRT/EMRT created by the RMI, a supply chain survey designed to identify the SORs, was used to confirm the country of origin. It is a principal method used in the industry to identify the SORs. The collected SOR list was then compared against the list of RMAP-conformant SORs to confirm whether they are validated as conflict-free. The RMAP has agreed with LBMA and RJC on mutual cross-recognition of gold refiner audits, which were reflected in the RMI list of validated SORs.

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

When the country of origin cannot be confirmed by the method mentioned above, ZTE turned to other forms of due diligence such as such as directly contacting the SORs and using other assessment tools. For the detailed result of RCOI, please refer to the section "ZTE Due Diligence Measures and Results in 2024" in this report.

Based on the RCOI, we found that the minerals contained in our products may come from the DRC or adjoining countries. As a consequence, we established our own Conflict Minerals Program following the five-step framework set forth in the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* ("the OECD Guidance") to determine whether such minerals were "conflict-free."

Conflict Minerals Program Design

ZTE has designed and developed its due diligence program to monitor and determine conflict minerals–related risks, and thereby avoid directly or indirectly using minerals from conflict-affected areas. ZTE supports and recognizes SORs that have passed the RMAP certification. We have also conducted investigations into all related suppliers, with high-risk suppliers given the top priority, to evaluate their practices in mineral sourcing.

To ensure legitimate, accurate, and truthful due diligence of conflict minerals, ZTE has developed its due diligence program based on the internationally recognized OECD Guidance.

Below is an introduction to ZTE's due diligence program for conflict minerals:

1. Develop and strengthen the management system

Design supply chain policies to strengthen the management structure, build a team to conduct management, develop management IT systems to help identify and manage risks, collaborate with suppliers to better understand their risks and create plans to assist suppliers, and develop appeal mechanisms and anti-bribery policies to ensure transparency.

2. Identify and manage risks in the supply chain

Identify and investigate the SORs in the supply chain, determine the scope of the risk assessment of the mineral supply chain, and evaluate the due diligence completion rate to determine the risks of relevant projects.

3. Respond to identified risks

The internal team confirms the identified risks and reports them to the senior management, who will then convene meetings to decide on risk management plans, and establish task forces to follow up. If a supplier cannot provide effective and credible evidence on risk assessments and management policies, it must accept a comprehensive third-party audit. If the supplier fails to undergo the audit by a third party as recommended, or refuses to make improvements, or does not cooperate on improvement, the company will terminate the contract with the supplier in accordance with internal policies.

4. Carry out independent third-party audits of SORs' due diligence practices

Engage independent third parties in the audit of SORs' due diligence reports,

and develop third-party audit procedures and tools to encourage suppliers to improve their mineral tracking systems.

5. Publish and report on due diligence results

Publish due diligence results and related information in the *ZTE Sustainability Report* or separately.

Description of Conflict Minerals Management Procedures

1. ZTE Conflict Minerals Management System

Overview

ZTE has formulated policies and guidelines for conflict minerals management to manifest our commitment to respecting human rights and protecting the environment. In addition, ZTE has stipulated its conflict minerals management procedures. ZTE's *Policy on Conflict Minerals Management* is in line with the principles widely acknowledged in the industry and in the international community, including those stipulated in the *United Nations Global Compact*. Our *Policy on Conflict Minerals Management* is available on our website:

https://www.zte.com.cn/content/dam/zte-site/res-www-zte-com-cn/mediares/zte/files/pdf/white_book/202405141622.pdf?la=zh-CN

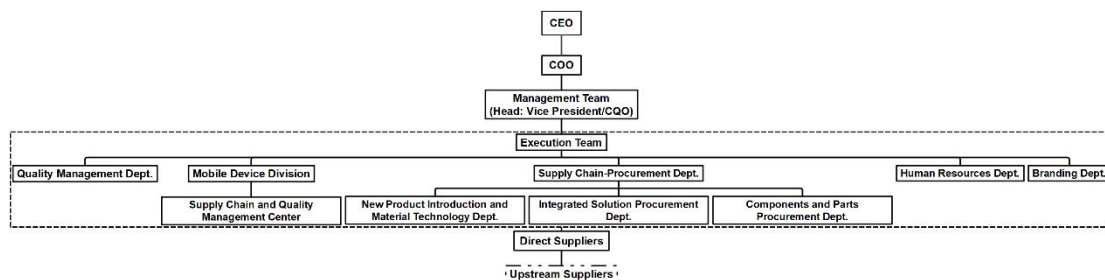
To facilitate the implementation of the *Policy on Conflict Minerals Management*, we have also formulated the *Regulations on Conflict Mineral Management*. It specifies the roles and responsibilities of the management and relevant departments of the company, and outlines the requirements for suppliers on conflict minerals sourcing and the due diligence procedures. In addition, we have issued three guides to conflict minerals investigations, conflict minerals-related risk management for suppliers, and third-party audits respectively. These regulations and guides will be regularly revised and updated at least every two years, covering position names, responsibilities, and management processes.

In 2024, we continued integrating mica investigations into supplier due diligence, tracing the origin of mica used by suppliers. Also, we included specific mica control requirements and processes in the *Regulations on Conflict Mineral Management*, to further strengthen our mica management system.

Governance

ZTE's conflict minerals management team is headed by our Vice President/CQO. The execution team consists of appointed representatives from different fields, including quality management, mobile devices, supply chain procurement, human resources, and branding. The management team is responsible for the overall management and implementation of the *Regulations on Conflict Mineral Management*, ensuring its applicability,

transparency, and effectiveness and thus monitoring conflict minerals risks in the supply chain. The management team regularly reviews the KPIs and reports their implementation to the senior management, including the COO and CEO. The execution team, equipped with relevant competence and experience, is responsible for coordinating with stakeholders on implementing the conflict minerals management measures as specified in the regulations, including the annual conflict minerals risk assessment. The management team reports conflict minerals risks or opportunities identified to the senior management in a timely manner, to help formulate corporate strategies related to conflict minerals.



Supplier Requirements and Engagement

Aiming to build long-term partnerships, ZTE actively communicates with its suppliers on their expectations and drives improvements with continuous support and capability-building activities.

ZTE requires all relevant suppliers to guarantee that all materials are procured from environmentally and socially responsible sources, and sign a supply contract or the *Declaration of Metal Conflict-Free*, both of which are incorporated with conflict minerals requirements. In this way, we aim to ensure that suppliers comply with ZTE's policies and requirements for conflict minerals. The requirements include submitting a CMRT or EMRT every year, and participating in related training and due diligence activities as needed.

To support the capability building of suppliers, ZTE also provides online and offline training programs on conflict-free minerals. Meanwhile, we encourage suppliers to contact our procurement team for further assistance and guidance on conflict minerals management.

Additionally, ZTE encourages and welcomes suppliers and external parties to report any problems, concerns, or violations relating to our conflict minerals procedures through official channels. The contact details are as follows:

Email: audit@zte.com.cn

Hotline: (+86) 0755-26771199

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

2. Digital Investigation Tools

In 2024, ZTE established the Green Product Management System (GPM), in which a conflict minerals management module was embedded. This module, interconnected with the company's supplier management system, digitalizes and automates key tasks such as the distribution and collection of CMRTs and EMRTs from suppliers, supplier risk level assessment, smelter screening and result summarization, and generation of CMRTs/EMRTs. While reducing labor costs, it has greatly improved the investigation efficiency and accuracy. In addition, through the full material declaration, the module can automatically identify conflict minerals and trace the sources back to the smelters, and visually display the smelters' RMI validation status.

In the future, we will continue to upgrade the conflict minerals management module, introducing new features such as contract-level conflict minerals investigation and expanding coverage to include additional mineral types, so as to meet the requirements of both the industry and customers.

3. Risk Identification and Assessment in Supply Chain

ZTE does not purchase raw or refined minerals directly from SORs, which means many complex risks need to be addressed to ensure a conflict-free supply chain. The OECD Guidance also recognizes that it is quite challenging for downstream companies to identify risks concerning upstream suppliers. Nevertheless, ZTE makes every effort to ensure a conflict-free supply chain.

In 2024, we amended the *Regulations on Conflict Mineral Management* by updating its scope of application, the names and responsibilities of some positions, and the conflict minerals investigation process, while adding contents about the introduction of digital tools. We also modified the *Guide to Conflict Mineral Investigations* in terms of the coverage of suppliers and the names and responsibilities of some positions, to ensure clearer identification of supplier-related risks. The modification also introduced standard operating procedures for digital evaluation tools, with clearly defined roles and responsibilities for online investigations. In addition, we aligned our CMRT/EMRT with the latest version available on RMI's official website, and developed two additional assessment tools on that basis (namely, the *Supplier Conflict Minerals Management Questionnaire* and the *Supplier Conflict Minerals Risk Assessment Tool*) to obtain a clearer picture of the conflict minerals management level of suppliers.

ZTE conducts the annual due diligence based on the latest CMRT/EMRT and the *Supplier Conflict Minerals Management Questionnaire*. During the due diligence, our direct suppliers are required to provide information on the SORs from which they purchase and to report their performance on conflict minerals management. The scope of direct suppliers involved in the due diligence is determined by our material research and design departments.

After receiving responses from suppliers, we analyze the feedback based on

the type of minerals (3T, cobalt, and mica) used and compare the results against the RMI's SOR lists and those verified by RMAP or other external institutions, to verify the conflict-free status of SORs and countries of origin.

The Supplier Conflict Minerals Risk Assessment Tool is used to assess the risk level of suppliers. In 2024, we further optimized this tool and fully integrated its calculation logic into the conflict minerals management module of the GPM system. This automates data extraction from the supplier conflict minerals management questionnaires and calculation of risk assessment results with higher accuracy and efficiency. The tool helps assess the risk level of suppliers from two dimensions, namely the impacts on ZTE's operations and risks in conflict minerals management. Multiple factors are taken into consideration in the risk assessment, including the PO amount, the replacement of suppliers, compliance records, conflict minerals management performance, and the locations of related SORs. In particular, the risks related to the locations of SORs and suppliers are assessed through tools recommended by the RMI, including the Conflict Barometer of the Heidelberg Institute for International Conflict Research (HIIC), and the Risk Maps developed by Control Risks and INFORM. Based on a risk matrix, suppliers' risk levels are classified into three categories: high, medium, and low.

Records related to the Conflict Minerals Program will be kept in ZTE's database for at least five years.

4. Strategies for the Management of Identified Risky Suppliers

As a responsible company, ZTE will not immediately terminate business relationships with high-risk suppliers. Instead, we actively collaborate with suppliers to optimize their conflict minerals management by tailoring risk mitigation measures to their respective risk levels.

ZTE provides annual training programs for all suppliers to enhance their conflict minerals management. In addition, we offer suppliers online bilingual training courses, which cover the definition and background of conflict minerals, introduction to relevant management regulations and standards, ZTE's requirements, and the major matters requiring the cooperation of suppliers. All registered suppliers can access such courses. We encourage our suppliers to formulate their own Conflict-Free Minerals Policy to regulate their sourcing activities. In addition, our suppliers should ensure that their upstream SORs have obtained valid conflict-free third-party certification and send the relevant supporting materials to ZTE as part of the risk mitigation plan.

For medium- and high-risk suppliers, ZTE provides specialized conflict minerals management training targeting the specific areas where suppliers need to improve. We aim to provide suppliers with the resources and knowledge they need to establish the necessary procedures and documents for conflict minerals management. ZTE will keep continuous communication

with medium- and high-risk suppliers, and review the effectiveness of their new management procedures until their overall risk level is reduced to low.

In addition, ZTE audits the performance of all suppliers with risks in conflict minerals management. Our audit teams conduct audits in accordance with the requirements of RMAP and Downstream Assessment Program (DAP), including special on-site audits and integrated audits. The following factors are included in the audits: corporate management, risk assessment, risk mitigation, and the due diligence of SORs involved in the supply chain. After the audits, we summarize the findings and propose corresponding corrective measures to strengthen suppliers' conflict minerals management. In 2024, ZTE conducted conflict minerals training and audits for 23 high-risk suppliers. Items requiring rectifications and corresponding guidance were provided for the suppliers based on the audit findings. Suppliers were required to improve the documents for conflict minerals management procedures, risk management measures, due diligence processes, and audits of conflict minerals. In this way, we can enhance suppliers' capabilities in conflict minerals management to eliminate relevant risks.

Furthermore, we require suppliers to report their rectification measures for nonconforming items within two weeks, which are usually checked in the subsequent special audits. If a supplier does not cooperate or cannot meet our requirements after rectification, necessary penalties will be imposed, even the termination of partnerships. In 2024, no supplier had its collaboration with ZTE canceled due to conflict minerals issues.

5. Independent Third-Party Certification in Supply Chain Due Diligence

Although we have no direct relationship with SORs, we understand the importance of SORs' third-party conflict-free certifications for downstream enterprises. Therefore, we require all our direct suppliers to provide a detailed list of upstream SORs obtained through supply chain due diligence. We compare the list against the lists of SORs verified by RMAP or other external institutions, to determine whether these SORs are conflict-free.

In addition, we updated the *Guide to Third-Party Audit on Conflict Mineral* by modifying its scope of application and the names and responsibilities of some positions, to better assist our direct suppliers and their upstream SORs in third-party certifications. This guide specifies the measures for performing effective third-party audits, such as auditor qualifications, procedures prior to and after audits, and required documents.

6. Report on Supply Chain Due Diligence

Our policies and efforts in supply chain due diligence are disclosed annually in this report and also the annual sustainability report.

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

<https://www.zte.com.cn/global/about/sustainability.html>

A list of validated SORs with their third-party certification status is available for our business partners and investors upon request.

The content of any website referred to in this report is cited as general information only, but not in the reference list.

ZTE Due Diligence Measures and Results in 2024

The scope of direct suppliers involved in the due diligence is determined by ZTE's material research and design departments. Suppliers being phased out, as well as suppliers of products procured from third parties and subsequently resold by ZTE without ZTE's involvement in the manufacturing or design process of such products, are not included in the scope.

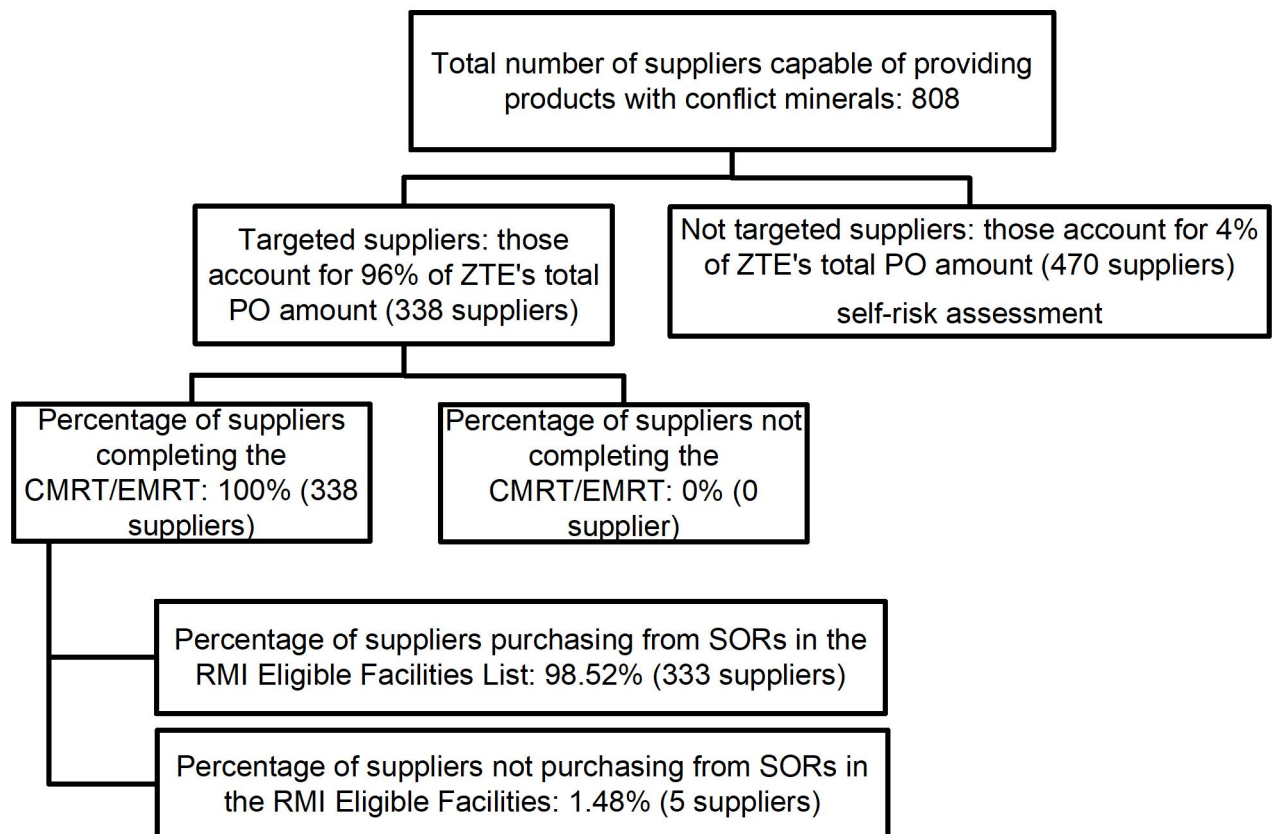
In 2024, ZTE identified all suppliers, 808 of them in total, that provide production materials containing conflict minerals, and conducted due diligence through the CMRT/EMRT or supplier self-assessment form. We set a threshold to identify suppliers that account for 96% of ZTE's total PO amount and request those suppliers to complete the CMRT/EMRT, while the rest suppliers with low PO amounts were required to carry out self-risk assessments. Specifically, self-risk assessment forms were sent to suppliers for complete and then collected for archiving, and sample audits were regularly conducted on the suppliers that participated in the self-assessment. Also, a total of 338 suppliers filled out the CMRT/EMRT.

Key Statistics:

- The supplier response rate is 100% (338/338).
- A total of 420 SORs were identified in the supply chain. 407 of them were on the RMI Eligible Facilities List, and we directly contacted the other 13 to get related information.
- Among the 420 SORs, 384 were in one of the following statuses: passed the RMAP assessment, passed the pre-assessment, under assessment, or corrective action plan being taken.
- Among the 338 suppliers being investigated, 333 suppliers purchased conflict minerals from SORs on the RMI Eligible Facilities List. (We contacted the other 5 suppliers to confirm the situation and urged them to end cooperation with the SORs not on the RMI Eligible Facilities List).
- We identified 60 high-risk suppliers, and conducted special audits on 23 of them. For the other 34 high-risk suppliers, we have collected their updated CMRT and communicated with them. After confirming their updated information, we have reduced their risk levels to medium or low.

The high-risk suppliers are identified based on the following criteria:

- 1) Suppliers who were identified as high-risk by the assessment tools in 2024;
 - 2) Suppliers whose risk levels were high both in 2023 and 2024;
 - 3) Suppliers who were subject to special audits in 2023 (for re-examination).
- We conducted a total of 307 audits on all risky suppliers, including 23 special audits on high-risk suppliers and 284 integrated audits on other suppliers.
 - 67 suppliers used tin from a smelter in Rwanda (CID003387). The smelter was on RMI's conformant smelter list released on June 10, 2024.



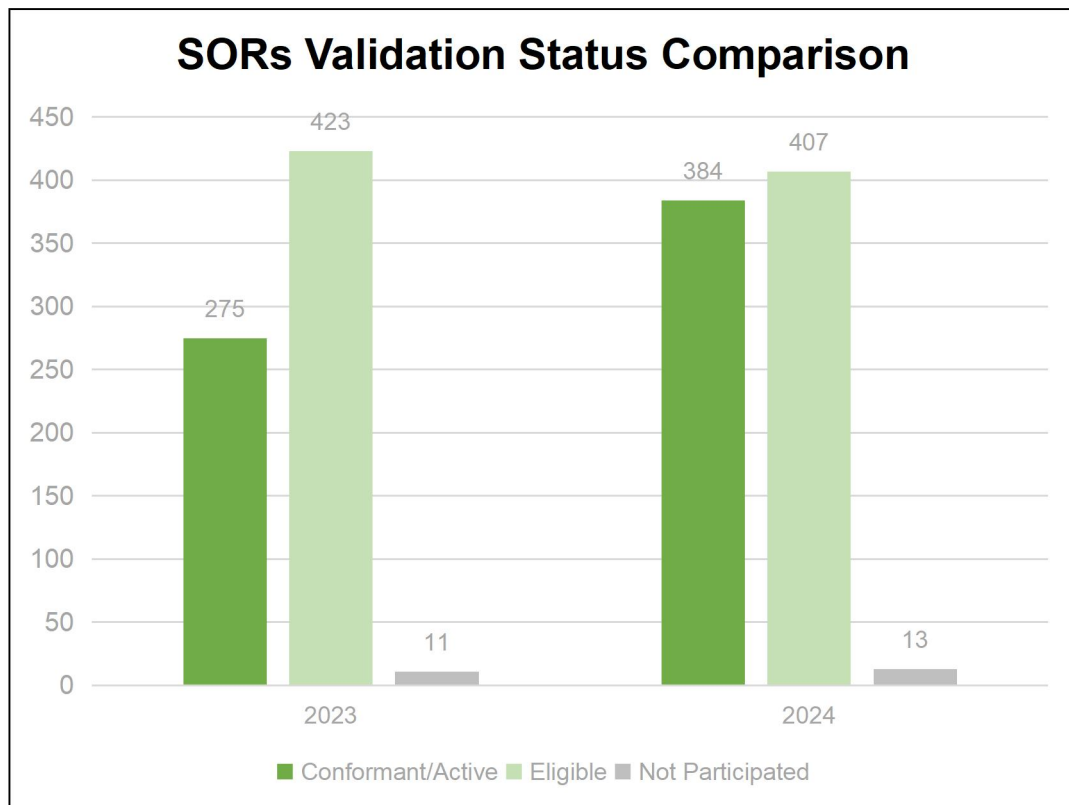
Based on due diligence,

- 95.27% of direct suppliers have conducted due diligence on their upstream suppliers (322/338);
- 98.22% of direct suppliers have formulated a Conflict-Free Minerals Policy (332/338);
- 98.52% of direct suppliers purchased necessary conflict minerals from SORs on the RMI Eligible Facilities List (333/338): gold 98.86% (174/176), tantalum 100.00% (46/46), tin 91.84% (90/98), tungsten 96.49% (55/57), cobalt 100.00% (39/39), and mica 75.00% (3/4).

Details of RCOI in 2024

		Conflict Minerals						
		Tantalum	Tin	Gold	Tungsten	Cobalt	Mica	Total
Status of SORs	Conformant/ Active	46	69	174	54	38	3	384
		100.00%	70.41%	98.86%	94.74%	97.44%	75.00%	91.43%
	Not Participated	0	29	2	3	1	1	36
		0.00%	29.59%	1.14%	5.26%	2.56%	25.00%	8.57%
	Total	46	98	176	57	39	4	420
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	RMI Eligible Facilities List	46	90	174	55	39	3	407
		100.00	91.84%	98.86%	96.49%	100.00%	75.00%	96.90%
	Non-RMI Eligible Facilities List	0	8	2	2	0	1	13
		0.00%	8.16%	1.14%	3.51%	0.00%	25.00%	3.10%
	Total	46	98	176	57	39	4	420
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The following is a comparison of the validation status of SORs.



***Status is defined as follows:**

Conformant/Active: SORs on the RMI Active and Conformant Facilities List.

Eligible: SORs on the RMI Eligible Facilities List.

Not Participated: SORs that are not on the RMI Eligible Facilities List, but ZTE is assisting them with targeted outreach.

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

- *Countries of origin for Tantalum may include: Brazil, China, Estonia, Germany, India, Japan, Kazakhstan, the Republic of North Macedonia, Mexico, Russia, Thailand, and the United States.*
- *Countries of origin for Tin may include: Belgium, Bolivia, Brazil, China, India, Indonesia, Japan, Malaysia, Myanmar, Peru, the Philippines, Poland, Spain, China's Taiwan province, Thailand, the United States, and Vietnam.*
- *Countries of origin for Gold may include: Andorra, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Czechia, France, Germany, India, Indonesia, Italy, Japan, Kazakhstan, Republic of Korea, Kyrgyzstan, Lithuania, Malaysia, Mexico, the Netherlands, New Zealand, the Philippines, Poland, Russia, Saudi Arabia, Singapore, South Africa, Spain,*

Sweden, Switzerland, China's Taiwan province, Thailand, Turkey, United Arab Emirates, the United States, and Uzbekistan.

- *Countries of origin for Tungsten may include: Austria, Brazil, China, Germany, Japan, Republic of Korea, the Philippines, Russia, China's Taiwan province, the United States, and Vietnam.*
- *Countries of origin for Cobalt may include: Belgium, China, and Finland.*
- *Countries of origin for Mica may include: Japan, India, the United States, Russia, Brazil, Canada, and China.*

Inherent Limitations of Due Diligence Measures

As we are a downstream purchaser of products containing minerals, our due diligence measures can provide reasonable, not absolute, assurance regarding the source and supply chain of the necessary minerals. Since we are not in direct contractual relationships with SORs, we rely on our direct suppliers to gather and provide specific information. In addition, we depend, to a large extent, on the information collected and provided by independent third-party audit programs. Such sources may lead to inaccurate or incomplete information and may even involve fraud.

Win-Win Cooperation

As conflict minerals involve complex issues that need to be addressed through industry-wide efforts, ZTE proactively works with industry peers and partners for win-win cooperation.

- Closer Collaboration with RMI

ZTE has been striving to improve its conflict minerals management over the past years and has been invited by GeSI to work with the RMI Steering Committee on its behalf. As one of the most utilized and respected resources for minerals due diligence in supply chains, the RMI operates and manages the RMAP. Joining the RMI Steering Committee, ZTE has gained new insights into the current critical conflict minerals issues around the globe. In addition, ZTE is able to have extensive exchanges with other enterprises, and share perspectives on issues related to the global mineral supply chain based on its practices. In 2024, ZTE actively participated in RMI's regular online meetings and thematic exchange meetings to keep abreast of the global hot topics and policies regarding conflict minerals. Based on the discussion results of the RMI meetings, ZTE adjusts its management policies on the mineral supply chain in a timely manner to strengthen its management of responsible minerals due diligence.

- Participation in the Mineral Supply Chain Industry Enterprise Meeting

In recent years, it has been a major trend in the international community to

expand the scope of responsible mineral supply chain management. Particularly, critical minerals for renewable energy are gradually being included in the scope of management, like cobalt, lithium, nickel, copper, manganese, mica, and graphite. In active response to industry demands, ZTE participated in the Mineral Supply Chain Industry Enterprise Meeting. From April 17 to 19, 2024, the Mineral Supply Chain Industry Enterprise Meeting was held in Jingmen, Hubei province. The meeting covered a range of trending topics, including management policies on international mineral supply chain due diligence, supply chain legislation, the global regulatory landscape, ESG risks and standardized governance in mining, responsible sourcing policies and supply chain audits, carbon footprint management, and compliance with the EU battery regulation. At the meeting, ZTE representatives joined other members in group discussions, thematic sessions, work reporting, corporate case studies, etc. These activities conducted an in-depth analysis of the global regulatory trends and fostered a consensus on enhancing ESG risk management across the supply chain and strengthening upstream and downstream collaboration. With these efforts, we aim to build a more responsible, resilient, low-carbon, and sustainable mineral supply chain.



Figure 1 A ZTE representative delivering a speech at the Mineral Supply Chain Industry Enterprise Meeting

➤ Special Training on the GPM System for Suppliers

In 2024, ZTE continued to actively practice the philosophy of green development and launched the GPM system. The system is seamlessly integrated into the company's operations system and interconnected with the

supplier management system, significantly improving the collaborative efficiency of green management across the supply chain. Key modules of the GPM system—such as hazardous substance labeling, full material declaration, conflict minerals management, and product LCA—have been digitalized and automated. This has greatly improved the data processing accuracy and overall work efficiency, while promoting the standardized and intelligent green management processes.

Before the GPM system was officially launched, ZTE conducted 4 online training sessions for suppliers who would directly use the system, with a total of over 1,000 trainees. Through comprehensive and systematic training, suppliers quickly familiarized themselves with the procedures for conflict minerals investigations, ensuring the smooth operation of the GPM system after go-live. On the supplier interface of the GPM system, ZTE provides a guide to filling out a task ticket for conflict minerals investigations, which is easily accessible to suppliers whenever needed during the investigations.

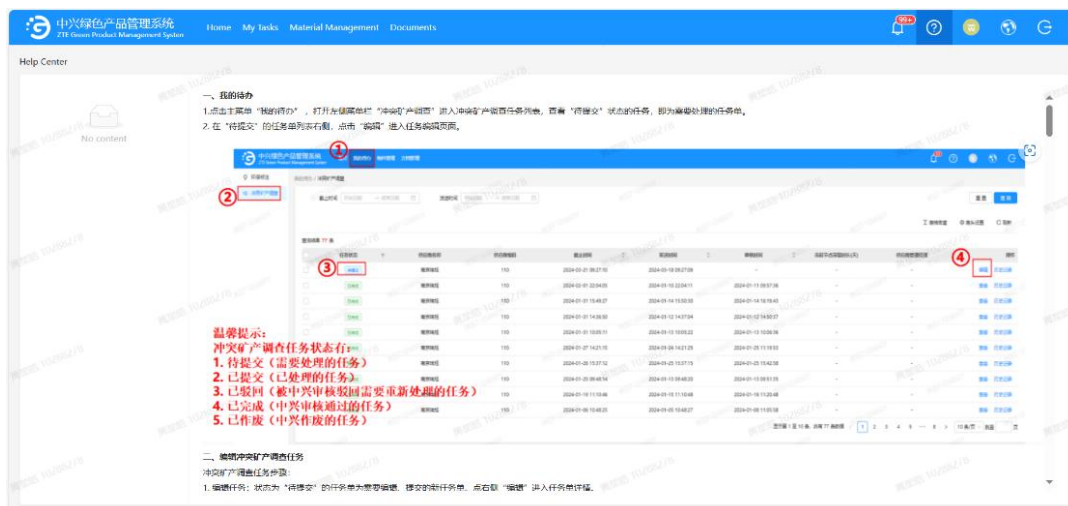


Figure 2 Guide to conflict minerals investigations on the GPM system

➤ Mineral Supply Chain Symposia and Corporate Site Visits

On August 8 and 9, 2024, ZTE co-hosted a symposium themed on responsible mineral supply chain for the renewable energy sector and a corporate site visit in Shenzhen with the CCCMC. The event brought together several enterprises from both upstream and downstream of the mineral supply chain.

The session on August 8 focused on the far-reaching impact of European and U.S. legislations such as the *Regulation (EU) 2023/1542 concerning batteries and waste batteries* and the *Corporate Sustainability Due Diligence Directive* on the industry. At the symposium, representatives from both ZTE and other enterprises had in-depth exchanges on practical concerns about supply chain traceability, carbon footprint management, information disclosure, and stakeholder communication. Technical discussions were also held on the

countermeasures and practices. All these provided useful ideas for enterprises to better adapt to regulatory requirements and enhance their own management capabilities.

The next day, representatives of several enterprises were invited to ZTE headquarters for a site visit, during which a meeting was held for experience sharing of supply chain due diligence between upstream and downstream partners. At the meeting, ZTE presented its best practices in responsible management of critical minerals, sustainable management progress, and dual-carbon strategy implementation. Representatives of other enterprises also shared case studies on responsible management of minerals for the renewable energy sector. Furthermore, we jointly explored innovative ideas for carrying out relevant work under multiple challenges and pressures. Such event greatly fostered collaboration on due diligence in the supply chain and contributed to the sustainable development of the mineral supply chain for the renewable energy sector.



Figure 3 Representatives from CCCMC and other enterprises

➤ Targeted Training for Suppliers

To improve the conflict minerals management across the supply chain, ZTE has been consistently providing training for upstream enterprises for years. From May 28 to 30, 2024, ZTE held the 2024 Supplier Training Camp for direct suppliers, bringing together 120 partners and 89 suppliers of system product materials and terminal product materials. The training focused on conflict minerals and environmental protection, during which ZTE's environmental experts provided in-depth explanations of conflict minerals,

covering relevant regulations, industry requirements, and ZTE's conflict minerals management capability building and supplier due diligence requirements. Participants gained practical guidance on the background information on conflict minerals, relevant international laws and regulations, as well as requirements of related NGOs and external rating agencies. Also, this training helped suppliers understand the matters that need their cooperation, including signing the *Conflict-Free Minerals Commitment*, completing the conflict minerals questionnaire, and tracing the sources (smelters) of 3TG, cobalt, and mica, to better assist ZTE in completing due diligence on conflict minerals and establish their own conflict minerals management system in the future.



Figure 4 2024 ZTE Supplier Training Camp

In the future, ZTE will continue to strengthen its management of critical mineral supply chain, with a focus on promoting a digital management mode. While continuously optimizing our management policies and processes, we will leverage our best practices to empower the supply chain, and fulfill our leadership role to drive improvement of minerals management capabilities across the entire supply chain.

Future Plans

ZTE will take the following steps to improve the due diligence procedures and mitigate the risks of human rights violations committed by the armed groups benefiting from use of conflict minerals:

Short-Term Objectives:

1. Integrate minerals management in internal and external IT platforms to increase our efficiency and management effectiveness in this regard;
2. Expand the scope of conflict minerals management, strengthen the building of on-site task forces, and improve the accuracy and credibility of on-site audits and inspections;
3. Provide training for the auditors and inspectors of on-site task forces to enhance their efficiency and capabilities;
4. Design and provide more training programs for suppliers to raise their awareness and enhance their capabilities of conflict minerals management;
5. Actively work with suppliers to improve partnerships and mitigate potential risks related to conflict minerals; attend more international conventions on conflict minerals to improve our influence in the industry and contribute to the conflict minerals management of more international organizations;
6. Continuously improve our capabilities of conflict minerals management to meet customer requirements and excel in the industry;
7. Collect the CMRT/EMRT from suppliers and maintain a 100% response rate;
8. Ensure that all qualified suppliers of production materials sign the *Declaration of Metal Conflict-Free*;
9. Verify the results of ZTE's due diligence on suppliers and make the verification a part of the overall supplier assessments.

Mid-Term and Long-Term Objectives:

1. Actively partner with the upstream suppliers and SORs, provide support for suppliers to obtain third-party certifications, and participate in industry initiatives related to conflict minerals;
2. By 2025, more than 95% of 3TG SORs shall pass the independent third-party certification such as the RMAP;
3. By 2025, at least 80% of cobalt SORs shall pass the independent third-party certification such as the RMAP;
4. Collaborate with suppliers, stakeholders, and industry peers to further improve awareness and due diligence capabilities related to conflict minerals;
5. Establish and strengthen the management structure based on the international requirements and standards for ESG rating;
6. Ensure steady improvements on conflict minerals management internally

and externally;

7. Expand the audit scope to include more types of critical minerals from downstream and upstream suppliers, draw a more comprehensive supply chain map, and improve the transparency of the supply chain risks of both cobalt and other minerals.