



## A Message from the Chairman of the CSD Committee

# Driving Sustainable Development with ICT

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We are entering a digital, intelligent, and fully connected era where everything will be sensing, connected, and intelligent. A new generation of information and communication technologies like the Internet of Things, big data, and artificial intelligence are now the new engines of socioeconomic growth. They are also increasingly a part of our day-to-day lives. Huawei, as a leading global provider of ICT infrastructure and smart devices, believes that ICT is creating a better future for humanity, and will play a key role in achieving the UN's Sustainable Development Goals (SDGs).

In 2018, Huawei stepped up its efforts to meet its social responsibilities and realize sustainable growth with initiatives around four major strategies: digital inclusion, security and trustworthiness, environmental protection, and healthy and harmonious ecosystem.

### Digital inclusion

Technology should not be for the few, but for the many. Digital inclusion is Huawei's strategy for bridging the digital divide, extended for the digital era. It addresses how to make ICT technology and applications more accessible for every person, home, and organization, and how to use digital technology for social and economic inclusion. Huawei has created a digital inclusion initiative called TECH4ALL, which involves efforts to spread connectivity, applications,

and digital skills. It is helping to extend digital inclusion, and ultimately aims to bring the benefits of digital technologies to every person, home, and organization.

We are committed to developing innovative technologies to deliver ubiquitous connectivity. Our mobile network base stations are lighter than ever. That has made it easier for our customers to quickly build new networks at lower costs, connecting 100 million rural residents and making connectivity for remote regions a reality.

We work to empower our ecosystem and help create more specialized applications for different communities and industries. For example, working with the European Union of the Deaf and the British Deaf Association, we launched StorySign, a mobile app for children with hearing impairment, which can now translate books from ten different European languages into sign languages. So far, this app has improved the reading experience of about 34,000 deaf children and is helping them to realize their full potential.

We also provide training for local people in order to build digital skills for all. Over the course of a decade, our Seeds for the Future Program has helped over 30,000 students from 108 countries and regions build their digital skills, driving the development of local ICT industries.

This is only the beginning. In the future, we hope more people will join us. Technology is good. Pass it on.

## Security and trustworthiness

A fully connected, intelligent world is built upon security and trustworthiness. Cyber security must become a responsibility that is shared by the industry, the value chain, and society. We have made cyber security and privacy protection our top priorities, and invest in both on an ongoing basis while ensuring openness and transparency. We also continually optimize our software engineering capabilities and practices, build resilient networks, and develop trustworthy and high-quality products. Moreover, we support stable network operations and ensure business continuity under all circumstances.

Within the next five years, we will be investing US\$2 billion in enhancing our software engineering capabilities, so that we can better respond to the cyber security and privacy protection challenges that are affecting the entire industry and position ourselves as an industry leader.

We actively participated in the industry's mainstream cyber security and privacy protection certifications. In 2018, our major products received 11 international mainstream security certifications. We require all staff in key positions to pass and receive certification from a test on cyber security and privacy protection. We evaluated 2,778 of our mainstream suppliers for cyber security risks, and verified the progress of related corrective action plans. We signed a Data Protection Agreement (DPA) with 582 suppliers for privacy protection, and performed due diligence on these suppliers.

Huawei is committed to providing uninterrupted network services to more than 3 billion people around the world and to supporting the stable operations of more than 1,500 networks in over 170 countries and regions. We guaranteed network availability during more than 300 natural disasters and major events

such as the magnitude 7.7 earthquake in Sulawesi, Indonesia, the FIFA World Cup in Russia, and the 18th Summit of the Shanghai Cooperation Organization in Qingdao, China.

## Environmental protection

Environmental challenges, such as global warming and the depletion of natural resources, are now unfortunately a part of life. Huawei remains committed to reducing and preventing climate change by minimizing the footprint of our manufacturing and operations and of our products throughout their lifecycle. Our innovative products and solutions help many different industries reduce their emissions and develop circular economy processes, and we make ongoing efforts to work with all industry partners to build a low-carbon society.

In 2018, we used 932 million kWh of electricity from renewable sources, representing about 450,000 tons of saved carbon emissions. To build green campuses, we also brought in over 800 new-energy shuttle vehicles for use at our Chinese facilities.

We launched our Three-Star solutions, which provide network connectivity for remote rural regions and incorporate innovative designs that minimize power requirements. For urban networks, our miniaturized equipment saves the most valuable urban resource – space – while also cutting carbon emissions.

We encourage our suppliers to develop their own emissions reduction programs. In 2018, 20 suppliers responded to our call, cutting a total of over 50,000 tons of emissions from their operations. Our wish for a green world also led us to replace oil-based raw materials in our consumer products with bioplastics, and to package our products in cardboard certified by the Forest Stewardship Council as coming from renewable forests.

We also established a global network for recycling our consumer products, with over 1,300 recycling stations set up to date in 48 countries and regions worldwide.

## Healthy and harmonious ecosystem

Huawei is a company with a big vision. That means we step up to our responsibilities as a corporate citizen, and work hand in hand with customers, employees, local communities, and industry partners to create a healthy and harmonious ecosystem.

Strong compliance management is the basis for our global operations, so we are committed to integrity, compliance, and strong business ethics. Over a decade of sustained investment and hard work, we have built compliance systems that meet every industry standard. Over 100 of our subsidiaries have aligned their own systems with local laws and the requirements of local industry associations, and have drafted legal compliance handbooks. These steps ensure that we stay within the boundaries of the law wherever we operate.

Our goal is to ensure that all of our staff have the chance to develop and fulfill their own value. We take a positive, diverse, and open approach to managing our human resources, and work with them for shared success. In 2018, Huawei employed 188,000 people around the world, including citizens from nearly 160 different countries and regions. In our offices outside China, local hires make up 70% of our workforce. We spent over CNY13.5 billion on employee benefits in 2018, and over 7% of our management positions are now held by women.

Huawei is an active contributor to local communities and in particular, we support local sustainable growth. Our ICT technologies help to break

down barriers, driving advances in local economies, education, healthcare, and many other areas. We work with our partners and participate in many community support programs. In 2018, we organized 177 community support programs worldwide, including a village support program in Bangladesh, disaster relief in Cambodia, and youth development in Uzbekistan.

Sustainability is integrated into all of Huawei's procurement strategies and processes, because it makes our entire supply chain more competitive. In 2018, we carried out sustainability audits on 93 potential suppliers. 16 of them were denied certification as a Huawei supplier because they did not meet our high standards. We also assessed the sustainability performance of 1,321 existing suppliers, and 2 of them were excluded from new projects or had their share of business reduced because of sustainability issues.

In 2019, the global economy and political environment remain highly complex and full of unknowns. Huawei will face many more sustainability challenges. But we believe that there are also many opportunities. These challenges and opportunities will push us to constantly improve and innovate in our products, solutions, and services, so that we can create more social value. As digital and intelligent technologies continue to transform the world, we will work with our partners to build a sustainable economy, environment, and society. We will bring digital to every person, home and organization for a fully connected, intelligent world.



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Board Member and Chairman  
of the CSD Committee