

Sustainable Development

- 119 Introduction
- 121 Sustainable Operations
- 126 Sustainable Products and Services
- 128 Sustainable World
- 131 ICT Sustainable Development Goals (SDGs) Benchmark



Huawei "Seeds for the Future" program cultivates local ICT talent

Introduction

Huawei is a leading global ICT solutions provider committed to enabling the future information society and building a Better Connected World.

Our approach to sustainability management remains customer-centric, and we always aim to improve our operating efficiency and competitiveness in a responsible and sustainable way. In collaboration with all sectors of society, we embrace new opportunities brought about by sustainable development, to promote socioeconomic growth and improve the environment in which we live. As we seek business growth, we place great emphasis on fulfilling our social responsibility as a strong contributor and responsible corporate citizen in local communities in which we operate. We prioritize sustainable operations, provide customers with sustainable products, solutions, and services, and remain committed to driving social sustainability.

- Vision:** To bridge the digital divide, and promote the harmonious and sustainable development of the economy, the environment, and society
- Mission:** To establish an excellent sustainability management system, operate with integrity and compliance, continuously improve communication with stakeholders, promote a harmonious business ecosystem, ensure the sustainable development of the company, and provide benefits to our customers and society
- Strategy:** Bridging the Digital Divide, Supporting Network Stability and Security and Protecting Privacy, Promoting Environmental Protection, and Building a Healthy Ecosystem



Huawei Signs Compact for Responsive and Responsible Leadership

At the 47th Annual Meeting of the World Economic Forum, Huawei Chairwoman Ms. Sun Yafang and executives from over 100 leading global enterprises in attendance signed *The Compact for Responsive and Responsible Leadership*, committed to long-term sustainable global investment and growth. The Compact emphasizes that corporate objectives must be aligned with the long-term goals of society. Enterprises should not sacrifice long-term economic prosperity and the welfare of society for the sake of short-term financial gains.

Built on its own business strategy, Huawei exchanges views widely with internal and external stakeholders, and has established a sustainable development strategy. There is a common spirit behind this sustainable development strategy and the company's strategy as a whole. The strategy is closely aligned with the Compact, reflecting our commitment to promoting the long-term, robust, and harmonious development of the economy, the environment, and society.

Sustainability Strategy

Overview of Huawei's Sustainability Initiatives in 2016

 <p>Bridging the Digital Divide</p>	<ul style="list-style-type: none"> Provides people across all geographic areas with easy access to voice communications services Ensures ubiquitous broadband for all and promotes future-oriented ICT technologies to address global challenges Establishes training centers and launches joint teaching initiatives to develop local talent, transfer knowledge, and increase people's engagement in the digital society Provides customized ICT applications and solutions that meet individual, corporate, and regional needs to improve economic performance, quality of life, productivity, and competitiveness 	 <p>Bridging the Digital Divide</p>	<ul style="list-style-type: none"> Provided mobile signals to connect the Everest South Base Camp with the rest of the world Deployed a 100G submarine network in the Arctic Circle to meet communications needs in Greenland Delivered a Smart Healthcare Project in Kenya to benefit 200,000 people Rolled out the Seeds for the Future Program in 96 countries and regions to promote ICT development and a prosperous industry
 <p>Supporting Network Stability and Security and Protecting Privacy</p>	<ul style="list-style-type: none"> Prioritizes network stability and security over commercial interests, especially at critical times (e.g., earthquakes, tsunamis, and other natural disasters and emergencies) Enhances the robustness and defense of products through continuous innovation and full consideration of business continuity and network resilience; supports independent testing, verification, and certification of products to provide internationally recognized security assurance to customers; works and communicates proactively with stakeholders in an open and transparent manner; complies with applicable security standards, laws and regulations Emphasizes the protection of privacy; works with partners on privacy protection; adopts recognized methodologies and practices; integrates privacy protection into our day-to-day business activities 	 <p>Supporting Network Stability and Security and Protecting Privacy</p>	<ul style="list-style-type: none"> Supported the stability of over 1,500 customer networks Guaranteed network stability during approximately 200 major events and natural disasters worldwide Released the fourth cyber security white paper that addresses cyber security in the global supply chain of the ICT industry Obtained the ISO 28000 certification for all distribution centers of global supply centers
 <p>Promoting Environmental Protection</p>	<ul style="list-style-type: none"> Incorporates green concepts into product planning, design, R&D, manufacturing, delivery, and O&M; continuously innovates technology to improve resource utilization efficiency and provide leading energy-conserving and environmentally friendly products and solutions to customers Increases resource utilization in offices, production facilities, logistics centers, and labs to reduce waste and greenhouse gas emissions and build Huawei into a role model for environmentally friendly operations Continuously ensures the environmental compliance of Huawei's products and our partners' operations; promotes energy conservation and emissions reduction across our supply chain and improves Huawei's competitiveness in the industry ecosystem Continuously promotes green and integrated ICT solutions to support energy conservation and emissions reduction in various industries; and proactively drives an energy-saving, environmentally friendly, and low-carbon society 	 <p>Promoting Environmental Protection</p>	<ul style="list-style-type: none"> Increased the energy efficiency of major products by 28% on average, an increase that is among the highest in the industry Received the UL110 highest-level green certification for 8 mobile phones Reduced carbon emissions per unit of sales revenue by 18% in 2016 compared with the benchmark year Used green packaging in 60% of products to reduce the use of wood product by over 110,000 m³
 <p>Building a Healthy Ecosystem</p>	<ul style="list-style-type: none"> Provides employees with varied career paths based on their particular skill sets to help them realize their individual value Makes significant contributions in all communities and countries in which we operate Abides by strict ethical business practices; opposes corruption, dumping, and monopoly; operates with integrity and in compliance with applicable laws and regulations Focuses on sustainability risk management in our own operational activities and services, gradually becomes the sustainable development leader in the industry and around the world Works closely with suppliers to develop standards and benchmarks; shifts our focus on supplier risk management to efficiency management, leading sustainable development in the industry ecosystem 	 <p>Building a Healthy Ecosystem</p>	<ul style="list-style-type: none"> Invested CNY11.2 billion in employee benefits Carried out EHS maturity evaluations in all representative offices worldwide Led the development of the IPC-1401 Supply Chain Social Responsibility Management System Guidance Launched approximately 200 community support programs in 70 countries and regions

Sustainable Operations

Operating with Integrity and Compliance

Huawei is a truly global company. This means we comply with all applicable national and regional laws and regulations, operate ethically, and prohibit all forms of corruption and bribery. We manage compliance and fulfill responsibilities in accordance with applicable laws and principles. Compliance with laws, regulations, and ethical standards is our primary management principle. We have integrated compliance requirements into corporate policies, systems, and processes, and promote a culture of integrity across the company.



Operational Compliance White Papers of Huawei Subsidiaries outside China

In 2016, our subsidiaries outside China prepared and published operational compliance white papers as part of our efforts to improve local subsidiary compliance systems. In order to guide the operational compliance of subsidiaries, these white papers serve as guidelines on compliance management and operations, and provide definitions and details concerning the following items:

- Compliance management policies and objectives;
- Compliance management organizations and their roles and responsibilities;
- Operational compliance mechanism; and
- Strategies for managing critical compliance risks

In 2016, Huawei Russia, Huawei UK, and over 100 other subsidiaries released their operational compliance white papers.

"We uphold high standards of integrity and corporate governance in Russia, and carry out business in a legal, ethical, and honest manner. Responsible business conduct in all aspects is critical for achieving long-term business success and gaining the trust and confidence of our stakeholders, including the government, customers, business partners, and employees."

— CEO, Huawei Russia

Caring for Employees

Inspiring dedication is one of our core values, and it manifests itself in many ways. We appraise employees and select managers according to their contributions and the scope of their responsibilities. We offer our staff a global platform for development and communication, giving young people the opportunity to assume greater responsibilities and accelerate their careers. In this way, we have enabled 180,000 employees to yield ample returns for their individual efforts, and gain memorable life experience.

With a presence in more than 170 countries and regions, Huawei gives employees fair access to work as well as to learning and promotion opportunities – irrespective of nationality, gender, age, race, or religion. In countries outside China, we give priority to hiring local employees, with a localization rate of over 71% in 2016. We are also committed to creating an efficient, relaxing, and caring workplace, and providing a comprehensive, professional healthcare service and safety assurance system.



iHealth Centers

Employee health and safety is always our top priority, and we have established a comprehensive employee benefit system. In 2016, we built multiple iHealth Centers where leading healthcare service providers offer our staff convenient access to specialized basic services.

In April 2016, we launched an iHealth Center in our Beijing Research Center, on a pilot basis, to provide the following services:

- Consulting: customized one-on-one health guidance, disease tracking, and intervention;

- Emergency treatment: providing first aid for emergency cases before the patient is taken to hospital, and offering first aid training and drills; and
- Health awareness: spreading healthcare knowledge

iHealth Centers opened in our research centers in Nanjing, Shanghai, Hangzhou, Wuhan, Chengdu, and Xi'an in November 2016, serving approximately 70,000 employees.



iHealth Center at the Wuhan Research Center



iHealth Center at the Xi'an Research Center

Safe Operations

We have incorporated employee health and safety requirements into our operations, and taken concrete action to deliver on our commitment to health and safety assurance. These efforts are conducive to our role as a responsible corporate citizen – and to our business development. We believe employee health and safety are the basis of Huawei's survival and development, and are also crucial for our competitiveness.

In 2016, we continued to uphold our principles of putting safety first and caring for employees. Based on the OHSAS 18001 standard, we improved our approaches to ensuring occupational health, protecting the rights and interests of employees, and managing production safety. We also continuously reinforced health and safety management in delivery projects, to better protect the staff of both Huawei and our contractors.



EHS Management in Delivery Projects Worldwide

With a firm belief that health and safety matter most, we set our goal of 0 injuries and fatalities, and continuously optimize our Environment, Health, and Safety (EHS) management around the world. Our safety accountability mechanism requires managers at all levels to be responsible for safety. We established an EHS management maturity model for delivery projects, and adopted IT systems for automatic measurement and efficient digital management.

We continuously invest in safety assurance, putting the required tools, equipment, and human resources in place. For example, we assigned EHS managers to 1,000 large delivery projects in over 170 countries and regions, and issued over 44,000 safety qualification certificates to our partners. More than 12,000 Huawei delivery engineers took part in EHS-related online training and exams. We developed a mobile app to manage EHS of 250,000 base stations onsite. In terms of road traffic safety, our On-Board Diagnostic (OBD) system assists driver safety management. A total of 8,000 OBD-aided vehicles have

achieved an accident-free mileage of 140 million km. In terms of EHS management, we also work closely with third parties that carry out independent onsite checks and proactively identify safety risks. As a result, our field offices are able to promptly fix their problems and protect the safety of our customers, Huawei staff, our partners, and other stakeholders in our delivery projects.

Our performance in EHS management has been highly recognized by governments in countries where we operate. For example, in 2016, we received the Excellent Work Skills Improvement and Contribution award from the Indonesian government as well as the Excellent Commitment and Improvement Towards EHS at Workplace award from the Malaysian government. We also developed ICT-related EHS regulations in close collaboration with Egypt's Ministry of Manpower and Migration.

Our pursuit of EHS is never-ending. Going forward, we will continuously improve the way we manage EHS to reinforce delivery safety.



EHS onsite check at a delivery site



Excellent Commitment and Improvement Towards EHS at Workplace award in Malaysia

Green Operations

Minimizing the environmental impact of our internal operations is a long-term key initiative at Huawei, because this will contribute to a low-carbon society. We have adopted multiple initiatives to reduce our energy consumption and CO₂ emissions, such as implementing energy management systems, achieving managerial and technological improvements, and using clean and renewable energy. By the end of 2016, we had built solar power stations with a total capacity of 19.3 million kWh. These solar power stations generated 17.07 million kWh of electricity in 2016, equivalent to a CO₂ emissions reduction of over 15,000 tons.



Increasing Energy Efficiency in R&D Labs

Some of our first R&D labs were scattered in different places, and their air conditioners and power systems were inefficient, with an average power usage effectiveness (PUE) as high as 2.5.

To increase energy efficiency and reduce carbon emissions, we built large centralized labs in the Chinese cities of Dongguan, Langfang, and Chengdu. Leading technologies and facilities – such as free cooling, separation of hot and cold air conduits, and efficient power supply cabinets – reduce lab PUE to below 1.5 and make the labs 40% more energy efficient. As a result, our labs are able to save

71 million kWh of electricity every year, equivalent to a CO₂ emissions reduction of over 65,000 tons.



Large centralized labs with higher energy efficiency

Sustainable Supply Chain

In 2016, we implemented our Quality First strategy to a greater extent. As sustainability is a key element of our strategy, it was assigned greater weight during supplier qualification, performance appraisal, and procurement decision-making. We strengthened cooperation in sustainability with customers, suppliers, and industry organizations. Procurement quotas were used as a means to drive the continuous improvement of our suppliers, minimize supply risks, increase customer satisfaction, and improve competitiveness of our supply chain. In 2016, we focused on the following aspects as we managed supply chain sustainability:

- Enhancing cooperation with customers to expand joint audits and employee surveys, and increase supply chain transparency: In

2016, Huawei and three customers carried out onsite audits on 10 suppliers, and we shared audit results with customers. Additionally, Huawei and two customers used Laborlink to survey the staff of 10 suppliers, and adopted mobile technology to improve employer-employee communications in the supply chain. In April 2016, Huawei and Deutsche Telekom co-hosted a Supply Chain Sustainability Workshop to enable the exchange of ideas between industry experts, customers, and suppliers.

- Enhancing cooperation with suppliers and building sustainability into procurement and supplier lifecycle management: In 2016, we reviewed 57 potential suppliers in terms of their sustainability performance, and the 12 suppliers who failed the review were denied the chance to cooperate with Huawei.

We audited 938 suppliers with respect to sustainability risks, and conducted onsite audits on 53 medium- and high-priority suppliers. Among the 951 suppliers that took part in our performance appraisals, two suppliers had their business with Huawei restricted due to poor performance in sustainability.

- Enhancing cooperation with governments and NGOs, and reinforcing a market-driven green supply chain mechanism: Our supplier audit tools and processes used the enterprise environmental data of the Institute of Public and Environmental Affairs (IPE). In 2016, routine queries about the environmental data of 500 key suppliers revealed 15 violations of environmental protection rules. We audited 10 suppliers onsite and asked that they make improvements within a predefined timeframe to meet our requirements. We also participated in developing China's

national standards for a green supply chain, and defining the green supply chain management and evaluation requirements of China's Ministry of Industry and Information Technology.

- Enhancing cooperation with industry players to develop standards and drive joint actions: In 2016, Huawei was an expert member in a project dedicated to establishing CSR management systems and standards for China's ICT industry. We played a leading role in developing the *IPC-1401 Supply Chain Social Responsibility Management System Guidance*. We advocated that social responsibility should be integrated, as a customer requirement, into product lifecycles and the value chain. We also drove collaboration across industries and along the supply chain, helping supply chain players fulfill their social responsibility and become more competitive.



Leading the Development of the IPC-1401 Supply Chain Social Responsibility Management System Guidance

In 2014, the Association Connecting Electronics Industries (IPC) named Huawei and Flextronics as leaders in the development of the organization's *Supply Chain Social Responsibility Management System Guidance*. Over the past three years, Huawei has organized over 10 workshops with more than 160 volunteer experts from nearly 80 electronics companies and 10 industry associations. Together with these experts, we analyzed how supply chain social responsibilities have evolved over the past two decades – as well as the actions, challenges, and needs of customers and suppliers. All participants agreed that it is necessary to adopt compliance audit models beyond traditional approaches; implement the ISO management systems and framework; leverage industry best practices; regard social responsibilities as customer requirements and as requirements for products and production; and integrate social responsibilities into procurement strategies, procurement processes, material qualification, supplier qualification, and procurement decision-making. It is widely accepted that

procurement quotas should be used as a means to drive the continuous improvement of suppliers, and that social responsibilities should be fulfilled to improve business competitiveness.

The *IPC-1401 Supply Chain Social Responsibility Management System Guidance* has passed three rounds of review and will be published and enacted in 2017.



IPC-1401 Supply Chain Social Responsibility Management System Guidance

Sustainable Products and Services

Cyber Security and Privacy Protection

Establishing and implementing an end-to-end global cyber security assurance system is one of our core development strategies. Based on compliance with the applicable laws, regulations, and standards of relevant countries and regions – and by reference to the industry best practice – Huawei has established and will constantly optimize an end-to-end cyber security assurance system. Such a system will incorporate aspects from corporate policies, organizational structure, business processes, management, technology, and standard practice. Huawei has been actively tackling the challenges of cyber security through partnerships with governments, customers, and partners in an open and transparent manner. User privacy is also our top priority: We comply with privacy and personal data protection laws and regulations in all countries and regions where we operate, and take viable measures to help enhance privacy protection.



Huawei's Fourth Cyber Security White Paper Addresses Supply Chain Risks

In 2016, Huawei published its fourth cyber security white paper, entitled *The Global Cyber Security Challenge – It is time for real progress in addressing supply chain risks*.

This white paper focuses on supply chain risks. Supply chain risk management is not just about ensuring that products and services will be there when needed, but it is also about a product lifecycle approach that minimizes the risk that products will be tainted by the behavior of malicious actors, or that the products may be counterfeited or contain counterfeit components that can be exploited for illicit purposes.



Fourth cyber security white paper

Green Products and Services

We continuously innovate technologies that minimize the energy consumption and carbon emissions of our products. We provide a variety of products and solutions to help our customers be more energy-efficient and less carbon-intensive. In 2016, we applied multiple technologies to reduce the energy usage of our base stations, such as Symbol Power Saving, RF Channel Intelligent Shutdown, and Carrier Intelligent Shutdown. These technologies, now widely used in carrier networks, reduce the energy usage of remote radio units by more than 20% during non-peak hours. In close collaboration with our industry partners, we research green technology for the ICT industry, drive the development of energy saving standards, support the innovation and development of green ICT technology in the industry, and improve competitiveness and influence through energy saving and emissions reduction.



Smart Lighting IoT Solution Powers Smart Cities

The Climate Group estimates that there are approximately 304 million street lamps around the globe, and that this figure will reach 352 million in 2025. The prevalence of street lamps brings significant convenience to peoples' lives. However, traditional high-pressure sodium lamps consume huge amounts of electricity, are costly to manage, and are thus a persistent headache for city administrations.

Huawei's Lighting IoT Solution connects all street lamps across a city into a unified IoT network, and gives city administrations a clear picture of all street lamps in every local district. The solution's flexible lighting policy can accurately turn on or off lamps and adjust their brightness. This on-demand approach can reduce electricity usage by as much as 80%.

A lighting network linking hundreds of millions of lighting facilities is the first step towards building a better connected public facility IoT. When smart devices for lighting, road traffic management, environment monitoring, and public facility management are linked together, a better connected public facility IoT will take shape to power a smart city.



Smart lighting IoT solution powers a smart city



Eight Huawei Smartphones with the Highest-level Green Certification

We are conscious of the environment when we design our consumer products, and we implement rigorous controls throughout product lifecycles, from selection of raw materials, manufacturing, packaging, transportation, and usage to scrapping, disposal, and recycling. Our goal is to minimize the impact of our products on the environment.

In 2016, eight mobile phones – the P9, P9 Plus, P9 Lite, G9 Plus, Honor 8, Nova, Mate 9, and Mate 9 Pro – received the highest level (Platinum) of UL110 certification.



UL110 Platinum certification for the Mate 9

Product Safety

Huawei has a rigorous product safety control mechanism and continuously seeks to improve the safety and reliability of the products and services we provide to our consumers and customers. Reducing electromagnetic radiation remains our R&D priority as more network equipment is used in homes and public places. In addition, we collaborate extensively with world-class institutes to meet noise control requirements for products. Huawei has a scenario-based approach to safety design, so that our products will conform to health and safety standards, and we can also guarantee ease of installation and use.



Minimizing Product Noise

We have adopted multiple methodologies to greatly reduce the noise of multiple products. For example, we introduced industry-leading noise simulation technology into our company. A "white box" approach was used to study the factors that determine product noise. We also redesigned product shapes and sizes to minimize noise.

One example is our core router, which cancels noise by 10 dB (compared with 6.5 dB of the previous model) and reduces noise energy by 90%. In order to make this happen, we adopted noise simulation technology to redesign the router's ventilation pipes and noise cancelling module, without having a huge impact on the product's cost or size. The next-generation of the core router is expected to achieve 12 dB noise reduction, thus reducing noise energy by over 93%.

Sustainable World

Bridging the Digital Divide

Huawei has deployed base stations in the Arctic Circle and on the highest peaks of the world. But, while digital pipes are connecting different parts of the globe, there are many communities without any form of network access. Huawei is continually exploring innovative solutions and models to connect the unconnected and expand access to knowledge, education, and opportunities.

ICT is a powerful tool that allows people, governments, and businesses to share, engage, create value, and innovate. ICT technologies are becoming more and more deeply integrated into all industries, driving digital transformation and modernization. Huawei's ICT products and solutions are widely adopted in the telecom industry, and also in governments, transportation, healthcare, finance, and energy. Our ICT solutions have delivered significant efficiency returns and value for these industries.



Huawei's Smart Healthcare Project in Kenya

To improve access to healthcare services in rural Kenya, Huawei worked with the Kenyan government, Safaricom, MicroClinic Technologies, and the United Nations Population Fund to connect over 40 medical facilities to a telemedicine and digital clinic solution.



Telemedicine system training for clinic staff

The Smart Healthcare Project benefited over 200,000 people in Lamu County and other remote areas. As a result, they no longer need to travel to distant facilities for diagnosis or treatment. Instead they can continue using their local clinics and communicate with medical specialists remotely. In addition, our digital solution allows the government to build up health data, predict and manage the demand and supply of medicine, and assess the productivity of staff or workload in facilities to decide on staffing, training, and facilities investment.

In November 2016, the Smart Healthcare project received the prestigious 2016 Innovative Global South Award at the Smart City Expo World Congress in Barcelona.

Supporting Network Stability

Supporting network stability is our paramount social responsibility, and we strive to ensure that everyone is able to communicate, access data, and share information anytime, anywhere. Specifically, we have established a comprehensive customer network support system that considers a range of factors, including organizational structures, designated personnel, processes, and IT tools. To protect lives and property, we have established a mature business continuity management system, which provides a contingency plan for emergencies (e.g., earthquakes and wars) and allows us to quickly restore customers' networks and resume stable operations following critical emergencies.

In 2016, we ensured smooth communications for nearly 3 billion people worldwide, and supported the stable operations of over 1,500 networks in more than 170 countries and regions. We guaranteed network availability during approximately 200 major events and natural disasters (e.g., the Ecuador magnitude-7.8 earthquake, and the Hajj in Saudi Arabia).

Social Contributions

We proactively fulfill our social responsibility and support local communities while pursuing business development. Together with governments, customers, and non-profit organizations, we leverage our ICT expertise and management experience to roll out various social contribution projects. For example, we support ICT innovation; facilitate green initiatives and traditional cultural events of local communities; enable talent development and education; and support underprivileged groups. Our goal is to be a responsible and respected corporate citizen in all communities where we operate.



Seeds for the Future

Since 2008, our flagship CSR program, Seeds for the Future, has taken root, blossomed, and yielded fruit in 96 countries and regions. In 2016 alone, more than 1,000 top university students from over 90 countries and regions took part in a study trip to China as part of the program. They studied Mandarin, immersed themselves in China's unique culture, learned about Huawei's corporate culture, and discussed the company's path to growth. They also studied ICT technology under the guidance of senior Huawei experts, and applied what they learned in our world-class ICT labs.



UK Minister of State for Energy and Intellectual Property Baroness Neville-Rolfe (third row, sixth from the right) attended the closing ceremony of the Seeds for the Future Program and handed out certificates to UK and Irish university students.

As an ICT industry leader, Huawei leverages its technical expertise to nurture ICT professionals around the world, thus helping up-and-coming talent to contribute to ICT development in their own countries. We do not require program participants to join Huawei, and we do not impose any other conditions for participation. The program is simply an opportunity to share knowledge and bridge the digital divide.

"This internship was great experience for my career. It was amazing."

"The program gave us a precious opportunity to explore different cultures and the most advanced communications technology."

"I will recommend this program to others. Thank you, Huawei, for offering me this once-in-a-lifetime opportunity!"

— Comments from program participants



Community Support Programs Worldwide

As we contribute to the ICT industries in countries and regions where we operate, we continue to strengthen our bonds with local communities. We do everything in our power to support and give back to local communities, bringing direct benefits to local people. This enables us to better serve and integrate into local society.

In 2016, we ran approximately 200 community support programs in 70 countries

and regions. The projects addressed the needs of local people in various ways: improving living standards; supporting cultural, sports, and traditional events; offering assistance to underprivileged groups; and enabling education. These initiatives reinforced cultural exchange and social integration, and gave a strong boost to local community development.



Donating food in Uganda



Supporting residents in flooded regions of Tanzania

ICT Sustainable Development Goals (SDGs) Benchmark

Further ICT investment is urgently needed to achieve the United Nations' Sustainable Development Goals by 2030

We believe that ICT is a critical enabler to achieve the United Nations' Sustainable Development Goals (SDGs) at the scale and speed necessary to fulfill the 2030 Agenda for Sustainable Development. In order to demonstrate this, we worked with the global think-tank, SustainAbility, to create the ICT Sustainable Development Goals (SDGs) Benchmark. It measures the level of ICT development in 15 countries and their respective progress towards a sample of 6¹ of the 17 SDGs.

The Benchmark, which is shown in Figure 1, ranks countries according to their ICT development (which is measured in terms of access, connectivity, and efficiency using ITU indicators) and their progress towards the SDGs (which is measured using World Bank and UN development indicators). The results show how ICT development plays an important role as an enabler of economic and social progress. The Benchmark is important because whilst the ranking indicates that wealthier countries tend to score higher than less developed ones, the correlation with GDP is not so simple. For example, the United Arab Emirates (UAE) has a much higher GDP per capita than China (~\$40,000 vs. ~\$6,000) but is only 10 points higher than China in our Benchmark. Singapore has the second highest GDP in our sample but is positioned fifth, and Sweden has the third highest GDP per capita but leads the ranking. Whilst we hope to explore this research further in the future, we believe this shows that the application of ICT can speed up progress towards the SDGs.

¹ SDG3 (good health and well-being for all people), SDG4 (inclusive, equitable quality education for all people), SDG5 (gender equality and empowerment for all women and girls), SDG9 (build resilient infrastructure, sustainable industrialization and foster innovation), SDG11 (make cities and human settlements inclusive, safe, resilient and sustainable), and SDG13 (take urgent action to combat climate change)

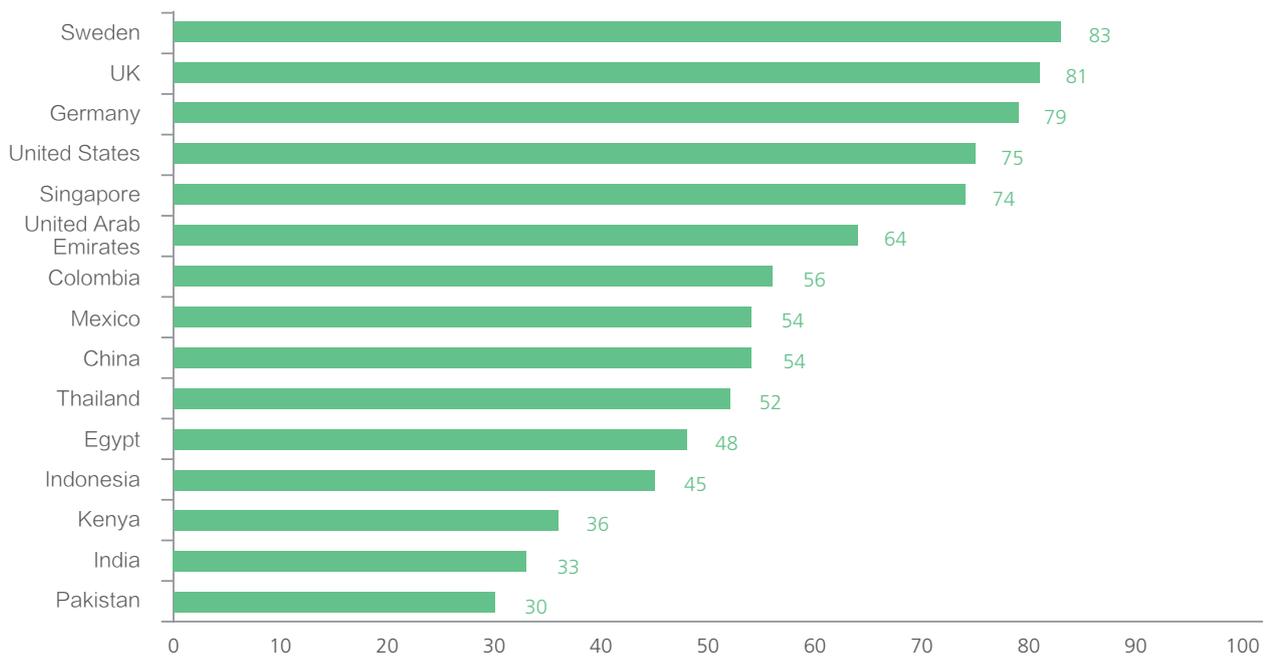


Figure 1 ICT Sustainable Development Goals Benchmark

The Future Digital Society Could be Highly Sustainable

We found an even higher degree of correlation (96%) with the influential United Nations' Human Development Index (HDI) (Figure 2). The HDI assesses development using economic, health, life expectancy, education and other indicators, providing a broad assessment of national development. The correlation between the two suggests the future digital society could be highly sustainable.

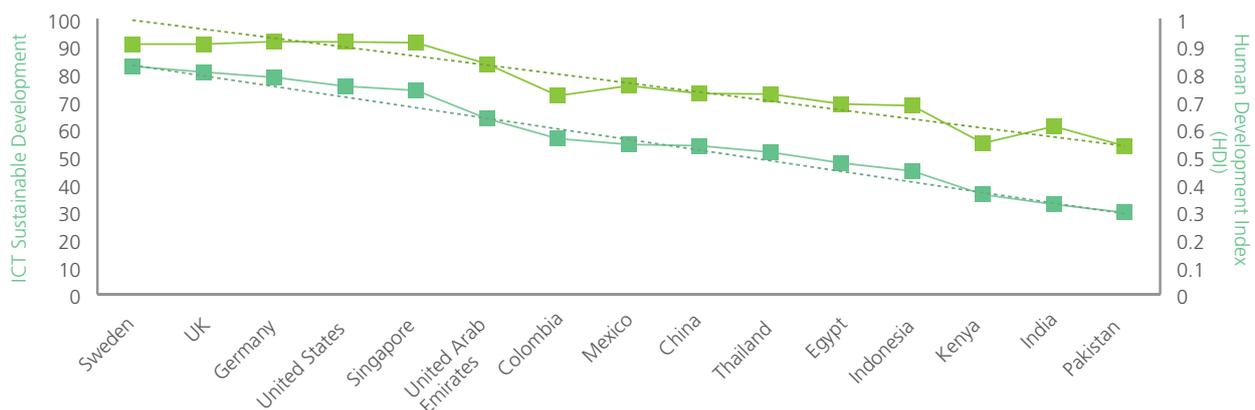


Figure 2 ICT Sustainable Development Goals Benchmark vs. Human Development Index (HDI)

There is still a long way to go though. Worldwide, some four billion people do not have Internet access, nearly two billion do not use a mobile phone, and almost half a billion live outside a mobile signal. For digital technologies to benefit everyone everywhere, the digital divide needs to be closed; otherwise the SDGs will be pushed further into the distance. **The solution is clear: ICT needs to be expanded, be more closely aligned with policies that support the SDGs, be informed by international good practice, and be based on national context and development priorities. In effect, all countries need an ICT strategy that is 2030 Agenda-proofed.**

For further details, please see the complete *Huawei 2016 Corporate Sustainability Report*.