

## Message from the Chairwoman



We have remained focused on our goal: providing ubiquitous broadband connectivity, enabling agile innovations everywhere, and bringing a superior experience to everyone at an affordable price. With advanced ICT technologies and ideas, we will be able to promote social progress and build a world that connects all people and all things in cooperation with our partners in the industry.

Younger generations have been a powerful creative force throughout history. This is equally true today. As more than one billion digital natives have grown up and begin to play a more active role in society, their digital needs and creativity will drive the world forward.

A digital existence that connects everything has already become the new norm. Rapid developments in ICT – broadband, cloud computing, Big Data, the IoT, to name just a few – have provided a strong impetus for innovation that stimulates the development of individuals, businesses, industries, and nations.

### Accelerating global digitalization

Nowadays, digital connectivity is viewed as an important indicator of a country's competitiveness. Indeed, most nations have seen ICT investment and development as a mandate of national strategic importance. More than 130 countries have currently placed broadband infrastructure construction on their national agendas. They have developed strategic measures and planned ICT programs at the national level to fully unleash the potential of ICT and drive industry innovation and development. The Europe 2020 strategy has placed the Innovation Union on the top of its seven flagship initiatives for realizing Europe's 10-year development goals, which will fuel digitalization across Europe.

Huawei is playing an active role in this global wave of digitalization. In both developed and developing nations, we have established broad strategic dialogues with visionary leaders in the area of developing a digital economy over the past year. Decades of successful experience enables us to leverage our talent, technology, and business advantages to help various nations develop their ICT industries and promote socioeconomic and environmental sustainability.

Huawei has also shared its ICT expertise with local communities in many countries, helped them build effective education systems with ICT technologies, and nurtured local ICT talent. In fact, we have launched our Seeds for the Future program for this very purpose. This program, which has been introduced in more than 30 countries, has benefited more than 10,000 students from 100 plus universities.

### **Building an industry ecosystem**

As the physical and digital worlds continue to merge, companies operating in isolation will find it hard to satisfy all customer needs. Rather, forging partnerships with an open mind and pooling the best resources and capabilities are necessary to help customers succeed and industries develop.

We are working with various industries – especially those likely to use public networks in the IoT era – to define 5G standards. These include raising spectrum efficiency, increasing peak rates, enabling massive numbers of connections, and achieving one-millisecond latency. In doing so, we are helping to push the sustainable development of the mobile industry. In late 2014, Huawei worked with industry partners to build the world's first 5G testbed in the UK, which will greatly accelerate 5G research.

In the spirit of openness and win-win cooperation, Huawei has formed strategic alliances and global partnerships with leading companies such as SAP, Accenture, Intel, and Infosys to pool the best resources and capabilities and build a sound industry ecosystem.

### **Enhancing cyber security**

Ubiquitous networks are changing the way we work and live. While this presents many opportunities, it also poses new challenges to global security. Faced with such complex needs and risks, it is imperative that we make the correct choices.

On December 3, 2014, we released the third annual white paper on cyber security in Berlin: *Cyber Security Perspectives: 100 requirements when considering end-to-end cyber security with your technology vendors*. This is a positive step Huawei is taking to establish cyber security policies and standards. At the same time, we hope to inspire more businesses, policy advisers, suppliers, and buyers to think about and act on cyber security policies and standards.

Huawei will also make a commitment to the public, governments, and customers to protect user privacy, just as we have done on cyber security. We will honor this commitment as a responsible corporate citizen.

We are well aware that ensuring secure and stable network operations is our most important mission and corporate social responsibility. At critical moments, network failures could affect rescue efforts and delay the reporting of disasters, which in turn may cause significant losses to life and property. When a crisis occurs, you will find Huawei employees heading towards it or at its center while others are fleeing. This has always been the case, for example, during the Fukushima nuclear disaster, the 2010 Chilean earthquake, the current Ebola outbreak in Sierra Leone, and in war-torn countries and regions.

### Improving corporate governance

Driven by our core values of customer-centricity and dedication, we have improved our corporate governance system to maintain long-term effective growth.

In 2014, we gradually adjusted our business structure to focus on three dimensions – customers, products, and regions – and delegated more authority to the field. Accordingly, we enhanced the operations and capabilities of the BODs in our major subsidiaries to better supervise compliance with local laws, regulations, and business practices, thereby improving subsidiary governance.

At the corporate level, our BOD has clarified our strategic goal of becoming the leader in the ICT industry and building a Better Connected World, and decided on the major initiatives to achieve this goal. We have discussed how to improve the corporate governance system and its operating mechanisms. We have also regularly evaluated the performance of BOD members and provided them with training. These efforts will enable our BOD to provide better guidance for corporate strategy execution and business operations.

### Building a Better Connected World

During all our transitions – from telephone exchanges to broadband networks, from fixed networks to mobile networks, from voice services to video services, and from devices to clouds – we have remained focused on our goal: providing ubiquitous broadband connectivity, enabling agile innovations everywhere, and bringing a superior experience to everyone at an affordable price. With advanced ICT technologies and ideas, we will be able to promote social progress and build a world that connects all people and all things in cooperation with our partners in the industry.

Finally, I would like to thank all Huawei employees and their families, our customers and partners, as well as industry organizations around the world. Let's work together to build a Better Connected World.



**Sun Yafang**

Chairwoman of the Board