



HONOR Device Co., Ltd.

Environmental Social Governance Report

(2021-2022)

HONOR

Our ESG Committee



George Zhao

The biggest social responsibility for a technology company is to inspire people with smart technology and to create a more imaginative future, thus more people can benefit from our products and services.



Biao Wan

Commercial value coexist with social value, and innovation and responsibility are indispensable.



Fei Fang

Leverage the power of technology to bridge the digital divide, for a future of creativity.



Bing Ma

We have the patience and confidence to make HONOR green, caring and responsible.





Our ESG
Working Group

Contents

Report Overview	01
-----------------	----

About Our ESG	06
---------------	----

Environmental

01. Protect our common home	13
Green products, our common choice	16
Green manufacturing, green technology	24
Green operation, green enterprise	28
Green partners, harmoniously coexist with the nature	30

Tech for Good

03. Leverage the power of technology to bridge the digital divide	39
Bridge the digital divide by technology and create a better future	41
Technology, leads a healthier life	57

Employee Development

05. Dedicated employees as foundation and create the future together	71
Diversified and fair development opportunities	73
Various training, cultivation of people is cultivation of future	76
Care for our people, improve their happiness	78
Communicate with and listen to employees	82
Ensure occupational health and safety	83

Responsible Governance

07. Compliance is the fundamental of our business	94
Compliance management system construction	96
HONOR compliance best practice	97
Compliance capability building	99

Privacy and Security

02. Your privacy, our priority	31
Sound privacy management system	33
Privacy protection capability building	34
Our practice	35

Youth Empowerment

04. Inspire young people to show talents	60
HONOR Talents: Explore a combination between technology and art	63
HONOR Magic Moments: Photography fuels the new power of culture	68
HONOR Creativity Challenge: Build a stage for young people to realize their dreams	70

Harmony Industry Development

06. Build a harmonious ecology	86
Supplier CSR Management	88
Industrial cooperation for a harmonious ecology	92

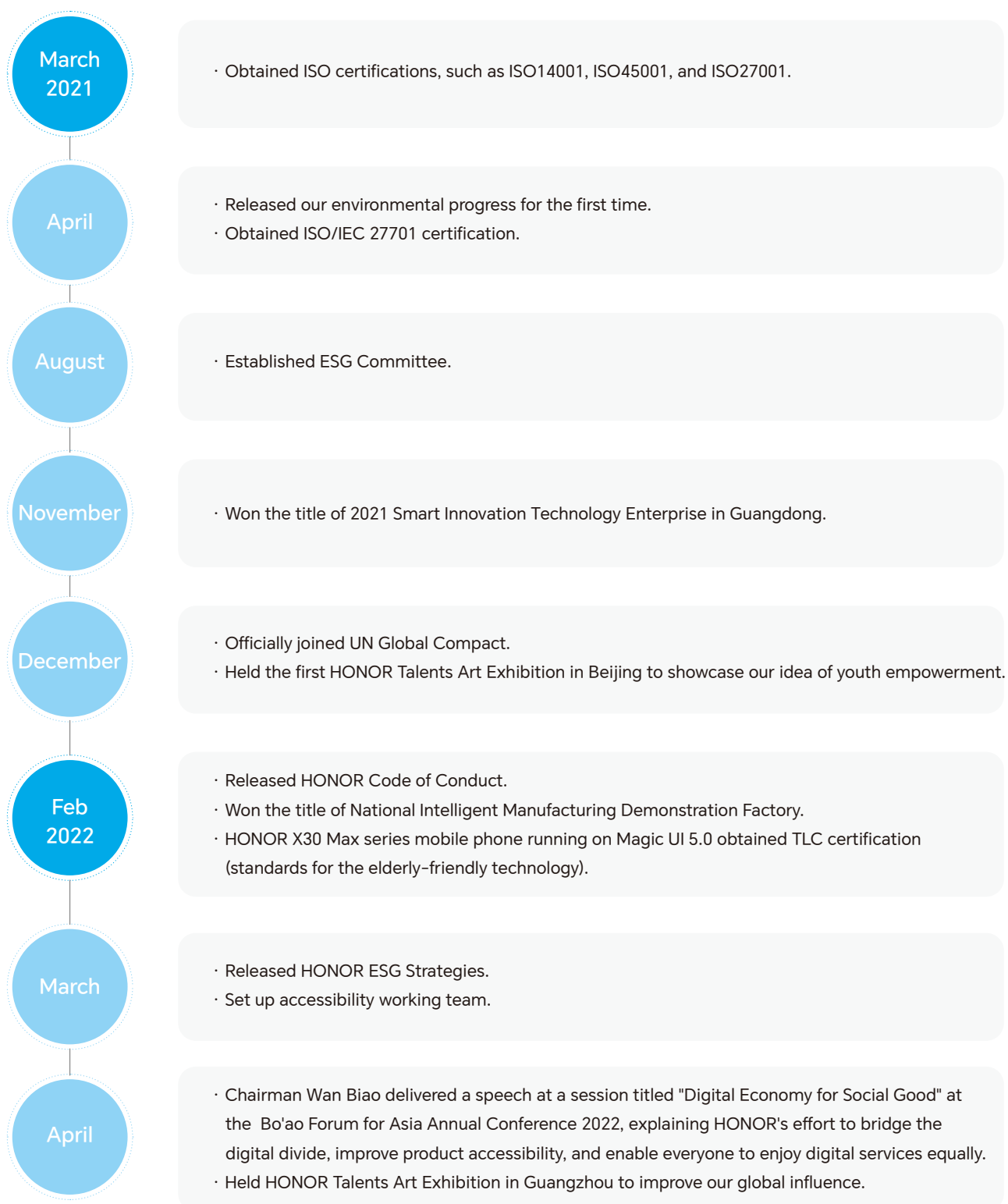
Looking Forward	100
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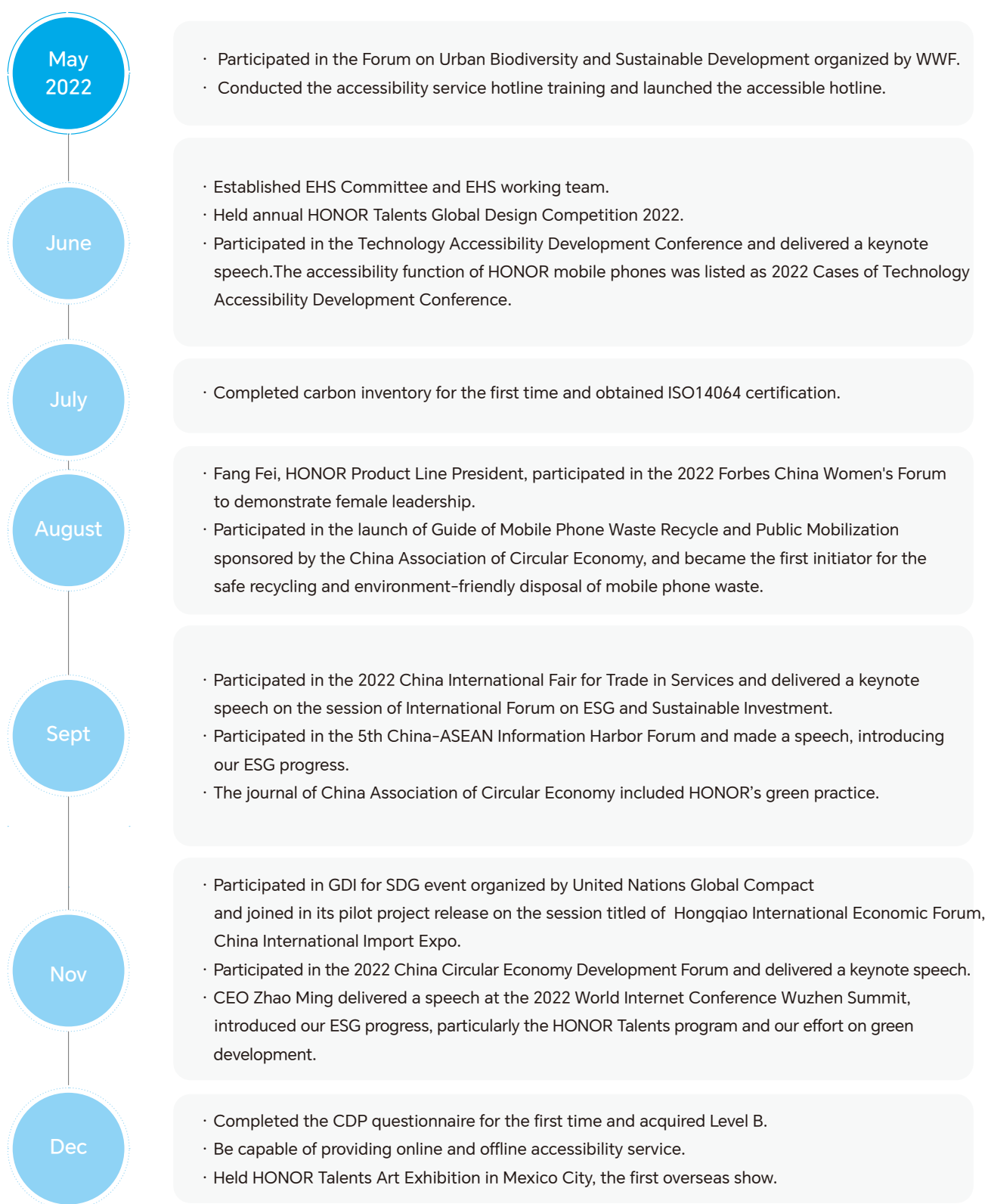
Appendix	101
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Report Overview



ESG Milestones





Key Data

Environmental

2045

We'll achieve carbon neutrality in 2045. Our carbon emission will be reduced by 36% in 2035 against 2022. We'll use 100% renewable energy in 2045 and reduce carbon emission by 88%.

104

104 products have achieved Class A environment certification of China Quality Certification Centre (CQC)

98%

98% packages of Magic Vs phones use non-plastic material.

75%

75% of our production line is automatic, creating a high-productive, high-efficient and low-carbon emission production mode.

1,785_t

We responsibly handle electronic waste and have recycled a total of 1,785 tons of electronic waste.

69,435_t

We reduced carbon emissions by approximately 69,435 tons in 2021–2022 by replacing physical meetings with virtual meetings.

Privacy and Security

Capability

We have built a global privacy management system, providing users with comprehensive privacy and security protection.

5

Have 5-pillar of privacy safeguard based on 5 privacy design principles.

Certification

We have obtained a series of international certification on privacy and security, including ISO/IEC 27701, ISO/IEC 27001, TEE, FIDO and ePrivacyseal.

100%

In 2022, the privacy awareness training covered 100% employees.

Tech For Good

190_{million}

Voice Assistant YOYO provides 190 million times of smart services each month.

4_{million}

Nearly 4 million users use Magic Text each month.

2.9_{million}

The ScreenReader benefits over 2.9 million people each month.

700_{thousand}

AI Subtitles benefits over 700 thousand people each month.

140_{thousand}

Magnification gesture benefits over 140 thousand each month.

All-around accessible service

By Dec 2022, HONOR was capable of providing online and offline accessibility service.

Key Data

Youth Empowerment

13,000 **164**

HONOR Talents Global Design Awards has attracted 13,000 entries, covering 164 colleges.

300,000

HONOR Magic Moments has attracted over 300,000 entries in 2022.

2,300+

The 2022 HONOR Creativity Challenge has attracted over 2,300 students.

Employee Development

5,000+ **160^{thousand}**

HONOR Academy has 5,000+ courses online and empowered a total of 160,000 employees in 2022.

15,000

Over 30 employee associations have organized various activities with a total of over 15,000 participants.

100%

In 2022, the participation rate of EHS awareness training reached 100%.

13,000

We have created over 13,000 direct jobs.

24,000

We have created over 24,000 indirect jobs.

182

In 2022, over 182 EHS professional trainings were conducted

Supplier CSR

210,000

Supplier CSR on-site evaluation covered 210,000 workers on the supply chain, focusing on their benefits, health and safety.

200+

Supply chain survey cover over 200 smelters and refiners. Share the Due Diligence Management results of Responsibility Minerals with stakeholders.

50+

Carbon inventory project cover over 50 suppliers. Actively carry out carbon inventory to enhance suppliers' management capabilities of Green-house Gas.

40%+

Sustainability audit cover over 40% suppliers. Emphasize and continue to promote sustainable progress in the supply chain.

Responsible Governance

100%

In 2022, 100% our compliance practitioners attended training and passed examinations.

8

In 2022, we have carried out 8 compliance internal promotion, covering privacy, trade compliance, anti-bribery, financial sanctions, business secrets, competition law compliance and others.

About Our ESG



A Letter from CEO



Over the past two years since its fresh start, HONOR has worked earnestly on developing its products and technologies to create an ideal future for all. We have made strategic investments for the future unswervingly even during times of uncertainty and improved our competitiveness in the global market on the basis of developing a high-end, smart product ecosystem. We firmly believe in our mission.

While promoting our own development, we always uphold the principle to make technology work for the good, undertake social responsibilities, protect the environment, and promote social progress. We are convinced that the greatest social responsibility of a technology company is to inspire more people with smart technology to create a better future and benefit more people with our products and services so that we can build an intelligent world for everyone. Since our establishment, we have made the concept of environmental, social and governance (ESG) into our genes. In 2021, we established an ESG committee to carry out various ESG work and strive to achieve our sustainable development.



Greener HONOR, Better World

Minimizing the impact on the environment has always been the guideline for us. We embed the green and circular economy into product design and continuously optimize our green indicators by carrying out the carbon footprint calculation of the whole life cycle to reduce resources and energy consumption. We continuously increase the use of clean energy in our operation and join hands with our partners in the upstream and downstream industrial chains to conduct energy saving activities to mitigate the impact of climate change. We also work together with industry organizations such as the United Nations Global Compact (UNGC) and China Circular Economy Association to protect our common green planet.

HONOR brings warm technologies for all

The value of technology is not only to create products but also to empower all people and bridge the digital divide. Our accessible products allow tens of millions of people with visual or hearing impairment to enjoy the digital world smoothly. We take the elderly's special needs into consideration and bring them suitable products. We care for children's health and build a safe fence for them in the digital world. Our wearable devices enable users to manage their health easily and accurately. We are constantly improving our products, promoting innovations, and creating products that meet people's demands so that everyone can equally enjoy the benefits brought by technology.

HONOR prioritizes users' privacy and safety

Privacy is a basic right of our users, and we've made privacy protection a prerequisite for all the products and services we provide. From initial design to final delivery, we put privacy considerations into every step and give users autonomous control over their personal information. We continue to provide users with comprehensive privacy protection through innovative privacy protection technologies. By following the belief of Your privacy, Our priority, we must put privacy first in the pursuit of technology and continue to build the trustworthy brand.

HONOR builds a harmonious and healthy ecosystem

We join hands with all partners to seek common development. We and our upstream and downstream partners adhere to strict labor and environmental standards to build a harmonious industrial chain. We provide our employees with competitive salary and benefits and good career development opportunities.

We actively empower young people with new technologies such as artificial intelligence and our resources to make more achievements. The HONOR Talents Global Design Awards launched in 2020, which provided a platform for global designers and creatives to exchange ideas, have dialogues, and explore the possibilities. It also demonstrates the powerful technological innovation and art of HONOR. The event provides a stage for young talents in the design field to display their ingenuity and make cross-cultural communication.

HONOR deserves your trust

We value business ethics, compliance management, privacy protection, cyber security and information security, which are the cornerstones of our brand. We strictly abide by all applicable laws and regulations, adhere to the business integrity and ethics, and establish a professional compliance system that is integrated into all our processes and activities. "Consumer-centric" is our core value. We never gain business profits at the cost of the interests of society and others.

Although the journey ahead may be long and arduous, with sustained actions, we will eventually reach our destination and embrace a brighter future and create an intelligent world for everyone.

About HONOR

Established in 2013, HONOR is a leading global provider of smart devices. We are committed to becoming a global iconic tech brand and enabling a smart life across all scenarios and all channels, for all people.

With a strategic focus on innovation, quality and service, HONOR is dedicated to developing technology that empowers people around the globe to go beyond through its R&D capabilities and forward-looking technology, as well as creating a new intelligent world for everyone with its portfolio of innovative products.

Innovation

Powered by our strong innovation, we keep providing users with high-end, global, and smart product series and services so that everyone can share the benefits brought about by digital progress and create their own smart world. At present, we have more than 13,000 employees worldwide, of which the R&D team accounts for more than 60%. We also have 6 R&D centers and more than 100 innovation laboratories. With the underlying architecture of MagicOS and HONOR Connect, we have created a cross-device and cross-system smart solution for users' daily life. Different central devices can be used in different scenarios and other devices can have seamless collaboration with the central device. Consequently, users can enjoy a seamless experience and have their various demands met in all scenarios such as daily life, education, work, sports, home, and entertainment.

High quality

Accumulatively, we have put in place over 600 quality control standards for all processes, covering product design, purchase, R&D, and manufacturing. Each HONOR phone needs to go through more than 400 strict tests and more than 20 global certifications.

HONOR Intelligent Manufacturing Industrial Park, which integrates R&D, trial production, mass production and

testing, is the only demonstration manufacturer certified by Ministry of Industry and Information Technology in the mobile phone industry. With high-precision automation equipment and information integration system, we are able to create an information integration system and bring more high quality and innovative products to consumers in a smarter way. Our high-precision automation equipment can achieve high assembly accuracy with only a variance of 75 microns, greatly reducing the defects caused by human operations. At present, our digital control rate of key equipment is 100% and networking rate of key equipment is 95%. Our MES (manufacturing execution system) makes production resources transparent, quality data analyzable, and production process traceable.

Service

We insist on being user-centered and providing users with high-quality services. In order to provide fast and efficient services to global consumers, we have over 3,000 service centers and 9 regional call centers, covering more than 100 countries and regions around the world. The first Friday, Saturday, and Sunday of each month are HONOR Service Days, during which we provide special care and service for consumers.



ESG Governance

Since our establishment, we have built a well-defined ESG management structure that consists of the ESG committee and the ESG working group. The ESG committee is responsible for leading the company's ESG management work. We hold regular ESG committee meetings to review the ESG strategic goals and progress. We are committed to seven directions, namely environmental, privacy and security, technology for good, youth empowerment, employee development, supplier CSR and responsible governance. Under its guidance, we also established an ESG working group, whose members are from various departments such as R&D, Production, Procurement, and Supply Chain Management. Its job is to integrate the ESG strategy into the business process and carry out various ESG work step by step to achieve the sustainable development goal of the company.



Stakeholder Engagement and Communication

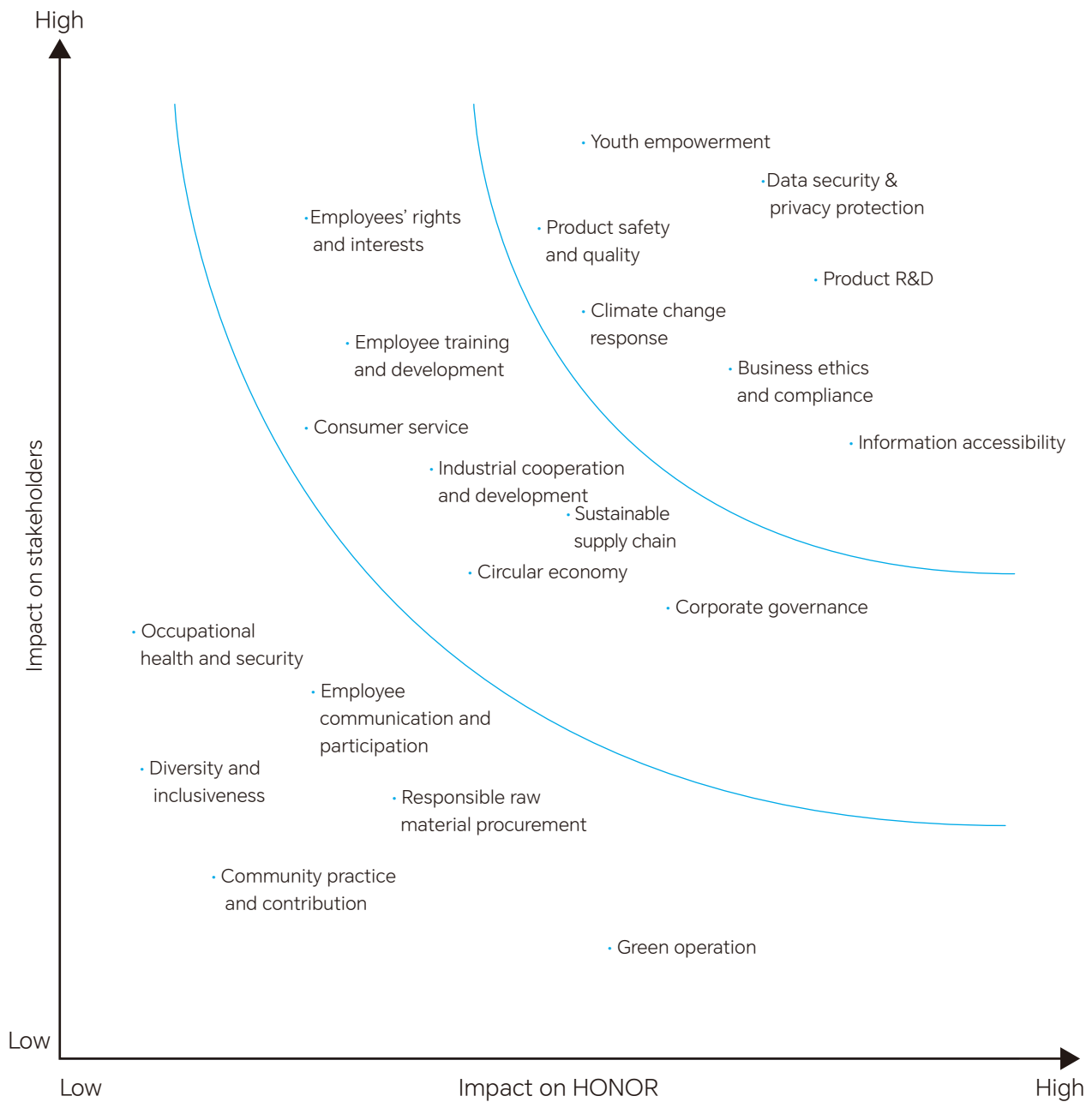
Stakeholder engagement is an important part of our promotion of ESG. We actively communicate with stakeholders, understand and respond to their expectations and needs in a timely manner, and maintain close contact with them, so as to achieve win-win cooperation, and build a sustainable business ecosystem.

Stakeholders interest & our response

Stakeholders	Key Topics of Interest	Communication and response
Governments and regulators	Abide by laws and regulations	Cooperate with regulators for inspection
	Cooperate with national policies	Implement government requirements
Investors and shareholders	Compliant business	Advance company's compliance system
	Business planning and growth	Regularly communicate with shareholders
Customers	High-quality products and services	Improve product and service quality
	User privacy protection	Establish sound privacy protection system
	Business integrity	Improve complaint handling procedure
Employees	Career development	Organize training events and improve promotion mechanism
	Benefits and salary	Improve salary and welfare system
	Care for employees	Conduct various activities
	Healthy and safe working environment	Consolidate EHS management system
Suppliers and business partners	Win-win cooperation	Improve supplier management system
	Fairness and openness	Build communication platform for suppliers
Industry associations	Abide by code of conduct	Participate in industrial seminars
	Promote industry development	Empower partners with innovative technologies
	Fair competition	Resist unfair competition
Community	Community construction	Create local jobs
	Talent cultivation	Organize competition events for youth
	Care for special groups	Provide accessible products and services

Materiality Assessment

We attach great importance to the identification, analysis and management of material issues. Based on the external market environment and our business development plan, we conduct evaluation and analysis on our ESG and learn from leading companies. We rank their significance from the two dimensions, namely "impact on stakeholders" and "impact on HONOR" and build a matrix to guide our ESG work and achieve business sustainability.



Environmental

We are committed to the principle of reducing the impact on the environment while providing high-quality products and services to hundreds of millions of consumers.

SDGs in this chapter



Environmental

Highlights

Green Concept

Set up a green product technology management team to integrate green concept into the product development process.

2045

Set up ambitious greenhouse gas emission reduction target: By 2045 achieving carbon neutrality in our operation.

104

104 products have achieved Class A environment certification of China Quality Certification Centre (CQC).

1,000

Nearly a thousand reliability tests are conducted for all products to improve their durability.

3,861

A total of 3,861 tons of harmful chemical substances have been removed.

1,200

Reduce paper consumption by optimizing user guide, which prevents about 1,200 trees from being cut down per year.

Carbon Footprint

Calculate carbon footprint of mobile phones and tablets and publish environmental information reports.

Substance List

Publish HONOR Substance List, which clarifies regulated chemical substances, and actively remove potentially harmful substances beyond regulatory requirements.

75%

75% of our production line is automatic, creating a high-productive, high efficient and low-carbon emission production mode.

1,785

We responsibly handle electronic waste and have recycled a total of 1,785 tons of electronic waste.

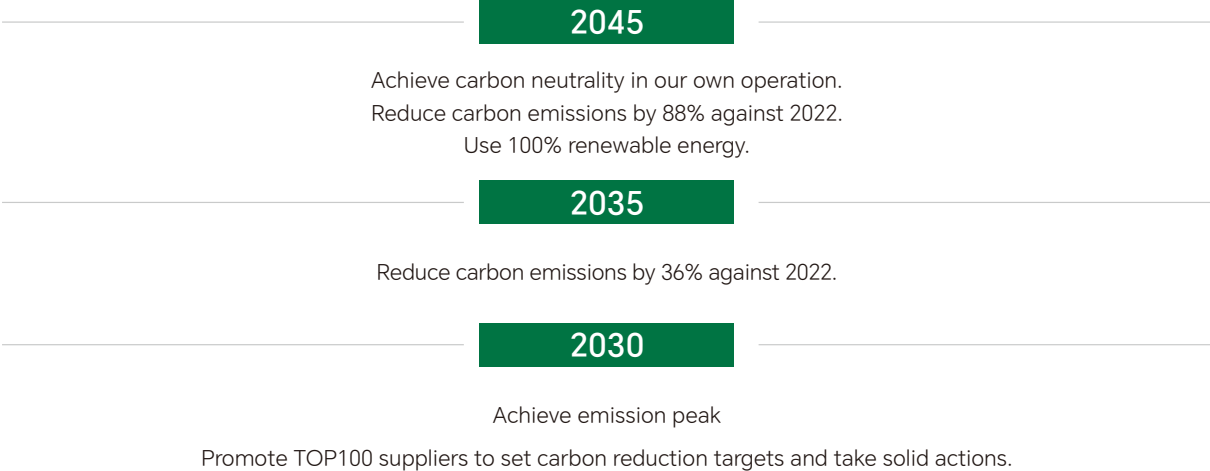
1,000

Build an internal platform for second-hand transaction and idle asset sharing. A total of more than 1,000 pieces of office and R&D equipment have been reused through the platform.

69,435

Have online video conference call and reduce business travels. In 2021 and 2022, we have reduced about 69,435 tons of carbon emissions.

In recent years, climate change has caused an unprecedented impact on our world, and we are facing increasing uncertainty of the macro environment for our business operations. Since Chinese government proposed carbon peaking and carbon neutrality goals, enterprises have also shifted to a sustainable development model that takes into account both the environment and society. With the proposal of Circular Economy Action Plan by EU, various enterprises have greatly promoted energy conservation and emission reduction for sustainable economic development. In response to national policies and international calling, HONOR has taken a new step towards low-carbon transformation. Carbon emission reduction goals become a vital part of our development strategy. We strive to achieve emission peak by 2030. By 2045, we will achieve carbon neutrality in our own operation, make sure all the energy we use are renewable, and reduce carbon emissions by 88% compared to the level of 2022. Since the supply chain is the main emission source of the industry, we plan to promote our TOP100 suppliers to set carbon reduction targets and take solid actions by 2030. We believed that the following four pillars are the key to our goal, namely green products, green operation, green manufacturing, and green partners. Only by integrating the concept of environment protection, energy saving and emission reduction into the four pillars can we successfully achieve this goal.



Four pillars to carbon neutrality



Green products, our common choice

Greener products mean less emissions and less impact on the environment, which is our consistent goal. We deeply integrate the concept of green and circular economy into the whole life cycle of product development, actively develop and introduce applicable green and low-carbon technologies, promote green design and green manufacturing, and produce more eco-friendly products.

In order to have a clearer understanding of the impact and footprint of our products, we calculated the environmental data of the full life cycle of our products based on the ISO 14064/14067 and PAS 2050¹ standards in 2022. We collected first-hand data from upstream and downstream suppliers and built a mode to ensure the authenticity and accuracy of data sources. Now we have completed the carbon footprint calculation and data disclosure of all major projects including mobile phones and tablets. According to the evaluation, more than 80% of the carbon emissions of our products come from raw materials and production stages. We will further explore potential emission reduction opportunities from the source of production and manufacturing, formulate targeted plans, and continuously optimize the environmental performance by introducing more green concepts.

HONOR Magic4 Pro Carbon Footprint



HONOR Magic4 Pro Life Cycle Analysis

- Raw Material & Manufacturing 91.21%
- Mobile Phone Assembly 2.42%
- Distribution 0.59%
- Consumer Use 5.63%
- End of Life Disposal 0.61%

In order to build a green product system and create more competitive green products, we established Green Product Technology Management Team in 2021. Led by R&D department, it organizes seminars on industrial policies, regulations, green production technical specifications, and environmental protection technology, aiming to ensure the implementation of the environment protection during the whole process from R&D to after-sales service. So far, 104 HONOR products have obtained the Grade A certification from China Quality Certification Center (CQC).

¹PAS 2050 "Publicly Available Specification (PAS) 2050:2008 Specification for the Assessment of the Life Cycle Greenhouse Gas Emissions of Goods and Services." is the world's first product carbon footprint method standard issued by the British Standards Institution (BSI).

Greener package

Product packaging carries the language and attitude of HONOR. While pursuing a good user experience, we advocate lightweight, small-sized, harmless, easily recyclable and environmentally friendly packaging to reduce resource consumption and convey the green concept. In practice, we have first adopted the lightweight and attractive packaging designs.

- Compared with the Magic V, each Magic Vs series phone packaging weights 40g lighter. It is estimated that every million mobile phones can save 40 tons of packaging materials.
- We have optimized the dimensions of the TV packaging and reduced the weight of corrugated boxes and EPS cushioning materials. It is expected to reduce packaging material by 560 tons while still managing to ensure safe transportation.

At the same time, we have innovated diversified product packaging and incorporated green practices in every aspect of the packaging design process.

- For PC packaging, we have adopted a more concise and integrated folding scheme, which ensures safe transportation while reducing paper usage.
- We have reduced paper usage by optimizing content structure and layout design. The average page count of paper manuals for our products has been reduced by 40%. In 2021, we saved about 74 tons of paper usage and reduced 77 tons of CO2 emissions by optimizing the printed materials for our PC and wearable products. In 2022, we have expanded this practice to more products. The total amount of paper saved for all HONOR products is about 39.12 million A4 pages, equivalent to 1,304 trees saved, and we have also reduced ink consumption, which is equivalent to saving 81,500 ink cartridges.
- The mobile phone tray of the Magic series is made of bagasse to reduce the consumption of wood.
- In order to prevent pollution, we try to reduce the use of single-use plastics in the packaging. At present, the plastic removal rate of the HONOR Magic Vs packaging has reached 98%. We will further optimize our products and strive to achieve zero plastic packaging as soon as possible.



Each HONOR Magic Vs package is 40g lighter than before.

40_g

We have reduced paper usage by 245 tons through reducing and electronicizing manuals.

245_t

At present, 98% packages of Magic Vs phones use non-plastic material.

98%

While reducing the amount of paper in the manual, we put most of the description content in the devices to help users quickly understand the functions through interaction.



Since 2014, the color box packaging and product manuals of our products have been printed with soybean ink, which can not only reduce the harm to human health and the consumption of petroleum resources, but also facilitate the recycling of packaging materials. Compared to printing with traditional inks, our printings have cumulatively reduced about 80 tons of CO₂ emissions.

Our printings with soy ink have cumulatively reduced about 80 tons of CO₂ emissions

80_t

More durable products

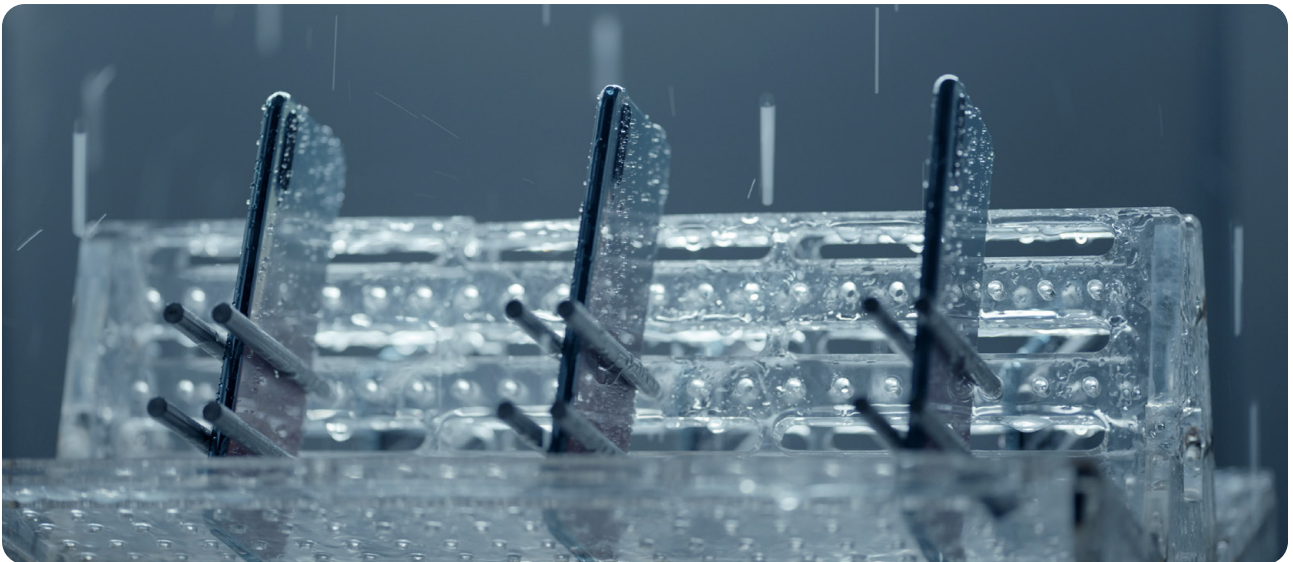
Durable products can not only greatly improve the user experience, but also effectively reduce the waste of resources and environmental impact. We comprehensively extend the product life cycle by improving product reliability, energy efficiency, and maintainability.

We have established professional reliability labs to simulate the use scenarios of major products and test the reliability of the devices and components. We carry out nearly a thousand kinds of reliability tests on our major products with strict standards to ensure that our products adapt to various extreme weathers or abnormal scenarios.

For mobile phones, we strive to provide users with a more stable and reliable experience by improving hardware adaptability from the design stage, such as waterproof, dustproof and splashproof capabilities, and simulating real scenarios such as dropping, high and low temperature, splashing, friction, scratching, and button pressing.

For tablets and laptops, we improve product reliability and durability by simulating various scenarios such as screen folding, key pressing, touch control, friction, scratching, and high and low temperatures, evaluating the test results and optimizing product design.

We provide users with timely and convenient maintenance services instead of persuading them to buy new phones to extend the product life cycle. In the design stage, we adopt structural modular design and use parts with uniform specifications to facilitate later maintenance and replacement. At the same time, we try our best to provide users with economical and reliable after-sales service. At present, we have provided one-stop maintenance services in stores around the world, so that users can access high-quality maintenance service easily when they need it.



Innovative technology improves device drop resistance by 5 times

Evidence shows that glass screens of smart phones are prone to crack due to dropping, which is a key pain point for users.

The foldable screen of Magic V series adopts the first multi-curved nano-crystalline external screen, which improves the drop resistance by 5 times. The curved surface nano-glass process adds nano-scale metal oxide grains as seed crystals in the glass production, and tens of nanometer-sized nano-crystalline particles grow inside the glass to form a glass-ceramic that combines crystals and glass. This technology ensures a slim body and strong screen at the same time.

In addition to the thinner (0.1mm thinner than conventional screens) and lighter (9% weight reduction) body design brought by the curved surface nano-glass-ceramic process, its modulus (the ratio of stress to strain) performs far better than that of conventional glass panels. On January 10, 2022, when the flagship HONOR Magic V foldable phone made its debut, it was dropped in public for the first time. Zhao Ming, CEO of HONOR, dropped the phone to the hard floor twice in front of the public, and there was no damage at all.



Safer chemical substances

We strive to choose safer chemical substances and have set higher standards for ourselves based on the international standards. We formulate the "HONOR Substance List" to clarify the list of restricted substances, and actively cooperate with all suppliers to eliminate hazardous substances.

We have established and continuously improved the hazardous substance management system to reduce the use of hazardous substances from the source. We actively identify and eliminate potential hazardous substances in products and packaging materials to comply with RoHS and REACH in EU as well as other Chinese and overseas hazardous substance management regulations. In addition, we also actively phase out substances that could cause harm to the environment and human during the recycling process, such as BFRs, CFRs, PVC, PAEs, Antimony trioxide and Beryllium and its compounds. Since 2016, HONOR has reduced the use of hazardous substances and materials by approximately 3,861 tons. At the same time, we have cooperated with multiple material suppliers to test dozens of different raw materials. At present, we have achieved halogen-free power cables for all mobile phones and tablets, which greatly reduces the negative impact on the environment.

Because smart wearable devices can touch people's skin for a long time, we also attach great importance to the research and control of allergenic substances. We require all materials used in wearable products to pass sensitization toxicology tests to protect the health and safety of users. Up to now, we have completed more than 20 toxicological tests on materials used in products that often touch skin.

Since 2016, HONOR has reduced the use of hazardous substances and materials by approximately 3,861 tons.

3,861_t

Recycle and dispose products in a responsible way

According to a report by International Telecommunication Union (ITU), United Nations University (UNU), and International Solid Waste Association (ISWA), global e-waste could reach 52.2 million tons by 2021, which is a pressing issue in our digital world. As a responsible enterprise, we set out to develop a practical and effective product program to recycle waste materials and reduce resource consumption and waste generation.

At present, we have set both online and offline recycling channels, covering used device valuation, professional quality inspection, data clearing and other services. We also put environment-friendly recycling boxes in some service stores to provide consumers with transparent, safe, and green product recycling services.

For products that need to be scrapped after recycling, we have set up a special supplier certification working group and established a systematic waste treatment system to ensure that suppliers dispose of waste in compliance with regulations and minimize potential environmental pollution. We carefully disassemble and sort the recycled batteries and large-scale products, and then our partners process the recycled products to the raw material before reuse.

By the end of 2022, we have recycled a total of 1,785 tons of e-waste. The total recycling volume in 2022 increases by 487% compared with 2021. At present, we have launched recycling and processing system in China, the Middle East Africa, Europe and other regions, in response to the global e-waste disposal protocols, such as Basel Convention, WEEE, and EPR. In addition, we provide featured recycling services to attract more consumers.

We have responsibly recycled a total of 1,785 tons electronic waste.

1,785 tons

Total recycling volume in 2022 rises by 487% compared to 2021.

487%

We hope that through our actions and advocacy, more consumers can understand the significance of electronic product recycling.

April 22, 2021

On the Earth Day, we joined hands with Huishoubao, a big recycling platform in China, to initiate the topic # Where are the used mobile phones after being recycled # on social media. The event showed the public the dangers of discarding old mobile phones at will and the importance of choosing formal recycling channels, which resonated a lot with consumers.

Aug 11, 2022

On the launch event of Guide of Mobile Phone Waste Recycle and Public Mobilization sponsored by the China Association of Circular Economy and SEE Foundation, we joined hands with other enterprises to release the Proposal for Safe Recycling and Green Disposal of Used Mobile Phones, calling for the whole society to promote the green development of mobile phone industry.

Nov 30, 2022

We cooperated with a leading Chinese mobile phone recycling platform to launch a trade-in campaign that lasted for a month. During the event, consumers can enjoy additional subsidies and get a free screen protection film for trading in their old phones that are within certain price range. This event ignited consumers' enthusiasm for recycling their old phones.

Green manufacturing, green technology

The analysis of product carbon footprint shows that manufacturing is the most important link in the product life cycle in terms of emission control. Therefore, green manufacturing is particularly important. We hope to build a high-standard energy-saving and emission-reduction demonstration park, integrate energy-saving and environmental protection concepts into technological innovation and drive more industrial partners to carry out green production together.

We actively promote green production and 75% of the process is automated.

75%

Green production

We have built HONOR Smart Manufacturing Industrial Park in Pingshan District, Shenzhen. The park is equipped with advanced high-precision automated manufacturing equipment and a digital control platform, aiming to improve production efficiency while scientifically reducing energy consumption and further promote the development of low-carbon and energy-saving manufacturing.

- We have built a smart material distribution system featuring automated unmanned technology. Relying on the "production supermarket", the automated production line can trigger the shelves to intelligently select materials fast and accurately. AGVs are used to accurately sort the materials and deliver them to different production areas.
- We have adopted a customized BMS system, which can work with the automatic group control system to smartly monitor production processes and make adjustment in real time based on production needs to reduce energy consumption.
- We have customized an air compressor group control system, which can automatically adjust the input of frequency conversion machines and fixed frequency machines according to production needs, minimizing the no-load power consumption of fixed frequency machines, and reducing waste and manual errors.
- We have launched an energy and safety risk management system to collect energy data from nearly 800 facilities and carry out statistic analysis. We have also set thresholds for alarm and early warning functions to collect alarm information from dangerous sources in real time.
- We try to identify energy-saving improvement opportunities, optimize local energy-saving inspections and equipment shutdown mechanisms, and implement the 11 major energy-saving measures. In 2022, the power consumption of a single mobile phone equivalent production is reduced by 11%.

- 75% of our production line is automated, greatly improving production efficiency. A green production model featuring high efficiency, high quality and low emissions is put in place.

We have established a comprehensive energy-saving management mechanism in the Pingshan Manufacturing Industrial Park to continuously monitor and reduce the greenhouse gas emissions. Through the power management system and group control system, we can monitor the consumption of electricity, water, and gas in the park in real time, optimize energy dispatching in a timely manner, and conduct statistical analysis on high-energy-consuming equipment. Relying on the intelligent digital platform, we have proposed practical and effective optimization solutions for each energy consumption module.

- We have optimized the lighting equipment in the workshop, evaluated the light intensity according to the production requirements, and reduced the number of lamps by 3,169.
- We have carried out centralized control transformation of street lamps, cargo counter lighting, canteen lighting and air-conditioning in our industrial park. Through measures such as air-conditioning peak adjustment and lighting power switch optimization, we can save about 1.2 million kWh of electricity every year.
- We have set the energy-saving mode for various equipment such as computers, reflow ovens, placement machines, and film crossing machines.
- Add valves to gas terminals such as drying cabinets and suction pens to reduce waste of compressed air.
- Internally coordinate various links and reuse about 18,000 aviation pallets every year to reduce waste of resources and carbon emissions.
- Through integrated design, about 124 types of fixtures were rebuilt in 2021, and about 4,000 pieces were reused.

We have saved 1.2 million kWh of electricity in the campus in 2022 through optimized management.

1.2 million

We strictly abide by national environmental protection laws and regulations and dispose various waste in a timely and effective manner. We use active carbon adsorption and UV photolysis waste gas treatment system to ensure the compliance of industrial waste gas discharge in Pingshan Manufacturing Industrial Park. For hazardous wastes, we hand them over to third-party organizations with professional qualifications for disposal in accordance with laws and regulations. For general industrial wastes, we follow the 3R principle to minimize emissions. In 2022, Pingshan Manufacturing Industrial Park has no record of discharge misconduct.

By 2022, HONOR Pingshan Factory has gained a series of certifications, such as ISO45001, ISO14001, ISO14064, and will gain more in the near future, including ISO50001 and green factory certifications, aiming to become an industry-leading green factory.



Green logistics

We closely watch the impact of warehousing and logistics on the environment and adopt multiple measures to reduce greenhouse gas emissions in logistics by technology innovation and materials recycling.

In our warehouses, we adopt the following green practices:

- Use 100% electric forklifts to reduce greenhouse gas emissions due to fuel consumption.
- Put in place high shelves to fully improve space utilization.
- Build paperless warehouses such as replacing traditional paper sheets in goods inspection and transaction stockpiling with smart terminals.
- Reuse transition boxes and save about 500,000 boxes per year.
- Reuse logistics pallets and save a total of about 30,000 pallets in 2022.

As for domestic product transportation, we fully consider low-carbon methods.

- Optimize the delivery route, send products directly from factories, and avoid detours.
- Promote lower-carbon land transportation and sea transportation to replace air transportation that generates higher carbon emissions and coordinate varied transportations to reduce the proportion of air transportation.

We save about 500,000
carton boxes per year

500,000

Green operation, green enterprise

We pledge to achieve carbon neutrality in operations and adopt 100% renewable energy by 2045. To this end, we continue to carry out energy-saving and emission-reduction activities for all staff to enhance people's awareness on emission reduction. We make sure that lights are turned off when employees leave to reduce daily energy consumption. In offices or stores, we transform or install energy management systems to accurately manage energy consumption, such as lighting, power, heating and cooling, kitchen oil and gas electrification system transformation. In terms of commuting and business travel, we encourage and support remote office meetings. We reduced carbon emissions by about 26,761 tons in 2021 and 42,674 tons in 2022. At the same time, we have provided 146 commuting buses and local shuttle bus service between office parks to facilitate public transportation to reduce carbon emissions from driving. We actively respond to the national new energy policy and use EV shuttle buses in Shenzhen and Beijing. Compared with self-driving trips, we reduced carbon emissions by about 1,317 tons in 2021. We also plan to install photovoltaic power generation at qualified sites to provide renewable energy. In other sites, we plan to purchase more renewable electricity year by year to reduce carbon emissions of our own operations.

In order to further implement the green operation, we have established a standardized green operation process and formulated an ESG work list. Through smart control of air conditioners, lamps and other equipment and strengthening regular inspections, we ensure that energy-saving and emission-reduction measures are properly implemented.

We give priority to renting green buildings as our offices. HONOR Beijing office at Vanke Lake International has obtained LEED Gold certification. Our Shenzhen office at New Generation Industrial Park has obtained the two-star green building design certification.

We reduced carbon emissions by approximately 69,435 tons in 2021–2022 by replacing physical meetings with virtual meetings.

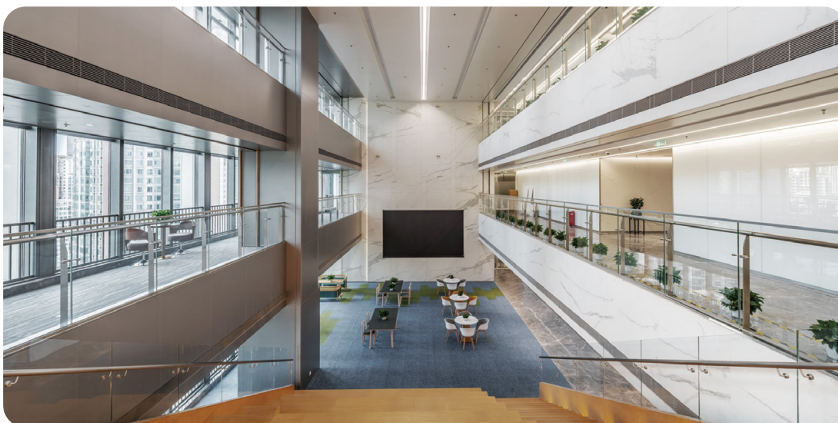
69,435_t

* Estimation is based on Quantitative Research Report of Online Meeting Helps Carbon Emission Reduction

We reduced 1,317 tons of carbon emissions annually by providing shuttle buses for commuting.

1,317_t

*Assumed that 50% of employees use shuttle bus drive private cars



We actively promote paperless office in our daily operation. We have built an E office platform to process all workflows efficiently online and reduce paper consumption. In 2022 we signed more than 20,000 documents on the E platform, which is equivalent to saving at least 40,000 sheets of paper for printing.

In terms of office assets, departments have different needs, and there were often duplicated procurement and waste of asset. Therefore, we have built an internal second-hand asset sharing platform for our people to circulate idle assets and improve resource utilization efficiency. As of December 2022, more than 1,000 pieces of office and R&D equipment have been reused across departments through our sharing platform, greatly reducing the waste of repeated procurement.

We annually reduce approximately 40,000 sheets of paper consumption through e-Flow system.

40,000

Green partners, harmoniously coexist with the nature

We believe that it is necessary to work hand in hand with partners from all industries to move towards a bright future of sustainable development. We embrace cooperation with all partners to jointly build a future where technology and nature harmoniously coexist, and to explore opportunities and challenges on this road. On December 21, 2021, we officially joined the United Nations Global Compact (UNGC) to help achieve the 2030 United Nations Sustainable Development Goals. On November 5, 2022, UNGC officially released new pilot projects "GDI for SDG" on the 5th Hongqiao International Economic Forum. We actively take practical actions to implement GDI and accelerate the achievement of the 2030 Agenda for Sustainable Development. The "GDI for SDG" is a response to the call of the UN Ocean Conference and Global Development Initiative. It aims to create sustainable business solutions through cross-discipline global corporate partnerships covering the entire industrial chain and gather the strength of all industries in various countries to solve the ocean plastic pollution crisis and transition towards low-carbon economy as soon as possible.

In 2021, we joined the China Association of Circular Economy and actively promoted green environmental protection. In August 2022, we participated in the press conference of the "Guide of Mobile Phone Waste Recycle and Public Mobilization"

hosted by the association and became the first advocator for the safe recycling and environment-friendly disposal of used phones. On November 2, 2022, we participated in the 2022 China Circular Economy Development Forum hosted by the association and delivered a speech on the theme of "Harmonious Coexistence Between Technology and Nature".

On May 23, 2022, we participated in the Forum on Urban Biodiversity and Sustainable Development hosted by WWF. We shared our green practice and advocated partners to jointly protect biodiversity. We also participated in the Symposium on Green Development Cooperation jointly held by China Association of Productivity Promotion Centers and WWF.

CEO Zhao Ming delivered a speech at the 2022 World Internet Conference Wuzhen Summit, introduced our ESG progress, particularly our HONOR Talents program and our effort on green development.



Privacy and Security

Privacy is a basic right of our users, and we've made privacy protection a prerequisite for all the products and services we provide. From initial design to final delivery, we put privacy considerations into every step and give users autonomous control over their personal information.

SDGs in this chapter



Privacy and Security

Highlights

Dual TEE & Discrete chip

Discrete security chip and Dual TEE security system consolidate personal data protection.

Five principles

Have 5-pillar of privacy safeguard based on 5 privacy design principles.

Certification

We have obtained a series of international certification on privacy and security, including ISO/IEC 27701, ISO/IEC 27001, TEE, FIDO and ePrivacyseal.

100%

We have organized the annual Privacy Awareness Week and set up courses on privacy compliance to ensure 100% of the staff are trained.

Privacy protection

We have built a global privacy management system to ensure comprehensive protection.

Sound privacy management system

HONOR always complies with the applicable laws and regulations on privacy and personal data protection where it has a business presence. We continue to strengthen our privacy protection system and build relevant capacity based on our existing privacy management system and remain transparent to regulators, clients, and consumers with an open mind. With privacy as our priority, we are committed to protecting users' data in a comprehensive way while developing better products and services, aiming to build HONOR into a most-trusted tech brand.

We have obtained a series of international certifications in privacy and security, including ISO/IEC 27701, ISO/IEC 27001, TEE, FIDO, and ePrivacyseal. Adhering to the five principles of minimal data, anonymous identity, transparent and controllable data processing, security protection, and local processing whenever possible, we are committed to improving our privacy management system to better protect consumers' privacy.

HONOR devotes itself to building a global privacy management system with Generally Accepted Principles and Practices (GAPP) as the framework and Personal Information Protection Law of the People's Republic of China and EU General Data Protection Regulation as the basis, making sure it complies with laws and regulations of relevant countries.



Privacy protection capability building

HONOR attaches great importance to raising employees' awareness of privacy protection. We regularly organize training courses and timely publicize basic knowledge to new hires to keep all employees informed about privacy and security considerations involved in our business and foster a culture of privacy protection covering the whole value chain. We also encourage all employees to participate in the annual Privacy Awareness Week and ensure 100% of employees pass the privacy protection exams we organize. As a result, "Your privacy, our priority" is never empty talk, but an ethos embedded in every HONOR employee.

All business areas have carried out emergency drills covering emergency preparations, responses, and retrospectives to improve employees' risk awareness, summarize emergency response and management plans, and ensure our teams can cope with all types of privacy emergencies in a timely manner.

In face of various cyber security threats and privacy protection challenges, HONOR believes that cross-field collaboration with an open mind can continuously boost our capability and create a better digital experience for our users. We keep a close eye on global legislation and technology progress and cooperate with law firms, experts, and universities, aiming to jointly promote industrial governance and technology.

Pass rate of privacy protection exams

100%



Our practice

Based on laws, regulations, and legal cases of each country, we have established the privacy protection compliance baseline and integrated its requirements into every daily business activity including research and development, procurement, supply chain, marketing and sales, and customer service. We have also optimized the baseline constantly to ensure effective implementation.

HONOR phones prevent unauthorized data access

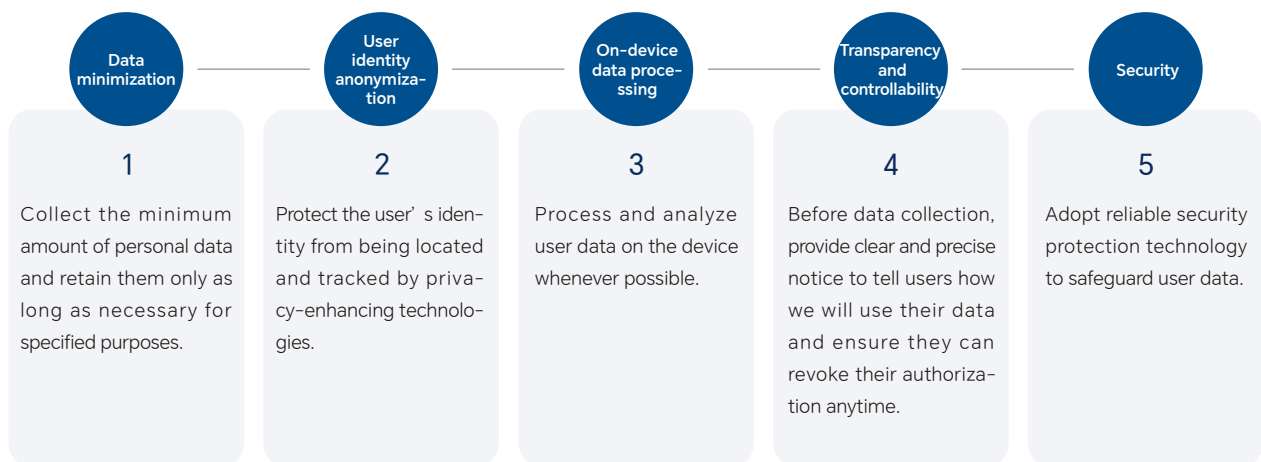
Our privacy protection practice is highly acclaimed by the media. Supporting by our latest technology, the HONOR phone operating system can automatically recognize and intercept apps' unauthorized data access and record them in detail to keep users informed.

When running an app, the phone will recommend the minimum level of permissions only necessary for providing the basic services according to the nature of the app. For example, if a weather app prompts you to enable Location permission, the system will automatically recognize and recommend Approximate Location permission which only allows the app to tell your phone's approximate location within the area of 1 square kilometer. If the app attempts to obtain Contacts information without authorization, the system will intercept such activity to secure user privacy.

The system will also record authorized app activities and generate a privacy report to keep users informed about how apps access their data. For comprehensive protection, the phone is also equipped with functions of unknown number identification, permission access history and reminder, repair mode, and AirTag detection.

Following the philosophy of Privacy by Design (PbD), we pay close attention to data access throughout the whole product life cycle of design, manufacturing, use, and final disposal ensuring all-process data protection. We have drafted and published Privacy and Personal Data Protection Policy in light of five principles of privacy protection.

Five-dimensional privacy risk protection system safeguards



Based on the fore-mentioned principles, we have built an umbrella against privacy risks from five dimensions according to the usage scenarios of sensitive data and innovate relevant features on the five fronts.

Information misuse prevention

Privacy Assistant

Privacy Assistant performs in-depth detection of the system environment, payment environment, and app behaviors and allows users to optimize the system by a simple tap. To keep you informed of privacy security status, it will also generate a privacy report at the beginning of each month to notify you of risky apps, malicious URLs, Wi-Fi detection results, scam and spam calls/SMS intercepted, and smart permission management.

Minimum app permission recommendations

The phone can recognize and analyze the usage scenarios and recommend accordingly the minimum number of permissions necessary for providing the app basic services.

Privacy access history

Provide users with 7-day privacy access history and privacy risk reports that analyze the potential risks and offer optimization suggestions. Users can go to Settings > Privacy to check their privacy access history. It displays the top 5 apps that most frequently access Camera, Microphone, Location, or Contacts permissions respectively. Users can also view access details of a certain app by tapping its icon, including the authorized and rejected access. As for frequent background access and unnecessary permissions, it allows users to modify the permission scope with a simple tap.

Harassment protection

Scam prevention

The phone can identify scam phone numbers, apps, and websites based on the database of the National Anti-Fraud Center, then make targeted interception when users answer a scam call, block the scam SMS directly and alert users if they reply to it, and manage the installation and usage of scam apps. With Remote Safeguard, an alert will be sent to the guardian if the user is at risk of fraud.

Spam radar

To stop apps from playing rogue ads via auto-launch, secondary launch, background pop-ups, floating pop-ups, and hidden icons, HONOR has developed abilities to monitor and identify abnormal activities of apps and restrict their pop-up ads. Users can also uninstall the app with a simple tap to get rid of spam.

Permission notification reduction

If users reject the request when an app asks for permission through the pop-up window for the first time and select “Don’t remind me again after denying” for the second time, the app will no longer pop up the window asking for this permission so as to reduce the disturbance to users.



Repair mode

The Repair mode encrypts private data with the advanced, unbreakable encryption algorithm. When a phone is sent for repair with the Repair mode enabled, the maintenance experts cannot view photos, videos, SMS messages, instant messaging apps, contacts, recordings, payment, and mobile banking apps on the device. They can turn on the device directly without the lock screen password. After the device is repaired, users can turn off the mode by entering the password to restore the encrypted data.

Payment Security

Integrate the traditional USB shield into the mobile phone based on a discrete security chip and dual-TEE security OS. During bank transfer, the digital signature certificate will be encrypted by the security chip for storage. The self-developed HTEE ensures the transaction is secure and trustworthy. When entering the password, the trusted interface protects users from tampering, screen recording, and screenshots to make sure what they see is what they sign. The secure keyboard also helps prevent the password from leaking.

Position fuzzification

Users have the option to control the location accuracy they want to grant to an app to prevent themselves from being located and tracked. When this feature is enabled, the system will process the location data returned and generate an approximate location within the area of 1 square kilometer which is sufficient for apps that do not need the exact location, such as weather and dating apps.

Privacy protection during screen projection

During phone screen projection to PC, tablet, or TV, the app login page is not displayed by default. Usernames and passwords are also hidden if the user uses the secure keyboard. On TV, WeChat and SMS messages are not synced to protect user privacy. This feature can be turned off as needed.

Combining hardware and software solutions, HONOR has developed the discrete security chip and dual-TEE security OS to consolidate personal data protection for users. Independent from the phone storage chip, the security chip stores and protects passwords, encryption keys, and other important data just like a physical safe box and carries out all encryption and decryption tasks there. With CC EAL5+ certification, it is highly effective in preventing malicious system reinstallation and cracking. Meanwhile, the dual-TEE system offers double insurance to safeguard user data and payment. It allows the Magic VS series to integrate the traditional USB shield into the mobile phone to achieve financial-grade security so that users can make a large transfer of as much as 5 million yuan.

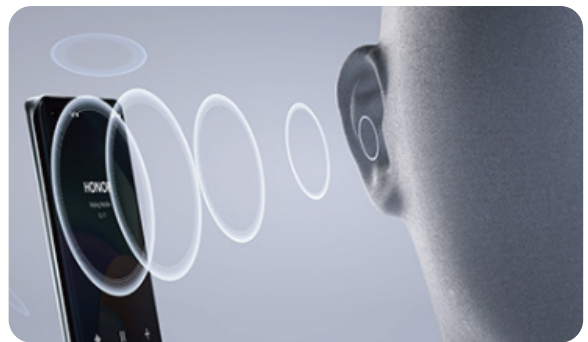


Privacy protection of HONOR Magic4

Nowadays, billions of people access the Internet via smartphones where various types of private information are stored. Therefore, it is essential for smartphone manufacturers to provide robust privacy protection for users. HONOR Magic4 series has set a good example in this respect.

HONOR Magic4 series has established a brand-new privacy protection system to safeguard all types of sensitive information ranging from the very basic of photos and app data to core biometric information, accounts, and passwords. Meanwhile, it offers targeted solutions to issues that occur in daily usage.

For example, HONOR Magic4 Pro introduces the AI Privacy Call feature which can significantly reduce sound leakage during calls through innovative audio technology and special audio channel design.



Combining hardware and software solutions, Magic4 series has built a strong barrier against privacy risks. In terms of hardware, it adopts a discrete security chip with CC EAL 5+ certification to store key data. As for software, we have developed dual-TEE system based on the Snapdragon 8 Gen 2 Mobile Platform in cooperation with Qualcomm. The system is independent from the Android operating system and can encrypt users' private data with strong security guarantees.

Tech For Good

HONOR never stop innovating and bringing social values.
Leverage the power of technology to bridge the digital
divide, for a future of creativity.



SDGs in this chapter



Tech For Good

Highlights

14

In 2021, we launched Smart Terminal Information Accessibility Initiative together with other 14 organizations.

Services

By Dec 2022, HONOR was capable of providing online and offline accessibility service.

50

In 2022, we conducted more than 30 studies on people with special needs and carried out over 50 design verification tests.

17

17 elderly-friendly projects were implemented. HONOR Magic series and X series have gained certifications for elderly-friendly design.

190,000,000

Voice Assistant YOYO provides 190 million times of smart services each month.

4,000,000

Nearly 4 million users use Magic Text each month.

2,900,000

The ScreenReader benefits over 2.9 million people each month.

700,000

AI Subtitles benefits over 700 thousand people each month.

140,000

Magnification gesture benefits over 140 thousand users each month.

80,000

We provided over 80 thousand copies of the User Guide for Parents.

97%

The accuracy rate of heart rate measurement on HONOR watches reached 97% based on the frequency tracking algorithm and AI algorithm.

100

HONOR Watch GS 3 supports over 100 workout modes to help users exercise regularly and properly.

Bridge the digital divide by technology and create a better future

In the digital era, the new and rapidly changing technologies have unintentionally widened the digital divide with the disadvantaged in society. According to the Report on the Cause for Persons with Disabilities in China (2018) and China Disabled Persons' Federation, approximately 17 million people have low vision and over 27 million are hearing impaired in China. The Seventh Census shows that China's elderly population over 60 years old has reached 264 million. Restricted by the physical environment and their own conditions at different levels, these vulnerable groups experience obstacles and pain points in accessing, utilizing, and leveraging information. The outbreak of COVID-19 in early 2020 has made us more aware of the essential role played by technology in epidemic response and monitoring. It has further strengthened our commitment to improving information accessibility and the concept of technology for good. Our mission is to enable equal access for everyone to share the benefits of technological development and enjoy the convenience brought by digital life.

Since October 2021, we have joined hands with Shenzhen Accessibility Research Association to analyze the phone usage problems faced by people with special needs in multiple locations. With over 30 studies and in-depth interviews organized, more than 50 design verification tests carried out, and over 500 online questionnaires handed out, we have gained a large volume of first-hand feedback on user experience and special needs. In early 2022, we set up a special working group on accessibility to further explore user needs and innovate relevant technologies based on cross-sector and inter-professional collaborations so as to deliver an ultra user experience.

Over

30

studies and in-depth interviews

Over

500

online questionnaires

Our Story

Weijie is a member of the special working group on accessibility. In the spring of 2022, she conducted research on visually impaired user X. To fully understand the user's real pain points in the daily use of the phone, Weijie and the user agreed that the user arranged the day himself and Weijie observed his activities from the sidelines without intervening.

On the day, user X went to the mall to buy household goods. He had to take the escalator because most of the elevators were not equipped with braille buttons and the voice broadcast function. Similar problems also occurred when taking public transportation. X told Weijie that he usually took the subway instead of the bus, because voice broadcast on buses was rare, while on the subway, he could ask staff or volunteers for help.

However, taking the escalator was not easy as well. It took him about 20 minutes to go from the first floor to the fourth because he had to ask where the escalator was and then ask passers-by who were riding the escalator to remind him when to get off. Throughout the entire research, Weijie found it most difficult to resist the urge to help and most frequently experienced confusion and later a poignant moment of sudden realization. "I wondered why he didn't take the elevator. It was until the interview that he told me it was because the elevator did not have voice broadcasts. If there were few people or no passerby taking the elevator together, he could not determine whether he had arrived or when he had reached the destination floor." Said Weijie,

"I was almost about to say that I could help, but I held it back because I knew I can't be always by his side in daily life."

After the research, Weijie tried to walk on tactile paving with her eyes closed. In the short 30 seconds surrounded by hustle and bustle of the street, she was overwhelmed by fear of the unknown. When crossing the street, she found voice broadcast was also absent for signal lights. "For those visually impaired, the physical world is already harsh, let alone the digital world. I sincerely hope that we can advance assistive technologies for them to access information without obstacles. I understand that what we can do is limited, but every tiny effort we make can be of help."

Weijie's voice represents the entire R&D and user research team, and their efforts have also been put into practice. In 2022, HONOR developed and implemented 22 accessibility projects and addressed over 700 accessibility issues related to user experience, demonstrating our loving care for people with special needs.

Vision, at your fingertips

The eyes are the window to the soul and are important for information obtainment and communication in daily life, as well as in the digital world. For visually impaired users, without appropriate assistive technologies, complicated operations and mass data will only pose a heavy burden and become a barrier to accessing what they want.

To improve the experience for visually impaired users, we continuously optimize the ScreenReader feature to ensure every tag is accurate and every tapping is responded to appropriately. When this feature is turned on for users who are blind or have low vision, HONOR phones can read out what they tap, select and activate in real time to inform them what they are operating. For example, the functional buttons during phone calls on HONOR phones can be easily read out, including answering and hanging up phone calls, setting harassment interception, and viewing call records. They also support automatic switch of speakers and hanging up calls by pressing the power button, and have an active voice broadcast for incoming calls. Besides, the phone number of the incoming call can be read out too. HONOR phones also support recognizing text in images, which can be really useful whether users are reading at home, shopping at the supermarket, or processing text materials in the workplace.

In 2022, we introduced Select-to-Speak to MagicOS 7.0. This functionality aims to build a more powerful system-level capability, enabling users to freely choose reading content, length, speed, and more. This enhances user capability for obtaining accurate information and manages time more efficiently. With Select-to-Speak, more digital materials in form of text and image become accessible to users. Audio-book is no longer the only format for them to access digital information.

The outbreak of COVID-19 makes people pay more attention to their health. With the invasion of the virus, users are most concerned about whether their body temperature is normal. In response to such needs, HONOR has introduced temperature measurement and voice broadcasting functions to Earbuds 3 Pro. With the high-precision sensor and AI algorithms, the earbuds achieve accurate temperature measurement with a margin of error of 0.3°C. Users only need to tap the earbuds three times to measure their temperature, and the result will be read out directly. It helps users avoid the difficulty of reading a mercurial thermometer and monitor their body status in time.



* The products mentioned are not medical devices. Their measurement data and results are for reference only and do not serve as the basis for diagnosis or treatment.

In addition to providing basic services, we hope our products can help users live happier and more decent life. On August 16, 2021, HONOR 50 series was launched with new camera functions designed for the visually impaired. The camera can intelligently change the angle by detecting the face position automatically. With ScreenReader turned on, the phone can tell users where the faces are in the frame and notify them how to level their camera if it is tilted. These functions help the visually impaired take better photos to capture beautiful moments in their life, such as anniversaries and birthdays. This is not only a leap in technology, but also a step that brings us closer to people with special needs.

Assistive features are available in various scenarios in consideration of all types of users. The magnification gesture allows users to adjust the screen when they cannot see clearly. Color correction can better meet the needs of users with color blindness or weakness. Dark mode increases contrast to make the screen sharper and clearer in dim lighting environment.

Whether in terms of basic services or assistive features, HONOR works hard to develop more convenient and user-friendly intelligent products for visually impaired users. We hope our products can lighten up their digital life and help bridge the digital divide for the world.

Smart tech empowers a new journey in life

Dai Junming is the head of the Nanjing Yuhuatai District Blind Association and the owner of a massage service store. At the age of 9, he lost sight in his left eye due to an illness, and at 18, he was involved in a car accident that caused the lens of his glasses to fracture, resulting in the loss of vision in his right eye.

Dai is interested in electronic and smart devices. In addition to running the massage service store, he has also tried many part-time jobs, such as live-streaming, audio post-production, and online game community operation.

In 2022, In 2022, Dai Junming replaced his old phone with a new model of HONOR phone and shared his journey of using HONOR phone's accessibility features with his relatives and friends. "Intelligent technology has changed my fate, improved the quality of life for blind community, and opened up a whole new life for us," he said.

With ScreenReader, he can travel around alone without help, hail a car with accurate feedback provided, process text materials during work, and operate the live-streaming platforms smoothly. During the COVID-19 lockdown period, he could access property notifications and purchase daily necessities online without any barriers through ScreenReader.

As the head of the Yuhuatai District Blind Association, Dai hopes to help more visually impaired people. He is willing to share his work and life on the Internet, and through the live streaming platform, he brings his friends together to communicate and help each other. He said, "Although I can't see the world, I want the world to recognize me and people like me, as well as our special needs."



Visualize all audios on your phone

The hearing impaired users confronted with great challenges during the pandemic. While the offline activities were restricted due to social distancing, online activities including live streaming, online education, and video conferencing were in full swing, making hearing impaired users at a loss. For normal hearing people, those online activities have already become part of their daily life. However, hearing impaired users are often unable to achieve these due to physical conditions. In the silent world, HONOR always insists on listening to the voice of users and meeting their needs. At present, the AI Subtitles installed on HONOR phones supports real-time conversion of speech into text and displays it on the screen. This function can help hearing impaired users to access content from live streaming, online courses, or other non-subtitle videos, facilitating their learning and social activities.



Ensure digital inclusion for the elderly

We firmly believe that age should not be a barrier for users to use HONOR products. Both elderly and young users should be able to use digital products with ease.

Using technology for silver-haired individuals provides them with a sense of security in their old age. Following a design concept of clear visibility, audible perception, ease of operation, and compassionate companionship, we focus on the key scenarios for elderly individuals utilizing technology to provide friendly interactions. From 2021 to 2022, HONOR has implemented 17 projects to meet the demands of this aging population. HONOR Magic series and X series have gained certifications for elderly-friendly design.

HONOR phones are equipped with a simplified mode that features a more straightforward desktop layout, larger display of text and icons, default three-key navigation, and enabled touch sounds. The simplified mode allows elderly users to easily and clearly see and hear, with simplified operations that enable many older users to independently display their health codes during the pandemic.

For people living and working far away from home, the well-being of their parents is often the top concern. HONOR has placed great emphasis on the health and safety of elderly users and thus developed HONOR Parental Control, a remote caretaking platform. This app features various functions such as reminders for inactivity, remote location tracking, and scam alerts to bridge the gap between children and their parents, providing constant and reliable companionship. Users can download and bind the app to another device, they can become the "guardian" and check the location and operation status of the device owner. If the device owner goes out of the set range or hasn't operated the phone for a long time, the system will automatically send notifications to the guardian, so they can check the status of their family members in time.

While bringing convenience to the elderly, smartphones also pose certain risks. A study by the China National Committee on Aging shows that in 2021, 542.5 thousand cases involving elderly people were investigated by people's courts at all levels nationwide. Frauds related to health products and telecommunication networks are common. To help solve this problem, we have developed the scam alert function, that connects to the National Anti-Fraud Center database, making it easier for users to identify fraudulent information. The elderly users can also anti-fraud guardians who will receive alerts when they receive messages or calls containing fraud risks, thereby providing a strong barrier to enhance the safety of their phone use.

From 2021 to 2022,
HONOR has developed
and implemented

17

elderly-friendly projects

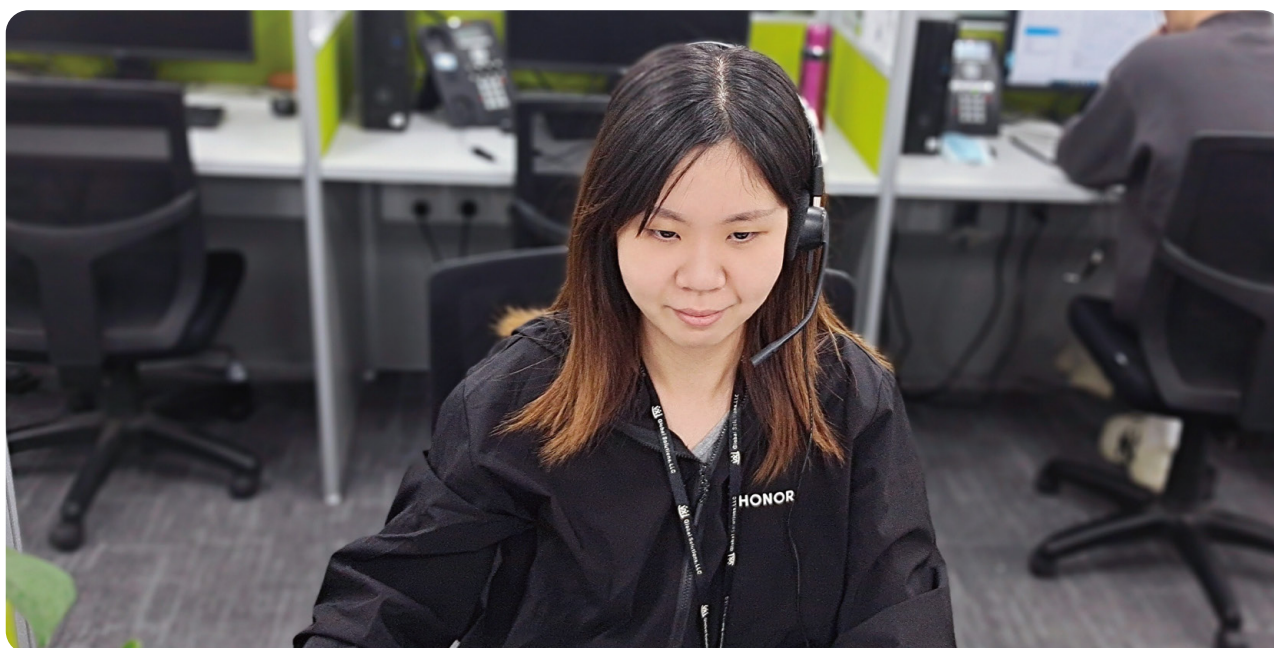
To facilitate elderly people in their daily use of smartphones, we have published the User Guide for Parents. In the handbook, we illustrate with pictures the common problems elderly users often encounter and the corresponding solutions. This handbook has been printed in more than 80,000 copies and provided to customers in all offline HONOR stores. The electronic version has been viewed over 1 million times via HONOR Club, the official Weibo of HONOR, and the official website of HONOR ESG. Together with our partners, we have organized lectures to teach the elderly mobile phone skills and address their issues. HONOR carefully guards its elderly users, delivering warm care through continuous functional innovation and thoughtful customer service.



Take care of elderly people living alone

"Hi, how may I help you?" Zhang Yawen, a customer service agent, had repeated this opening remark thousands of times in her daily work. This time, the call was from an old man who spoke anxiously with a strong Changsha accent. After patient guidance, Zhang figured out that the old man wondered what to do if the monthly data usage exceeded the cap. The old man said he did not know why such a thing occurred because his residence had Wi-Fi network, and he seldom used the data. As an old man who lived alone, he had no idea about what to do. Zhang patiently calmed him down, slowly guided him to find the switch of mobile data, and taught him how to turn it off.

The old man also asked about how to use mobile data when not at home, such as in hospitals. Zhang knew that mobile data was necessary when going out. So, she guided him to operate several times and promised to send him the detailed steps by SMS so that he could check it whenever he wanted. The old man felt reassured and appreciated her considerate service. Zhang Yawen is a representative of customer service agents. They face countless questions and problems from numerous users but manage to provide professional solutions and considerate services. That's why HONOR succeeds in winning users' trust.



It is also our goal to let children grow up healthily in the digital world, avoiding addiction to electronic devices or exposure to inappropriate information. HONOR's phones, tablets, TVs and routers are all equipped with child-oriented functions. Parents can set screen time and other limits on device usage to help their children develop healthy digital habits.



HONOR Pad 8 has passed triple authoritative eye protection certifications, including TUV Rheinland Low Blue Light and Flicker Free Certifications, as well as National Eye Institute Eye Protection Certification. Meanwhile, it provides a series of eye care solutions at the software level and Digital Balance, a feature specially designed for teenage students, which provides reminders for bad habits that affect eyesight, such as positioning too closely, lying down while viewing, viewing in low light, and shaky holding. These upgrades have achieved a further enhancement of the standard for eye protection in tablets.



HONOR Router 4 Pro provides the Parental Control function to prevent children from getting addicted to games and short videos. To ensure a healthy and green online environment for their children, users can customize the Internet time limit and set function restrictions on certain gaming and video apps in HONOR AI Space.



Network Acceleration can perfectly address the problem of slow Internet connection during virtual courses. When HONOR Router 4 Pro detects an online learning app is consuming data, it will atomically prioritize this app and speed up Internet connection to ensure a smooth online learning experience for children.

To protect children's privacy, we have also released Children's Personal Information Protection Policy, which regulates the entire process of collecting, processing, managing, protecting, and controlling children's information.

Children's Personal Information Protection Policy (Excerpt)

1. How we collect and process children's personal information

HONOR strictly abides by the provisions of laws and regulations and agreements with users. Based on the specific products or services selected by you and your supervised children, we collect relevant personal information of your supervised children. In some cases, if you and your supervised children choose not to provide personal information, HONOR will be unable to provide relevant products or services, or respond to and resolve related issues. HONOR only collects and uses personal information of your supervised children for the purposes described in this policy. The following examples illustrate the scenarios where we may collect and use relevant personal information:

(1) Register a child account: If you need to create a child account for the child in your custody, you need to create an HONOR ID with your phone number first. Then, log in with that HONOR ID to create a child account. In this way, we can verify your identity as a parent (or guardian). When creating the child account, you need to enter the child's phone number and date of birth, and set a password. After the child account is created, we will link it with your account. Your child can use this account to log in and access services according to the privacy statements and user agreements of HONOR products or services.

(2) We may also collect and use other personal information in connection with the use of our products or services by you and the children in your custody. For specific purposes, methods, and scopes of data handling, kindly refer to the Privacy and Personal Data Protection Policy and the privacy statements of specific products or services.

2. How we entrust, share, transfer, and disclose children's personal information

We strictly comply with the laws and regulations and set limitations on entrusting, sharing, transferring, and disclosing children's personal information. If HONOR entrusts a third party to process children's information, we will carry out the safety evaluation on the entrusted party and the entrustment behavior and sign a strict confidentiality agreement or personal information processing terms with the entrusted party. In general, we will not share or transfer children's personal information to third parties. If we do, we will conduct the security assessment on information sharing, transferring methods, and the received parties and sign relevant agreements with the third party.

3. How we manage children's personal information

HONOR provides you and the children in your custody with the data subject rights to access, copy, correct, and delete your data. For details, you can check the Privacy and Personal Data Protection Policy and the privacy statements of specific products or services. You can also send us feedback or contact us by the information in the How Do You Contact Us section in this Policy. We will contact you as soon as we receive feedback from you or your children. Please understand that during the communication process, we will need to verify the identity of you or

your children and may require you or your children to provide information about the child account and your HONOR ID. Please note that in order to prevent children from modifying information themselves, which may result in inaccurate information, we only allow you to modify certain information about the children (such as their date of birth) or allow the children to modify it only with your consent.

4. How we protect children's personal information

We take children's privacy and security very seriously and we adopt technical measures such as encryption, anonymization and pseudonymization to transmit and store children's personal information so as to ensure information security. Our products and services protect children's privacy by default and automatically disable personalized advertising when they identify the user is a child. To help you better protect the children, we also provide some features designed for parents, including content access restrictions and screen time management, which allow you to set the screen time limit for each app and add restrictions to the access of a specific app or service.

We will apply strict access limits for children's personal information and ensure a minimal number of personnel can access the data for necessary purposes. We will also adopt technical measures to record and monitor personnel processing behavior.

5. How we store children's personal information

Children's personal data collected and generated by the operations in the People's Republic of China will be stored in the People's Republic of China. If there is a cross-border transfer of children's personal information for a particular product or service, we will obtain your explicit consent and, after fulfilling our obligations under the law, take appropriate measures to ensure that the personal information of children remains protected by the applicable law.

AI empowers IDEAL accessibility

In the digital era, information accessibility not only benefits disabled individuals, but is also closely related to every person's life. People earnestly hope that mobile phones can be smarter when they have to spend a lot of time transferring files between multiple devices or find themselves held back by the language barrier abroad. Based on the principle of IDEAL, HONOR has worked hard on addressing such bothering issues with technology.

Inclusive AI

What we do on accessibility is just like building the tactile paving in the digital world. We need to first build up our basic capability to provide a sound product experience to the whole user population and then integrate such capability into our work on accessibility. To help people with disabilities live better, we need to first develop universal products and services for all users by adapting AI to all scenarios and collecting user insights. The key lies in bridging the digital divide and implementing information accessibility.

Diversity

Access to accessibility features should be diversified. We need to think about how to provide information accessibility services from the perspectives of different groups with disabilities, considering the conflicting needs of various groups of users and providing more inclusive solutions. At present, most manufacturers work on the application level to make passive remedies to accessibility problems that occur. However, HONOR thinks it differently. We believe we should strengthen our basic capability to meet the needs of the whole user population in all scenarios and think about how to make different ways of interaction complement each other to achieve inclusive accessibility for all. That not only benefits people with disabilities, but also society as a whole.

Empathy

Accessibility does not pose a technical challenge, but requires awareness and empathy. We need to carry out scenario-based analysis and put ourselves in the shoes of users, taking their needs in daily work and life into consideration. Only on this basis can we provide suitable services to people with disabilities.

Accessible interface

When the basic capability is built, we need to further think about how to present the features in a simple and accessible manner. It requires efforts from accessibility engineers and the wisdom of the whole society. Therefore, we call on the relevant industries to establish standards as soon as possible, so that people with disabilities can also experience the standardized information superhighway.

Love

Working on information accessibility is not only for the sake of others, but also for our own. Love can break down all barriers. We hope that everyone can devote themselves to the cause of accessibility with love. As a tech company, we, as R&D engineers, and as representatives of our company, solemnly promise to work together with our partners in the field of information accessibility to create an ideal accessibility environment, and to create a new world for everyone.

To break down the barriers to device usage, we have developed several functional modules, including AI Lens, AI Voice, and AI Services. Such a comprehensive system connects people, devices, and services with AI technology and presents common features for users in a simple way.

4
million

AI Lens can quickly recognize all kinds of text information in the digital and physical world. The monthly users of the Magic Text service have reached 4 million.

190
million

AI Voice provides a more convenient voice interaction service to over 50% of HONOR users in various scenarios, such as taking pictures and answering calls. Voice Assistant YOYO is activated 190 million times each month to provide smart services.

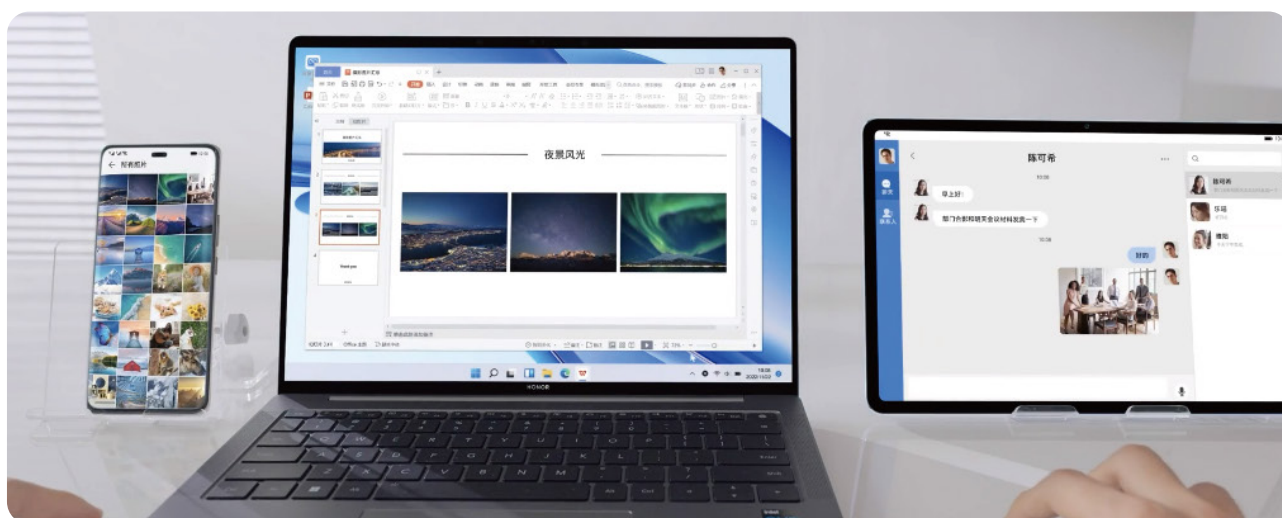
173
partners

HONOR hopes to improve the exposure of third-party apps to target users through MagicOS and thus promote their business. As of now, YOYO Suggestions has been used by 173 third-party services, improving efficiency for millions of users every month.

When using multiple devices, users often encounter obstacles regarding file transmission and system compatibility. To solve such problems, HONOR has developed MagicRing based on MagicOS to provide users with a seamless cross-device experience. When users want to transfer content between devices, they can activate Multi-device Collaboration by simply swiping up with three fingers or dragging the icons. They can also use one keyboard and mouse to control three devices logged in to the same HONOR ID and drag and drop content across the screens, which greatly improves work and study efficiency. In the future, HONOR will continue to work with industry partners to build an open ecosystem that empowers cross-device, cross-platform, and cross-scenario experiences.

MagicRing facilitates smart office

As a journalist, Zhu is accustomed to switching between his phone, tablet, and computer frequently in his daily work. He often uses the phone to record thoughts during topic selection meetings, the tablet to prepare the interview outline and enrich the key points, and the computer to write the full draft. Due to the high requirements for content accuracy in the news industry, Zhu needs to collaborate with multiple colleagues to conduct "three reviews and three corrections" after drafting and completing the outline. Therefore, they need to transfer the files frequently, which not only causes information redundancy, but also affects work efficiency. However, after adopting HONOR products, Zhu finds that he has more time to concentrate on writing, and his work efficiency is greatly improved. He no longer has to wait for file upload and download. Instead, he can drag the files from his HONOR Magic Vs to his HONOR tablets and computer, and even control the phone and tablet with the keyboard of the computer. "It is really helpful for us," said Zhu.



All-around accessible service

High-quality product experience is inseparable from high-quality service. We carefully listen to the voice of every user to provide thoughtful service for them. We insist on putting consumers as our center and launch a special accessible customer service team for visually impaired users to serve diverse user groups in a more respectful, convenient, and professional way and bring humanistic technology to all.

In 2022, we focused on improving our capability to provide accessible service to users. We carried out training for our employees working in brick-and-mortar stores, covering more than 1,000 members in our directly-operated stores and authorized stores in China. Particularly, the sign language training has helped our employees better serve hearing impaired users, and the service guidance for visually impaired users has further improved our capability to serve them.

■ Story of the accessibility hotline service

Li is a visually impaired lady. Every morning at 9 o'clock, her alarm clock on her phone always rang on time, waking her up from her sleep. For many days Ms. Li operated her phone and confirmed that all the alarm clocks were turned off. However, it still rang at that time, which bothered her a lot because she has very sensitive hearing. As a result, Ms. Li called HONOR customer service hot line. After carefully listening to her problem, the customer service forwarded the call to Wang Li, a specialist of accessible customer service.

After Wang Li learned about Ms Li's problem, she asked more detailed questions and guided Ms. Li to find the root cause. It turned out that Ms Li had opened alarm reminder in a live streaming app instead of the system alarm clock. Turning off the reminder in the live steaming app was very difficult for visually impaired users. Wang Li leveraged her experience of helping visually impaired people, patiently guided Ms Li to change the app settings step by step. She deliberately slowed down her speech and repeatedly confirmed whether Ms Li completed each step. After relentless efforts, Ms. Li finally completed the setting, but still asked Wang Li with some doubt: "So the alarm won't ring by itself tomorrow, right?" Considering that Ms. Li had been troubled by this issue for a long time, Wang Li replied softly, "Yes, if it's convenient for you, I'll call you back tomorrow morning to confirm. Please don't worry, I'll follow up until your problem is solved.

The next morning, Wang Li called Ms. Li, "Hello, I am Wang Li, your exclusive service engineer. I am calling to confirm..." Before Wang Li could finish speaking, Ms. Li happily replied, "The alarm clock didn't ring today. Thank you so much!" Wang Li was relieved to hear this and expressed her appreciation, "Thank you for your recognition. If you have any questions in the future, you can call our consumer service hotline at 95030. I wish you a happy life." Wang Li also feels the sense of achievement by solving users' concerns. The praise from users makes her even more determined to provide professional and considerate service for more people like Ms Li.



Establish industrial standards

We have made unremitting efforts to promote the development of accessibility industry standards, and actively participated in the drafting of information accessibility and elderly-friendly standards by industry associations. On May 20, 2021, HONOR and other 14 organizations, including the China Association of Persons with Visual Disabilities and the China Electronic Standardization Institute, jointly launched an initiative for information accessibility of smart terminal devices. On June 29, 2021, HONOR participated in the signing ceremony of the elderly-friendly transformation commitment launched by the Ministry of Industry and Information Technology. Besides, HONOR participated in the drafting of the General Specification of Mobile Intelligent Terminal Accessibility proposed by the China Academy of Information and Communications Technology and released by the China Electronics Standardization Association.

We have actively participated in the professional forums to promote industrial development. In 2021 Guangdong Smart Accessibility City Forum, together with Shenzhen Information Accessibility Research Association, HONOR unveiled its smart terminal products about information accessibility and made a presentation entitled Smart Life: Injecting Humanity into Technology to share HONOR's philosophy and practices in information accessibility construction. At the 4th Technology Accessibility Development Conference in 2022 (2022TADC), HONOR delivered a speech with the theme of Create A Smart World for All, sharing its research and practical achievements in the field of information accessibility.



Technology, leads a healthier life

With the increasingly fast pace of modern life, people's pursuit of a healthy lifestyle has also grown higher. HONOR has developed several products with health monitoring functions to keep users informed of their health status directly. During the epidemic, daily monitoring of body indicators, including blood oxygen, body temperature, body fat, blood pressure, and blood glucose, has played an important role. Combining software and hardware solutions, HONOR provides a series of features to help users manage their health status with science-based methods. The accuracy rate of heart rate measurement on HONOR Watch GS 3 reaches 97% based on the frequency tracking algorithm and AI algorithm. Blood oxygen monitoring throughout the day proves to be helpful in the post-epidemic era. With the high-precision sensor and AI algorithm, HONOR Earbuds 3 Pro achieves accurate temperature measurement with a margin of error of 0.3°C. The smart noise cancellation function automatically recognizes the usage scenarios and makes adjustments accordingly to protect users' ears.

Overall accuracy rate of heart rate measurement

97%

Heart rate measurement

It supports all-day heart rate monitoring, including resting and exercising heart rate and heart rate. Additionally, it triggers warnings when the heart rate exceeds the set limit during physical activity, which ensures constant attention to one's cardiovascular health.

Blood oxygen monitoring

HONOR Watch GS 3 and HONOR Band 7 support all-day blood oxygen monitoring. It is helpful for the key vulnerable groups, including snorers, the elderly, and people who live in the low-oxygen environment at high altitudes and who do intensive brain work and often stay up late to work overtime.

Sleep tracking

Keep track of sleep and provide insights into sleep habits and quality.

Care for women

Based on the historical menstrual cycle, intelligent prediction of future menstrual and fertile periods can allow users to face each special moment with ease and confidence.

**AI Body
Temperature
Monitoring**

HONOR Earbuds 3 Pro can intelligently monitor and automatically record body temperature, providing more comprehensive body data for health management.

**Body fat
monitoring**

HONOR Body Fat Scale 3 can measure 24 body composition indicators, including weight, body fat percentage, BMI, body score, subcutaneous fat percentage, and visceral fat level, to help users keep fit and stay in good shape.

HONOR wearables also provide professional workout guidance , creating a unique fitness experience tailored to each individual user. HONOR Watch GS 3 supports over 100 exercise modes, including 85 custom workout modes and more than 10 professional workout modes. It also provides 12 exercise demonstrations and voice guidance for fitness courses, including shoulder and neck stretches, fat burning, and full-body relaxation, Since October 2022, the updated version of HONOR Health has presented users with personalized interfaces, provided fitness advice, and training courses base on user habits, helping them reach their health goals.

**Running
Training
Courses**

HONOR Health offers a range of running training courses, including beginner, intermediate, and advanced levels, all of which are accompanied by real-time voice guidance from a personal coach. Each course is designed to progress gradually from easy to difficult, helping runners to exercise with ease.

**Animated
Training
Guidance**

HONOR Health is equipped with various built-in training courses, which include a comprehensive simulation guide through a personal trainer-style animation. These diverse fitness courses offer a scientific and comprehensive training approach with detailed voice guidance, facilitating users' personal workouts.

**Running
Guidance by
Smart Trainer**

When users are running outdoors, Smart Trainer sets appropriate running intensity and goals based on their recent performance and physical fitness. It will also provide real-time voice guidance to help them become better runners.

**Running with
Smart
Companion**

When Smart Companion is enabled, users run alongside a virtual running partner to gain a clear understanding of the disparity between the current pace and the set goal. No longer fret about running too fast or slow, as users will always maintain a suitable pacing and running rhythm.

**Check
Training
status**

Based on the changes in training load and maximum oxygen uptake trend over the past week, HONOR Health analyzes the effectiveness of current training and helps users achieve scientific and healthy exercise, while avoiding excessive load that can cause bodily harm.

In December 2022, HONOR Health was officially launched, aiming to help users manage their health through AI capabilities. In terms of functionality, HONOR Health can record and analyze users' exercise and health data, connect and manage HONOR devices, and provide users with a platform of content and services. HONOR smart bands and watches can be connected to the phone through HONOR Health. Based on the platform-level AI capabilities of MagicOS 7.0, HONOR Health can customize exercise plans for users and provide over 300 workout advice accordingly based on users' habits. It helps users create their own exercise and health management plans effectively.

Adhering to the idea of inclusiveness, HONOR transforms its technological strength into professional and practical products. With multiple health management products and services, we help users manage their health effectively.

Youth Empowerment

HONOR empowers energetic youth to break through the boundaries of creative aesthetics. All living creatures have their beauty. HONOR always encourages new forces to create new works and inspires young people Harmonious Coexistence Between Technology and Nature their talents through diversified events.

SDGs in this chapter



Youth Empowerment

Highlights

13,000+

HONOR Talents Global Design Awards received 13,000+ submissions, covering 164 universities in 40+ countries.

300,000

There are 300,000 works submitted for HONOR Magic Moments in 2022 with 20% of overseas submissions.

2,300+

HONOR Creativity Challenge attracts 800+ universities worldwide participated by 2,300+ student teams in 2022.

According to the China National Development Dynamics Report, youth, the crucial group and decisive force in building an innovation-driven nation, have the most up-to-date knowledge skill set and the most diverse and innovative ideas. HONOR believes that excellent talents and a strong organization are the foundation for business development. Only by continuously gathering top talents with innovative and creative thinking can we better cope with the more challenging digital world of the future.

We believe that youth have the ability to make incredible achievements. When empowered young people recognize their talent and value, they will take risks with confidence and be open to trying new things. They will realize that persistence is the path to success rather than giving up. HONOR believes that youth who are willing to hold on to their values can regain confidence when they encounter difficulties or feel lost and revive themselves and keep going to pursue their dreams.

New HONOR is as full of dreams as a youth. We value the power of youth and care about youth development. We are willing to work together with young people to create a more imaginative future. HONOR hosted various and exciting activities, inviting young people from all over the world to participate in together and share wonderful moments.

"HONOR hopes to help young emerging talents in the field of design and art and let their works and talents be seen by the world."

— From HONOR CEO Zhao Ming

Join hands with UVM, offer funds to support the incubation of entrepreneurial projects

The creativity of youth makes them the main force of innovation and entrepreneurship. However, young people who engage in innovation and entrepreneurship also face difficulties in financing, little experience, and inadequate services, especially in developing countries. Therefore, HONOR and the Universidad de Valle de México (UVM), one of the top universities in Mexico and one of the most important universities in the entire Latin American region, conducted cooperation for the first time and have launched a joint entrepreneurship scholarship to help students incubate their business ideas. Innovation and open collaboration are at the core of both HONOR and UVM. This is why we both decided to start a long-term partnership to help students create innovative businesses.

This program helps to promote a high level of entrepreneurship education and implement innovative business models and ideas. UVM students and graduates with innovative and viable business ideas are eligible to apply for the scholarship, regardless of their year or major. The scholarship will be used to help them incubate their business projects, including supporting creating a business plan, providing training in financing communications, etc. At the same time, to better support young entrepreneurial students, we have organized a series of lectures, master classes, and workshops in collaboration with UVM. Projects proposed by young students are also incubated in UVM's national incubator network.

By the end of 2022, HONOR and UVM have awarded scholarships to students in 75 entrepreneurial teams. In the near future, these businesses could become a significant source of local jobs and bring greater financial stability to society. In 2023, HONOR will also continue its cooperation with UVM to provide more support for young and creative students.

HONOR Talents, Explore a combination between technology and art

HONOR Talents Global Design Awards brings together the pioneering artistic power of young people and aims to mobilize the rich resources of the HONOR brand to support, empower, and incubate more forces with original thinking. The project also continues to carry out a global dialog on art and technology design, phone design experience, and new design expressions. HONOR Talents is not only an international competition about art and design, but always keeps the spirit of exploration and innovative design language to directly satisfy the emotional needs of consumers, resonate with consumers, continuously empower better art design concepts into HONOR's technology products, and continue to apply our prowess in more life scenes so that consumers can experience the innovative beauty of combining technology and art every moment.

Since its inception in 2020, HONOR Talents Global Design Competition has reached in-depth cooperation with internationally renowned design institutions such as Central Academy of Fine Arts, China Academy of Art, Tianjin Academy of Fine Arts, Multimedia University (MMU), and Taylor's University. The competition not only invites art colleges to serve as academic guidance institutions and explore the frontiers of design with outstanding young talents, but also cooperates with colleges to conduct lectures on the frontiers of design and establish training camps to advance young creators' skills and career development.

After two years of growth, the competition has attracted young creators from more than 40 countries and regions and 164 renowned institutions around the world to participate in, receiving more than 13,000 works, the highest level ever. The competition has fully activated the power of young pioneering artists around the world. Over 100 of the winning entries were customized into themes, wallpapers, art backs, retail products, and other products that are toured the world. The works have spread to Malaysia, Czech Republic, UAE,

Mexico, Egypt, Italy, France, UK, Germany, Hong Kong(China) and other countries and regions, enabling more people to see the innovative beauty of combining technology and art and the design talent of young creators. The competition invites professors and artists from renowned colleges and universities at home and abroad as judges. Design experts share design industry trends and frontier design knowledge with the participants, empowering youth with vivid lessons. We also provide prizes, industry exchange opportunities, and internship jobs for the winning young designers, helping young people move towards a broader career stage.

The theme of the 2022 HONOR Talents is "Inspire the Future". "The future" represents youth and innovation, signifying that youth discover and create beauty through design and innovation.. To support young designers in exploring the beauty of the world, HONOR Talents set up a youth empowerment training camp, inviting design experts to share frontier design knowledge with the contestants, and encouraging and inspiring outstanding designers worldwide in multiple dimensions. We have also partnered with 5 Malaysian universities to set up campus awards and scholarships to provide both material and mental incentives for young designers. During the contest, many young designers have also left their unique voice of communication with HONOR. We believe in the power of youth works and hope to use HONOR products as a carrier to achieve the "first masterpiece" of young designers.

Twelve Hours of HONOR, designed by Yang Long, HONOR Talents 2022 Global Champion

"Drawing inspiration from traditional culture, the elements of the twelve hours and the zodiac are incorporated into the watch face design, with the mechanical beauty of modern industrial gears and the woodworking aesthetic of ancient farming water-wheels, creating a visual art that is both traditional and modern with detailed decorations and an architectural three-dimensional structure."



Endangered Animals, designed by Xue Yan, Runner-up of HONOR Talents 2022 Open Designs

"A cute cartoon image is drawn with 12 endangered animals as the main characters. The strong color contrast presents a vibrant scene. The artwork conveys the design concept that everything is reviving and full of hope, aiming to call on humans to protect nature and the home where humans and animals live together."



Co-Space, designed by Zhu Xiuqi, runner-up of HONOR Talents 2022 Interactive Art Installation Design

"Co-Space is an innovative and interactive art space for children combined by projection and physical entity, with the main purpose of being used for behavioral intervention and supplementary treatment for children with autism. We integrate the concepts of traditional medicine, psychology, and education with design, science, and other knowledge to create a space that combines art and technology to help children with autism to play freely."



On the basis of graphic design, the 2022 competition added an Art & Technology part, with AR interactive artwork design and interactive art installation design, leading the audience to experience a journey of technology exploration with humanistic undertones and showing the goodwill and care of young designers for the disadvantaged.

In addition, we wish to encourage young designers around the world to make full use of technology to give new life to their communities. With the HONOR Talents Global Design Competition and ARLOOPA, an AR and VR development company, HONOR has collaborated with two internationally renowned artists, Yunuen Esparza and Timo Helgert, to restore and recreate the monuments of the UNESCO-certified World Heritage Site of Speicherstadt in Hamburg, Germany. The innovative interactive form of AR digital content and reality overlay injects new vitality into the century-old cultural heritage.



Yunuen Esparza
Contemporary Artist from Mexico

"When my art is powered by technology, I can connect people across space and time and that is a wonderful feeling."



Timo Helgert
Visual Artist from Germany

"The fusion of art and technology is creating new ways to connect with cultural heritage and celebrate our communities."

Let HONOR consumers worldwide see the creativity of young talents

HONOR has officially launched 8 HONOR Talents creative phone cases for phones ranging from HONOR 60 series to HONOR 80 series. Our Themes app also released over 250 HONOR Talents wallpapers, covering 113 countries and regions. At the same time, the art backing film of HONOR retail gifts and HONOR services both adopt artwork patterns of HONOR Talents, bringing consumers the innovative beauty of combining technology and art.



Lecture held by Central Academy of Fine Arts City Design School

Mr. Ge Feng, Director of HONOR UX Design Department and judge of HONOR Talents Global Awards, gave a lecture titled "Experience Design of Terminal Intelligent System " to students and faculty of the Central Academy of Fine Arts on May 18, 2022, providing students with cutting-edge information about the industry. With the development of AI and big data capabilities as the background, Ge Feng explained to students how the terminal system can be upgraded around user habits and scene awareness for intelligent experience design, providing users with personalized and diversified experience design.



Provide a stage for youth to showcase their talents

With youth works as the content and youth participants as the guests, the youth works were promoted and displayed in a diverse forms. During the MONDIACULT 2022, HONOR exhibited its award-winning works in Mexico City for participants from more than 130 countries, and joined hands with the internationally renowned fashion media WWD to hold the first FASHION LAB exhibition to display the power of youth originality. At the first international Shanghai Digital Art Fair, many outstanding works were invited, bringing a unique humanistic and technological feature to this art carnival. At the same time, global launches, anniversary events, and international exhibitions of HONOR all showed the results of HONOR Talents. These various forms of activities were reported by famous media at home and abroad and loved by global consumers.

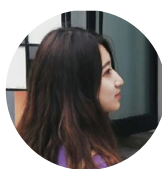


HONOR Talents says: Feedback from winners



HONOR Talents continues to focus on technology, art, and creativity of young talents. The exhibition series allows me to obtain more real feedback from people who have experiences in different fields, which will be of great help to my future creations.

Wang Chenghao
China, Champion of the 2022 Interactive Art Installation Design



Thanks to the opportunity and platform provided by HONOR. I am very honored to promote Chinese traditional culture as the main visual applied in the art exhibition, HONOR Theme app, and New Year red envelope cover, and get the affirmation and recognition from art, fashion, and consumers. I will be more determined in my direction.

Han Jingwen
China, Champion of the 2022 Wallpapers Design



HONOR Talents provides me with a great opportunity to compare myself with other designers around the world. I enjoy the challenge and would like to join the contest once again.

Michele Cavaliere-Italy
Best Popularity Award 2021



The award from the Malaysian Education Office in China was something that I did not expect before I entered the competition. I was very surprised to receive this award, and I am very grateful to HONOR for bringing my work around the world and will continue to support HONOR Talents.

Zeno Jun- Malaysia
Best Design Award 2021



HONOR Talents gives me a platform to express myself and my art. The advancement of technology makes more and more richer forms of creation possible, injecting fresh blood into art creation.

Zhou Tong - China
Best Animation Award 2020

HONOR Magic Moments: photography give rise to the new cultural force

We believe that our life, consisting of countless tiny moments, is wonderful and great. Every touching and beautiful moment deserves to be captured with HONOR's high-tech empowered cameras. Record marvelous life by capturing every extraordinary and precious moment as well as every contre-jour shot—This is the essence of HONOR Magic Moment Awards. This award aims at breaking through the boundary of dynamic visual expression through innovative technology, and establishing a global exchange platform of mobile photography around mobile phone shooting experience and lens expression. This award also aims at tapping the creative inspiration of the public and new filmmakers, and shaping new forces influencing culture through your unique aesthetic and rich practical experience, and assisting creators in realizing their dreams, and discovering more new generation of high-quality creative talents through the incentive mechanism.

In September 2021, the first HONOR Mobile Image Project was officially launched. The 2022 competition was upgraded with the core concept of "Keep the spark in your heart and freeze the magic moment with the lens", and three new sections of "Green, Short Videos, and Photo Series" were added. Among them, the Green section is open for all brand models to submit their works, so as to encourage the public to use images to express their attitude towards environmental protection and attract more people to value ecological protection and live a green lifestyle.

The contest invited domestic and foreign photography masters such as documentary photographer Fu Yongjun, wildlife photographer & ecology photography expert Xiao Ge, Spanish photographer & artist Eugenio Recuenco, and HPA board member H. Loren Nielsen as judges, and has set up national and regional awards in Germany, France, Italy, Spain, Latin America, Middle East Africa, and other places to increase the participation of overseas users and photography fans. Over the past two years, we have collected more than 500,000 entries from 50 countries and regions around the world.

Worldwide

50

Countries and regions

Over

500 thousand

Pieces of excellent works

Protect Spring Buds - Ao Zhuowen, 2022 HONOR Magic Moments, Winners of the Photographer of the Year Award in Green section, using HONOR Magic3 Pro+

"Spring is coming, and the trees along the road are beginning to sprout spring buds. The finger graffiti wall painting on the wall is just in the place of the tree trunks, just like carefully caring for the newly sprouted spring buds."



HONOR Creativity Challenge: Building a stage for youth to reach their dreams

As an event for creative marketing elites in colleges and universities, the first HONOR Creativity Challenge has attracted young students from a total of more than 200 cities and 800 colleges and universities worldwide since it was held in 2021. 2022 HONOR Creative Challenge is further upgraded to focus on the stronger sense of subject and fresh energy of the young people who are "the generation after 00s". By inviting senior judges to support the event professionally, combining marketing hotspots and the real needs of enterprises, introducing professional marketing topics, empowering students with innovative products, and cultivating outstanding marketing talents with top mentors, HONOR provided an open and energetic creative platform for many college students to create works based on the current industry development trends, guiding young talents to take the lead and promoting the value of young talents.

After 3 stages of fierce competition, including a preliminary, semi-final, and final rounds, FORSEA of Tsinghua University, HONORChaser of Shanghai Jiao Tong University, and Blue of The Chinese University of Hong Kong, standing out from

2,300 elite teams from universities around the world, won the first, second, and third place respectively. 10 creators won the best individual award. With the first-class professional standard and the strong exchange atmosphere, this competition has won unanimous affirmation from the participating students. "The competition let me see more possibilities for the future.", "Tapping into new skills is a very valuable experience.", and "There were many video courses full of knowledge in the preliminary stage, which were more practical and up-to-date than what I learned in school".

As a dynamic technology company, we hope to help young people learn to apply their skills and improve their personal career plans with the Creative Challenge. In addition to material incentives, the winner will be supported by an HONOR Talent Program including a green card for interview. Participants will also have the opportunity to meet outstanding peers from all over the country. Through team PK, they will break the boundaries of campus and profession to obtain the thinking collision.



"Youth is the power to change the times. The golden age calls for a golden generation, whose firm ideals, beliefs, and dreams will be gradually realized through persistence and hardwork. I hope everyone can meet a better self and transcend the unseen."

-- Guo Rui, Global Chief Marketing Officer of HONOR

Employee Development

Employees are our most valuable asset. We provide employees with reasonable salaries and benefits, as well as potential career development paths.

SDGs in this chapter



Employee Development

Highlights

66

There are 66 human resources policies to implement the principle of diversified and inclusive employment and create a warm employee development system.

Fair Development

“Consumer focus and dedicated employees as our foundation” is one of the core values that HONOR upholds. We provide competitive payment and comprehensive benefit plans for our employees.

Employees care

HONOR creates a simple, efficient, and caring working atmosphere, and continuously enhances the sense of achievement and happiness of employees.

160,000

HONOR Academy has 5,000+ courses online and empowered a total of 160,000 staff by 2022.

Health and Safety

Excellent workplaces and caring facilities protect the health and safety of HONOR people.

15,000

There are 30+ cultural and sports clubs to enrich employees' life and entertainment, with direct participation in various activities by more than 15,000 people.

“Seven Ones”

The “Seven Ones” requires systematic and refined management of EHS work.

Diversified and fair development opportunities

Employment

Employees are the most valuable asset of the company. HONOR values every employee and attaches great importance to talent management and employee work experience. We have established a sophisticated human resource management system. In the areas of talent recruitment, employee development, remuneration and incentive, and employee care and protection, we have issued a total of 66 human resources policies, providing a basis for talent management and scientific company management.

HONOR follows the philosophy of recruiting and cultivating outstanding talents, upholds the recruitment principles of inclusion, equality, and respect, and incorporates bottom-line principles such as anti-discrimination, anti-harassment, and anti-forced labor into the HONOR Code of Conduct. We insist on equal pay for equal work, fully protect the rights and interests of female employees, and encourage women to bring their expertise and specialties into play and play their roles in important positions. For employees with physical disabilities, we actively create a barrier-free office environment for them and assist them in applying for disability allowance to facilitate their lives as much as possible.

We aim to build a cohesive and continuously innovative team by recruiting a wide range of talents through multiple recruitment channels. Whether you are a member of the society or a student, you can apply to join HONOR through the HONOR Recruitment official account, official website, and offline recruitment fairs through various channels. Every year, we conduct recruitment presentations at major universities in China. By inviting students from universities to participate in various activities such as Open Day and campus talks, we have in-depth communication with students and provide them with a platform to learn about HONOR. In 2022, we have provided a large number of positions in nine job categories and more than 60 job directions for fresh graduates to recruit a wide range of outstanding fresh talents.

We have released a total of

66

human resources policies

Raul

Speaker of Play Series

He says that the booming HONOR is a platform that gives ample opportunities for people to show their talents here.



Jack

MKT Manager

He says, "As a newcomer, I didn't know anything at that time, but my mentor gave me a lot of guidance. You can only take the high ground if you progress faster than the same group of people, and I enjoyed it."



Tim

GTM Manager

He says that the company is expanding and the business is growing rapidly. For young people, joining HONOR means infinite possibilities.



Diversified Incentives

HONOR appreciates the career development of employees, insists on the combination of training and practice, formulates a reasonable promotion mechanism for employees, develops talents in practice, and provides them with opportunities. Employees can choose their own career promotion path for management or professional development according to their own needs. In terms of talent selection, we insist on responsibility and result orientation, and offer promotion opportunities based on business contribution.

We implement diverse employee incentives that value the talents, contribution, and ideas of our employees. Based on the core values of customer focus and dedicated employees as our foundation, we adhere to the incentive policy of "reward for contribution" and provide competitive remuneration and welfare in the industry. Meanwhile, we have built a sophisticated non-material incentive system, focusing on recognizing individuals and teams with outstanding performance in business and cultural transmission by setting up various honorary awards with clear orientation, spiritual leadership, and team cohesion.



Various training, cultivation of people is cultivation of future

Talent is the primary resource for the long-term development of the company. We focus on the overall improvement of the professional ability and quality of our staff. HONOR Academy was established in 2020. We insist on serving consumers as the center and are committed to building an empowerment system that serves HONOR employees worldwide, providing systematic and customized training for employees and continuously improving organizational capabilities in work practice.

The "Five Star Plan" focuses on the company's talent development plan and the needs of the talent development stage, creating a learning empowerment field, providing empowerment resources, solidifying the ability base for career development, and helping employees become rising stars in the workplace. In addition to the training courses, we arrange mentors for our staff and encourage them to learn business knowledge and professional skills through learning platforms and activities such as HONOR Academy and HONOR TALK.

Training systems for employee growth, cultivating "generals" in practice



Training feedback

Xiaojie from R&D Department

It has been three months since the NEO (New Employee Orientation) training. Xiaojie, a newcomer in the R&D management department, has a lot of feelings in the work practice. "For the first three months, I was responsible for tracking the project delivery progress and practiced much of the knowledge I learned from NEO." In the process of delivering products, Jie said he deeply appreciated that the company always upholds the principle of quality first and understood the concept of doing things right at the lowest cost. In the process of participating in product design, he understood what is from the consumer's point of view and how to insist on user experience first. During the cooperation with suppliers, Jie understood the importance of teamwork and the qualities that a good team should have. In the process of problem review and improvement closure, he applied the quality management methods he learned in NEO to optimize the quality of the team's project delivery. "It was the training of NEO that allowed me to be efficient in my following work."

Executive Director of a business unit in Marketing and Sales Services Department (Director Zhang)

When I was first appointed, I was still preparing and I joined the FLDP for a better turnaround.

But at the same time, I came up with questions: how to shift focus from business to "business" and "management" – to be able to lead by example to achieve the goals and expectations of the company, but also to manage the team? How to improve the ability to enhance the management of local employees? How to break down cultural barriers and fully bring the company's core values to the local team?

In the class, I got the answers:

As a manager, I need to take the initiative, assume management responsibilities and be responsible for team results. Combined with the actual operational needs of the current business, I need to gradually coach employees to be competent in their positions to quickly enhance the effectiveness.

The supervisor plays a key role in core values practice. I will lead the team to practice and inherit the company's core values with joint efforts.

The supervisor should lead by example, solidify basic management skills, constantly set challenging goals, promote team cohesion, constantly motivate staff, and take the initiative to fully understand the difficulties and challenges encountered by staff in the process and provide counseling.

In the training process, we insist that the course design, instructor selection, and training delivery are all led by the business department to ensure that the training content fully fits the company's talent development needs. We also put emphasis on the actual effect of training. After each training, we conduct timely research to obtain feedback from employees to continuously improve the quality of the courses.

Care for our people, improve their happiness

HONOR is never the leading role at our company, but each and every employee forging ahead that has always taken the center stage. HONOR insists on strivers-oriented concept and caring about employees, and is committed to creating a simple and efficient, warm and caring life of HONOR with warm and caring staff care measures. By building platforms such as HONOR Vitality, HONOR Fitness, HONOR Guardian, and HONOR Communication, we continue to enhance the sense of belonging and happiness of our employees in all aspects and through multiple channels.

HONOR Vitality

HONOR insists on providing a stage for strivers and encourages employees to show their diversified talent after work. In HONOR, employees can spontaneously form sports and cultural clubs, including fitness, book sharing, football, and cute pets, covering all aspects of HONOR people's lives. The number of clubs has exceeded 30 by far, and these clubs become importance platforms for employee exchanges. Among them, eight officially certified clubs regularly carry out corporate-level cultural and sports activities on a large scale to enrich the life of HONOR people.

We regularly hold wonderful internal activities. All employees are free to participate in various activities such as HONOR Cup basketball league, football league, badminton league, MINI concert, HONOR LIFE photography activity, and "Sing Aloud" HONOR singing competition based on their interests. With more than 15,000 participants in our cultural and sports events in 2022, HONOR employees are given important opportunities to showcase themselves, live healthy lives, and communicate and grow while participating in their favorite activities.

Basketball Club



Running Club



Football Club



Badminton Club



Photography Club



Reading Club



Music Club



Dance Club



1024 Engineer Culture Festival

To enrich the spare time of our R&D team, we hold 1024 Engineer Culture Festival on October 24 every year. The award ceremony, orange party, running engineer, and other series of activities pay tribute to every engineer with craftsmanship, together with the excellent gene, and in the field of competition to go far. By the end of 2022, 1024 Engineer Culture Festival has been held twice and widely praised by employees in R&D.



"Sing Aloud" Singing Competition

"Sing Aloud" singing competition held in 2022 by the music club paved the journey of HONOR with music and sang the voice of HONOR. The event was held in Shenzhen, Beijing, Xi'an, and other places, attracting 6,000+ spectators, discovering talented HONOR people with music, enriching spare time and bringing a unique artistic journey for all employees.

HONOR Guardian

We provide our employees with a variety of facilities and services such as a cafeteria with rich tastes, a well-equipped gym, a health cabin with professional doctors, and a convenient shuttle bus, which greatly facilitates the daily work and life of our employees.

We plan all kinds of team building activities, birthday parties, Family Day, anniversary of joining the company, traditional holiday activities, etc., focusing on business practice, employee growth, family care, traditional holidays, and other scenes, and spend every important moment with employees.



HONOR cares for our female employees and has designed Infant room in all workplaces to provide a safe place for female employees who are breastfeeding. On March 8, Mother's Day, and other women-only holidays, we also invited hospitals or institutions with professional qualifications to carry out special health checkups such as breast screening and thyroid screening for female employees, and provide female employees or their relatives with activities such as interpretation of medical examination reports and warm escort by corporate doctors to guard the physical and mental health of female employees.

HONOR Fitness

HONOR strives to provide adequate health protection for employees, and has purchased commercial insurance for all employees on the basis of social insurance, including critical illness insurance, accident insurance, and business travel insurance. We also provide our employees and their relatives with 24/7 "online doctor" services and free one-on-one professional psychological counseling services to help employees relieve their psychological stress. We have established a 7x24 emergency response mechanism worldwide to deal with all kinds of emergencies in a timely and effective manner.

The HONOR Fitness activity month in March and April every year is closely related to the needs of employees and carries out a series of health-themed activities, such as expert consultation, health training camp, and health lectures, which provide professional and efficient health experience for HONOR employees. We regularly conduct annual physical examinations for all employees and provide special discounted medical examinations for employees' families. In 2022, we held six fat loss and weight loss camps, farewell to gout camps, and care for cervical spine camps with professional physicians, nutritionists, fitness trainers, and herbalists, attracting more than 1,200 employees and relatives to participate in. The health lecture invites director-level physicians and professional psychological counselors from well-known tertiary hospitals in the industry to teach employees physical



and mental health expertise and help them to develop good living habits.

In response to emergencies, we have established an emergency response mechanism in the workplace, which is equipped with resources such as AED first aid equipment and emergency medical kits. There are corporate doctors in the workplace to protect employee health and safety. We also have a professional Emergency Response Team (ERT), all of whom are trained in First Aid, CPR and AED by international rescue organizations or the local Red Cross, and conduct monthly first aid drills.

During the Covid-19 epidemic prevention and control period, we set up the Global Epidemic Prevention and Control Working Group and formulated and released the Global Epidemic Prevention and Control Management Code to provide comprehensive protection for employees' health in multiple dimensions, including personnel, finance, affairs, and materials. For example, the domestic workplace arranges on-site vaccinations. Expatriate employees are vaccinated before going abroad, receive in-transit vaccination kits, and are provided with "Welcome home kits" when returning home.



Communicate with and listen to employees

HONOR takes seriously the communication with employees and establishes a smooth employee communication and feedback mechanism. The Chairman and CEO regularly conduct "Executive Face-to-Face" communication activities with employees every six months to closely exchange various issues with them. For each business system of the company, we build various communication channels such as "Mars Face-to-Face", "Sailing Lighthouse", "Roundtable" and "Coffee Time" to fully listen to employees' voices. In addition, HONOR Home, the internal forum of HONOR, is an important platform for employees to express their opinions. Various public mailboxes are also important ways for employees to give feedback on improvements. Through diversified communication channels, we always listen to the most real voice of employees.

HONOR fully respects and protects the legitimate rights and interests of employees and values their opinions. We have set up a unified complaint email address

bcgcomplain@hihonor.com to facilitate employees and partners to make a complaint. After receipt of the complaint email and reasonable research and judgement, the complaint incident will be forwarded to the relevant department for processing, and the progress of processing will be followed up in real time.

At the same time, we protect the rights and interests of our employees and strictly protect the information of whistleblowers, complainants, and others who provide information about the investigation to ensure that they are not subject to retaliation. False accusation, slander, preventing reporting or complaint, direct or indirect retaliation against the complainant, leaking information about reporting or complaint, etc. are considered serious disciplinary violations. The personnel involved will also be subject to disciplinary action, or even termination of labor relations.



Ensure occupational health and safety

HONOR always upholds the concept of being people-oriented, pursues the policy of "safety first, caring for employees, and protecting the environment", and fully protects the occupational health and safety of the employees (EHS). We have established an EHS management system in accordance with the requirements of ISO45001 and ISO14001 standards, and formulated the HONOR EHS Management System Guidelines. Meanwhile, we have established a company-level EHS committee to promote the systematic and refined management of EHS work.

EHS Management Framework



Since 2021, we have been working with a professional third-party EHS service provider to conduct routine EHS inspections of office areas, R&D labs, manufacturing plants, warehouses, stores, and other business locations to identify potential health and safety risks and continuously optimize the office and production environment. In 2022, HONOR EHS Committee put forward the "Seven Ones" requirements for EHS work to ensure the orderly implementation of EHS management. According to the laws and regulations and ISO system requirements, we have formulated the EHS System Maturity Assessment Form as a measurement tool for the maturity of EHS work in various fields. To consolidate the responsibility of EHS work at all levels, we have set safety indicators for employees at all levels in all departments of the park and conducted monthly assessments.

"Seven Ones" requirements for HONOR EHS management



HONOR highly values the improvement of employees' health and safety awareness and fully implements the concept of EHS through training and responsibility letter signing. In 2022, we asked all employees on duty to learn the basics of HONOR safety production and sign the Safety Production Responsibility Letter at the same time. Meanwhile, we have invited third-party professional agencies to conduct special EHS training. Since 2021, a total of over 800 people have participated in EHS training provided by third-party agencies, and more than 160 employees have obtained ISO45001 and ISO14001 internal auditor certificates issued by third-party agencies, effectively improving the professional capabilities of EHS staff in various business areas.

In 2021 and 2022, we have invited third-party professional agencies to conduct EHS inspections covering office areas, R&D labs, manufacturing plants, warehouses, stores, and other business locations to discover possible hardware defects, identify potential health and safety risks, and have an EHS officer to oversee the improvement of the problems found and continuously optimize the office and production environment. We have established a comprehensive EHS management system. In March 2021, we obtained ISO45001 and ISO14001 certifications.

Since 2021, over

800 people

participated in EHS specific training

HONOR has always managed its EHS works in a prudent manner. In view of the large area of the R&D site, the variety of equipment, and the complexity of hazard source categories, we have identified 9 major categories of hazard source scenarios, and regularly conduct targeted hazard inspections and adopt management measures of assessment combined with reward and punishment mechanisms to encourage each department to continuously improve their EHS performance. In 2022, the cumulative number of hidden problems identified and resolved in the R&D area exceeded 800.

HONOR also conducts monthly training for lab managers nationwide, with courses covering EHS basics, fire safety, electrical safety, hazardous chemicals, X-ray radiation, and other related topics. In 2022, we conducted emergency drills for four scenarios, including X-ray radiation, battery safety, chemical leakage, and fire extinguisher use, to consolidate and deepen the training.

In HONOR Smart Manufacture Park, we develop a safety culture with "safety-inspired leadership and full participation" as the core, establish safety commitment, safety process index monitoring, safety incentives, and other mechanisms to continuously improve the system of production safety responsibility for staff, regularly promote and carry out safety production month, KYT/STOP, and other safety-themed activities to enhance safety awareness through the safety culture platform.

In HONOR Smart Manufacture Park, following the ISO45001 standard, we identify the EHS risks of the manufacturing process and develop control measures through annual job safety analysis (JSA), "four new" access safety reviews, safety improvement of risky operations, and other activities,

equip safety equipment and facilities and personal protective equipment, and carry out EHS training including third-level safety education for new employees, EHS training for key positions, and safety basic knowledge training for all employees to ensure the implementation of safety risk control measures. We establish and implement a multi-level safety inspection mechanism, such as the on-site inspection by supervisors, special/comprehensive inspection by safety managers, and daily inspection by part-time fire safety officers, to inspect and rectify the control of safety risks.

In 2022, HONOR successfully reached the EHS target, achieving no serious injuries and fatal workplace accidents, no occupational diseases, no environmental pollution accidents, no fires, and a 100% completion rate of training required by the Law on Work Safety.

Occupational health and safety is an important basis for employees to devote themselves to work. It is the persistent pursuit of HONOR to take good care of employees and protect their health and safety. In the future, we will continue to improve the EHS management system, focus on areas such as production, R&D, and operation, and carry out safety hazard inspection, safety education activities, emergency drills, and many other activities to effectively create a safer and more worry-free working environment for our employees.

Harmony Industry Development

HONOR not only adheres to high CSR standards but also works with our suppliers to build high standards in labor rights, occupational health and safety, environmental protection, and business ethics. We share sustainable development with our industry chain partners.



SDGs in this chapter



Harmony Industry Development

Highlights

Supplier Social Responsibility Code of Conduct

Established the Code of Conduct on Supplier Social Responsibility to regulate supplier behavior and create a responsible supply chain

200+

Supply chain survey cover over 200 smelters and refiners Share the Due Diligence Management results of Responsibility Minerals with stakeholders

Green Supply Chain

Take care of the environment as our responsibility, improve the environmental awareness of suppliers, and promote the level of green development of the supply chain

Responsible Mineral Supply Chain Due Diligence Management

Regarding responsible procurement of mineral raw materials, benchmarking with international guidelines, HONOR established a responsible mineral supply chain management system and released the HONOR Statement on Responsible Mineral Supply Chain Due Diligence Management.

50+

Carbon inventory project cover over 50 suppliers

210,000+

On-site assessment cover over 210K industry chain employees Focusing on their labor rights, health and safety, and development

Share the Principle of High Standards and Sustainable Development with Suppliers

Supplier CSR management

HONOR lays stress on the sustainable development of the supply chain and integrates CSR into the whole life cycle management of suppliers, including supplier certification, evaluation, and performance management. Referring to international codes of conduct and benchmarking with industry best practices, we have developed the HONOR Supplier Social Responsibility Code of Conduct to regulate supplier behavior and promote the sustainable development of the entire industry chain.

Supplier onboarding

HONOR has set requirements for supplier qualification. Suppliers must pass ISO14001 environmental management system and ISO45001 occupational health management system certification, and had no major negative events in labor, occupational health and safety, and environment in the past two years.

In addition to meeting the requirements for new suppliers, we will also set up a system certification team to conduct on-site audits of suppliers for quality, process, CSR, information security, and other systems. We have a veto right for CSR affairs, and suppliers who fail the certification will not be able to become HONOR suppliers.

In addition, we spread HONOR's CSR management requirements to our suppliers, have the Supplier CSR Agreement signed, and ensure their compliance with the HONOR Supplier CSR Code of Conduct.

Supplier assessment

HONOR routinely conducts supplier CSR risk assessment, formulates CSR annual on-site assessment plan according to the risk level, invites third-party professional auditing agencies and HONOR CSR experts to conduct on-site audits and assessments of suppliers, verifies suppliers' compliance with the HONOR Supplier Social Responsibility Code of Conduct through a comprehensive review of suppliers' labor rights, health and safety, environmental protection, business ethics, and management systems, to control suppliers' CSR risks. On-site audits cover more than 40% of production suppliers in 2021 and 2022. To date, there have been no significant adverse events at HONOR suppliers.

To improve supplier management, HONOR arranges personnel to be present at the supplier site to manage, provide counseling for the supplier on quality, CSR, etc.,

Sustainability audit cover over

40% suppliers

Supplier CSR audit internal training participated by more than

470 people

and follow up to solve the problems. To enhance the professionalism of our on-site staff, we have organized a series of CSR training, such as CSR basic knowledge and auditing skills training, system (ISO14001, ISO45001, ISO14064, ISO50001, etc.) auditor training, etc., with the participation of more than 470 people.

HONOR also uses online screen and other methods to review supplier performance to help suppliers make continuous improvements. We provide timely CSR risk warnings for suppliers based on industry dynamics and promote self-correction and prevention by suppliers.

Supplier training

Leadership is essential to CSR management. We routinely organize face to face CSR presentations at suppliers' sites to convey HONOR's CSR philosophy, requirements, and management methods to suppliers' managers and CSR managers, and promote CSR leadership at the top level of suppliers, reaching more than 80 suppliers by the end of 2022. In December 2021, HONOR held its first core partner conference with the theme of "Go Together, Go Beyond", which was attended by 490 guests from 240 partners worldwide. The president of procurement delivered the concept and requirements of HONOR's supply chain CSR management to the partners, emphasizing that supply chain CSR management is a crucial part of the sustainable development of enterprises. HONOR always works with suppliers to jointly promote the sustainable development of the industry chain.

For problems, difficulties, and pain points in supplier CSR management, HONOR organizes experts for special guidance, draws on quality management methods and tools, and refers to excellent practices in the industry to discuss improvement plans with suppliers and develop targeted corrective and preventive measures and implement them.

Supplier performance evaluation

HONOR annually assesses the CSR performance of suppliers, including CSR management status, on-site assessment results, continuous improvement. The CSR performance of suppliers is divided into four grades, which are excellent, good, qualified, and unqualified. The performance assessment results will be applied to HONOR's project selection, bidding, and supplier portfolio management. For suppliers with good performance, HONOR will give priority to providing business cooperation opportunities. For suppliers with poor performance, HONOR will reduce the purchase share or business cooperation opportunities, or even cancel the partnership.

Protect the legitimate rights of workers

Protection of legal labor rights is a priority in HONOR's supplier management. We hold "zero tolerance" for child labor, forced labor, or inhumane treatment. HONOR actively engages third-party authoritative auditors to evaluate and verify the status of suppliers' labor rights and interests, and works together with its suppliers to effectively fulfill its labor protection obligations, enabling everyone in the chain to work decently.

HONOR values the work experience of grassroots workers at suppliers. We learn workers' real working experience through on-site assessment and employee interviews, and have covered more than 210,000 industry chain employees by the end of 2022, and this number is increasing year by year. We require suppliers to organize regular satisfaction surveys covering grassroots employees to close the loop on problems and improve employee satisfaction. Suppliers are also required to carry out analysis and take measures to reduce turnover rates and improve employee perception.

Strictly manage health and safety in the workplace

HONOR does not allow any operating scenes and factors that seriously endanger the life and safety or health of workers, and is committed to effectively improving the working environment of workers. We enhance the health and safety management of our suppliers through empowerment training and regular audits, and help and monitor the effective handling of the relevant audit findings.

HONOR upholds the concept of "safety and prevention first", promotes suppliers to continuously identify safety hazards in the workplace, and encourages suppliers to achieve safety in accordance with the control order of "elimination, substitution, engineering control, management control, and individual protective equipment".

We invite professional agencies to counsel suppliers to address workplace health and safety issues. In addition, we promote suppliers to invite professional agencies to conduct health and safety management assessments of factories, including evaluation of current safety situation, current occupational disease hazards, fire safety, etc., to continuously improve the level of occupational health and safety management of factories.

Build a green and sustainable supply chain

HONOR not only attaches importance to fulfilling its responsibility for environmental protection, but also actively promotes its supplier partners to improve environmental performance and jointly build a green and sustainable supply chain. We invite third-party professional agencies to conduct environmental assessments of suppliers to help them prevent pollution, and encourage them to set carbon reduction targets, conduct carbon inventories, save energy, and reduce emissions.

HONOR promotes suppliers to comply with regulatory requirements, obtain emission permits and other necessary environmental permits, optimize the process to reduce pollutants, and maintain environmental facilities in good condition, to ensure that pollutants meet the standard emissions. In addition to good control of pollutants in their factories, suppliers need to supervise the environmental status of upstream supply chain factories, especially those involving environmental high-risk processes (such as electroplating, painting, and etching.) to ensure compliance operation.

In June 2022, we launched the supply chain carbon inventory project, held the HONOR Supplier Greenhouse Gas Management Forum, communicated HONOR's carbon reduction requirements to suppliers, and invited industry experts to empower and enhance suppliers' carbon emission reduction capability. Currently, the HONOR Carbon Inventory Project covers more than 50 suppliers, and we will continue to promote supply chain carbon emission reduction.

Responsible raw material management

We insist on promoting sustainable development and responsibly purchasing metal minerals used in our products, such as tin, tantalum, tungsten, gold, and cobalt. We strictly select and investigate the smelters, and actively share our responsible management experience on minerals with customers and other stakeholders, aiming to promote the whole industrial chain to fulfill corporate social responsibilities.

We require suppliers to conduct source tracing and due diligence for the minerals or metal used in their purchased products to ensure that their sources comply with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or an equivalent and recognized due diligence framework. HONOR has established and continuously improved the supply chain responsible mineral management system and routinely conducts supply chain mineral due diligence, covering 100% of production suppliers, 200+ smelters and refineries.

Industrial cooperation for a harmony ecology

Win-win cooperation

HONOR holds innovation as the core to provide global users with new "digital intelligence" products, to create the ultimate experience of personalized intelligent life. Based on the MagicOS system, we build an IoT ecosystem that adapts to different life scenarios and redefines the all-scene intelligent life of HONOR users with the concept of "human-centered".

HONOR emphasizes industry ecological construction and promotes the development of digital economy. We make full use of our innovative power to promote the iterative optimization of the industry chain, accelerate the layout of the "digital intelligence" transformation, expand the depth and breadth of the industry chain together with upstream and downstream industry chain partners, and actively explore the infinite possibilities of industrial cooperation development. While continuously optimizing our own products and services, we also actively cooperate with external partners to break the barriers between industry, academia, and research, and create a future-oriented technology ecology together.

We deepen our strategic cooperation with Microsoft to provide users with a full-scene integration experience, jointly define the future application and innovation of technology, products and services in the fields of artificial intelligence and terminal products, so as to bring global users an integrated and seamless experience of the connectivity of everything, achieve multi-brand cross-device interconnection in technology, and create a new era of intelligent Internet of Things.



HONOR joined GSMA (Global System for Mobile Communications Association) to empower the industry chain with its communication technology, promote the development and application of new communication technologies together with global partners, and create a more stable 5G communication experience for users.



We have a deep partnership with Qualcomm to unleash the full performance of our 5G chips. As one of the first companies in the industry to use AI and 5G communication technology, HONOR has a deep background in chip optimization technology, combining exclusive GPU Turbo X technology with Qualcomm Snapdragon mobile platform for the first time to drive Qualcomm chips with higher efficiency and ensure the endurance of product devices in high-performance operation mode. At the same time, we use Link Turbo technology to achieve dual SIM and dual WLAN quad-network collaboration to ensure a stable 5G communication experience for users in complex network environments.



We have partnered with Qualcomm to bring the Qualcomm Snapdragon 8th generation platform and the latest Qualcomm AI engine to the next generation of HONOR Magic4 for super photography capabilities, using multi-lens shooting and multi-ISP processing with complementary pixels for enhanced image quality. Our innovative algorithms unleash the full power of computational photography in the RAW domain, working through the flexible frame of the HONOR image engine, while combining Qualcomm's ISP multi-threaded parallel processing capabilities to enable innovative photographic capabilities that deliver a new photographic experience for users.



In 2021, HONOR and Fudan University held a strategic cooperation signing ceremony and signed an agreement to build a joint university-enterprise laboratory for intelligent terminal software development technology. Both the university and the enterprise promised to give full play to the advantages of their respective fields, jointly build an industry-university-research cooperation platform that supports the expansion of multiple fields through various forms and multi-level exchanges and cooperation, and promote comprehensive cooperation in the cultivation of talents and the transformation of applied basic research into engineering and technology application results. In 2022, HONOR carried out more than 30 industry-academia-research cooperation and exchanges to continuously build advanced technology competitiveness.



We value the creative talents of each developer. HONOR Developers provides direct support and services for external developers. Developers can submit their self-developed apps to the App Market and Game Center through the platform. HONOR Developers will also provide developers with access to various systems so that they can develop cross-device functionality for HONOR device users in the future.



Responsible Governance

Business ethics, compliance operations, privacy protection, cyber security, and information security are the fundamental of our business.

SDGs in this chapter



Responsible Governance

Highlights

System

Established a top-down compliance system covering key business areas and regions.

Mechanism

Established a risk-based compliance mechanism.

Training

Conduct multi-dimensional and diverse compliance management training.

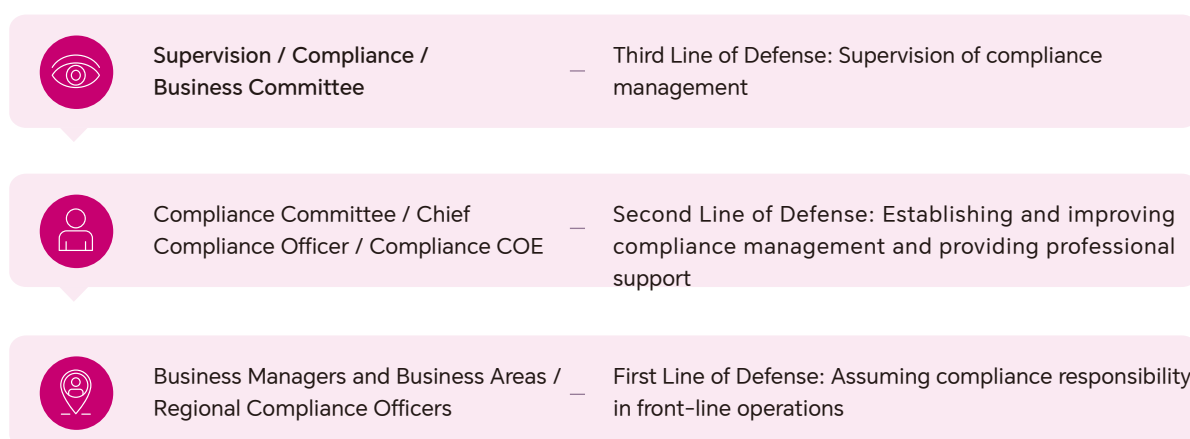
Compliance management system construction

To achieve efficient compliance management, HONOR has established a top-down compliance management structure covering key business areas and regions, in which:

- The Board of Directors is responsible for regularly reviewing and overseeing the company's overall compliance management.
- The CEO, as authorized by the Board of Directors, is responsible for establishing the Compliance Committee and appointed the Chief Compliance Officer and members of the committee. The CEO regularly reviews the Compliance Committee's report on the work progress.
- The Compliance Committee appointing as the decision maker and commander, is responsible for formulating compliance management strategy and operating mechanism. The Chief Compliance Officer, acting as the director of the Committee, is responsible for leading the daily management work of the committee and guiding the relevant departments.
- The compliance management members, consisting of the Departments of Compliance and Legal Affairs, Privacy Protection and Compliance, as well as the compliance officers of businesses on both local and global levels, jointly support the development and operation of company's compliance system, and fulfill the responsibility of daily compliance management implementation.

To guard against any potential risks that might affect company operation, HONOR has established a three-line defense of compliance management system that consists of clearly defined roles and responsibilities, mutual coordination, and joint efforts to ensure compliance with business operations.

HONOR Three-Line Defense of Compliance



To respond to the national compliance requirements and improve work efficiency, HONOR has established a professional digital compliance management mechanism and developed a corresponding compliance management platform (CMP) as a carrier system. The key compliance control measures are embedded in the current processes and business, efficiently achieving online, visualized, and systematic operation of compliance management work, effectively controlling and preventing compliance risks.

HONOR Compliance Best Practice

Based on all applicable laws and regulations, commitments, and business scenarios involved, HONOR conducts a wide range of compliance practices in the areas of trade compliance, business secrets protection, privacy protection, anti-bribery, financial compliance, competition law, cyber security, labor and employment, etc. We set up a reporting email bcgcomplain@hihonor.com for all employees and partners to give feedback. The Ethics Compliance Committee is responsible for dealing with and tracking report progress. The reporters' information will be strictly protected. Any employee who retaliates against reporters will be disciplined, and those with severe circumstances will be dismissed.

Privacy Protection

Privacy is a basic user right and its protection is one of the most essential prerequisites for us to provide products and services. HONOR incorporates privacy protection into every aspect of our product design and service delivery. Driven by prioritizing user experience, the company strictly implements the Company's privacy protection systems and processes to prevent the abuse of users' important information, avoid daily harassment, stop personal data leakage, prevent tracking of daily behavior, and protect personal privacy from being violated.

Trade Compliance

HONOR strictly abides by the applicable laws and regulations of the United Nations, China, the United States, the European Union, etc. We have established a comprehensive trade compliance management system to better fulfill our obligations and responsibilities related to export control. This helps HONOR build a corporate image of integrity and responsibility and a mutually beneficial and trustworthy relationship with partners globally.

HONOR integrates trade compliance into its daily operations and sets up management requirements in each business area to best ensure compliance. We support in identifying trade compliance risks at all levels across the company, including company management, procurement, sales, R&D, supply chain and other fields.

and to supply chain. To ensure the trade compliance can be strictly implemented, we have established a trade compliance screening system to regularly conduct compliance inspection, formulated an export control assessment mechanism to effectively control compliance risks, and performed compliance training.

Anti-Bribery and Anti-Corruption

HONOR has been promoting its integrity compliance system by holding a "zero tolerance" attitude towards any commercial bribery and corruption so as to eliminate any forms of corruption and bribery.

Based on the anti-corruption and anti-bribery laws of each country, we have formulated and implemented Compliance Regulations on Anti-Bribery and Anti-Corruption Requirements for Partners. These policy documents clearly define the Company's general principles, management mechanisms, and expense standards in areas such as gift receiving, socializing, and external donations to effectively prevent the Company's commercial bribery behavior.

Business Secrets Protection

Respecting and protecting the business secrets of others is an important policy at HONOR. To standardize the rules for business secrets protection and discipline employees' behaviors, we have established a compliance management mechanism and formulated and implemented the Regulations on Respecting and Protecting the Business Secrets of Others and Requirements for Compliance with Business Secrets in Personnel Recruitment in accordance with the national laws and regulations in this regard. Not only that, we conduct compliance reviews regularly on business secrets protection, covering personnel recruitment, sample management, technical cooperation, etc., to ensure our secrets protection regulations can be put into practice.

Competition Compliance

HONOR stands against any exclusions, restriction of competition, restrictions of competition, and unfair competition, and believes that free competition helps us improve efficiency and the ability to innovate and deliver better products and services. We promise to follow the principles of voluntariness, fairness and honesty in business activities. For this purpose, HONOR has formulated the Compliance Regulations on Competition Law which restricts employees from engaging in price control, commercial defamation and other behaviors that undermine market competition. We also provide customized and business-based compliance training for employees in key positions in an attempt to build a fair, transparent, proactive, and dynamic ecosystem in the industry.

Financial Sanctions & Anti-Money Laundering/Counter-Terrorist Financing

HONOR complies with all applicable regulations and laws on financial sanctions, anti-money laundering, and anti-terrorist financing as well as resolutions of international organizations. We tightly prohibit any violations by the company or employees in this regard. To intercept any risks of financial sanctions and money laundering and ensure compliant transaction, we tightly control partner access and carefully review transaction operations throughout every key aspect of business cooperation. The Administrative Regulations on Financial Compliance is a guiding document directing HONOR to combat financial sanctions, money laundering and terrorist financing. It clarifies the company's zero tolerance attitude in this regard and requires each business unit to take part in identifying related risks and implementing control measures in sales, procurement, finance, and supply chain so as to control any potential risks before, during, and after business cooperation from the dimensions of country/region, cooperation subject and capital arrangement.

Cyber Security

HONOR strictly abides by applicable national and regional laws, regulations, standards, and norms on cyber security. With our complete secure development process, norms and toolchains, HONOR is capable of conducting threat analysis, security design, security coding, and security testing during the entire process to ensure product safety and quality. Not only that, HONOR has also established an end-to-end bug management process that follows the principles of comprehensiveness, accuracy and timeliness to proactively collect, handle, fix and disclose bugs to ensure user safety.

Labor and Employment

HONOR has always been aiming to recruit and cultivate outstanding talents, upholding the inclusive, equal and respectful recruitment principles, and incorporating anti-discrimination, anti-harassment and anti-forced labor into the HONOR Code of Conduct. We insist on equal pay, protect the rights and interests of female employees, and encourage women to give full play to their expertise and specialties in key positions. For physically disabled employees, we are committed to creating a barrier-free office environment for them and assisting in applying for allowances to best facilitate their lives.

Compliance Capability Building

HONOR attaches importance to the cultivation of professional talents in compliance. In the spirit of legal, honest and ethical business principles, we have conducted employee training and massive campaigns to promote compliance culture.

Employee Training

In the year of 2021–2022, HONOR conducted a comprehensive and multi-level compliance train program for all employees:

New Employee Training

Based on the NEO, HONOR has conducted 119 hours of compliance case studies to help deepen new employees' awareness and sensitivity to compliance and improve their ability to better recognize compliance scenarios in their daily work.

Training for Compliance Practitioners

HONOR adopts a professional training and assessment system, incorporates mandatory regulatory requirements, business scenarios into its training, and establishes a compliance certification system to ensure the professionalism of the compliance team. Some specialists, such as privacy engineers, are required to pass the IAPP certification within 1 year of their appointment. In 2022, all of the compliance practitioners participated in the training and passed the Company's compliance qualification examination, with a coverage rate of 100%.

Awareness Training for All Employees

The company attaches importance to all-member awareness training. In March 2022, we conducted compliance training and examinations for all employees, delivering lectures of top-level risk management covering export controls, business secrets, financial compliance, and competition law. Not only that, all business units customized their own training versions based on their business and scenarios, such as marketing compliance and content compliance.

Management Training

We also emphasize the training for management personnel who shoulder the responsibilities as role models at HONOR. In 2022, we conducted 39 sessions of compliance training for the company's senior management team to underline the importance of compliance.

Compliance Culture Promotion

To improve the all-member awareness of compliance and the risk-identification ability, we persist in conducting compliance publicity on internal platforms, public accounts and other multimedia channels, and carry out a series of compliance knowledge activities to create a compliance learning atmosphere.

In 2022, we have carried out 8 compliance publicity through WeChat account, with compliance topics covering privacy, trade, anti-commercial bribery, finance, business secrets, competition law, and others. Some key business units also organized compliance themed activities in multiple forms.

The R&D department released compliance-themed publicity to employees through HONOR internal column R&D News and set up compliance guidance displayed on employees' desktops as reminders and references. HONOR's Product Line Department created a dedicated compliance online platform for employees, with a total of 11 issues of publicity in the second half of the year, topics covering export controls, business secrets, privacy protection and content compliance. Marketing and Sales Service Department conducted a total of 10 promotional campaigns themed on marketing compliance and competition law compliance through multiple channels such as communities and emails, to ensure that employees can easily access and understand them.

In the procurement knowledge competition hosted by the Procurement Department in Q1 2022, a set of compliance quizzes were proposed to strengthen the effectiveness of employee compliance learning.

Looking Forward

Guided by the concept of sustainability, HONOR has incorporated environmental, social and governance into our DNA. Looking back in year 2021-2022, we actively assumed responsibilities by facilitating green environment, privacy and security, technology for good, youth empowerment, employee development, supplier CSR and responsible governance. Looking ahead to 2023, HONOR will uphold “consumer-centric and employee-oriented” as its core value and continue to fulfill its commitments to consumers, employees and other stakeholders to create a new world of wisdom for everyone and a better society.

By promoting circular economy throughout the entire life cycle of our products, HONOR will maximize the efficiency of resource utilization whilst minimizing the environmental impacts of production and operation activities. HONOR will deliver green products by means of simplifying product packaging, improving product durability, selecting safe chemicals, and optimizing product recycling processes. We will empower green manufacturing through innovative production equipment technology. We will promote green operations by encouraging employees to go green in their daily office work. We will move steadily towards 2045 carbon neutrality target by participating in green initiatives and collaborating with green partners.

We will uphold the concept of information accessibility, continuously embrace the power of openness and inclusiveness, and promote the process of information accessibility through product innovation and service optimization. With MagicOS as the new strategic pivot, we will continuously evolve in the three dimensions of interconnection, intelligence and ecology, and construct a people-centered, cross-system, cross-device, cross-ecology smart life solution to bring convenient and comprehensive product experience to each user. By further strengthening R&D capabilities and working with industry chain partners,

HONOR will elevate the quality of products and services in order to contribute to user life and social progress.

HONOR will continue to make full use of its resources to empower young people by giving them the freedom and platform to create, exchange, learn, and realize their dreams.

We will adhere to the principle of putting employees first and a diverse and inclusive employment policy, providing employees with reasonable compensation and benefits, and a good career development path. We will provide continuous care for employees through vitality, protection, and health, establish a multi-level and comprehensive employee communication mechanism, improve the occupational health and safety management system, and help them realize their personal value. We will work with our partners to strictly follow the labor and environmental standards, live in harmony with all partners, and seek mutual development to build a harmonious industrial chain.

We will continuously improve our internal management in order to provide quality and reliable products and services to consumers. We will continuously protect user privacy at every stage of production and operation. Through continuous innovation in privacy protection technology and optimization of internal management, we will provide users with comprehensive privacy protection, making them feel respected and cared for their privacy rights. HONOR will always adhere to the legal, honest and ethical business principles, and strengthen the foundations of business ethics, compliance management, privacy protection, cyber security, and information security, so as to effectively fulfill our social responsibility as a corporate citizen.

Appendix



About This Report

Overview

As the first Environmental, Social, and Governance (ESG) report published by HONOR Device Co., Ltd. since it was spun off this report outlines HONOR' s goals, actions, achievements and future plans in ESG from 2021 to 2022, and updates all stakeholders on its sustainability-related developments in an effort to improve public understanding of HONOR.

Reporting Scope and Boundary

Unless otherwise stated, this report covers the business scope of HONOR Device Co., Ltd. and all its subsidiaries.

Reporting Reference

This report is prepared in accordance with the principles of reliability, transparency and objectivity, and is based on the Global Reporting Initiative (GRI) Reporting Standards (hereinafter "GRI Standards") of the Global Reporting Initiative, the ISO 26000 Social Accountability Standards of the International Standard Organization, and the United Nations Sustainable Development Goals (UN SDGs).

Appellation Description

For ease of reading and presentation, "HONOR", "company", "we", "our", or "us" in this report all refer to HONOR Device Co., Ltd.

Obtain and Respond to This Report

This report was released in both Chinese and English versions in April 2023. The electronic version of this report can be obtained through the following website: <https://www.hihonor.com/global/honor-esg/>. For printing, we recommend using reco-friendly paper and inks.

If there is any inconsistency between Chinese version and English version, please refer to Chinese version of this report.

Awards

Award Name	Awarding Institution
Guangdong Patent Gold Award	Guangdong Intellectual Property Administration
2021 Guangdong Excellent Enterprise in Smart Accessibility Innovation Technology and Products	Guangdong Accessibility Association
LinkedIn Rising Star	LinkedIn
2021 Top 3 3C Employers Worth Working for by MaiMai	MaiMai
2021 Top Internet Employers in the South China Region	Lagou
The Most Popular Tech Companies for Graduates	Nowcoder
2021 Role Model Companies for Recruitment	Dayee
HONOR Magic3 Pro: Best User-Friendly Phone by Smart Hardware Quality Report (Phase II) 2021	China Mobile
HONOR 60 Pro: No. 1 Phone in 5G Communication Index by Smart Hardware Quality Report (Phase II) 2021	China Mobile
2022 Top 50 Kantar BrandZ Chinese Global Brand Builders (No. 25)	Kantar & Google
National Intelligent Manufacturing Demonstration Factory	Ministry of Industry and Information Technology
HONOR X30 Max series mobile phone running on Magic UI 5.0 obtained TLC certification(standards for the elderly-friendly technology)	China Telecommunication Technology Labs
2022 MostIn Most Attractive Employers Award	LinkedIn
Annual Outstanding Employer	MaiMai

Contribute to UN Sustainable Development Goals

SDGs	Chapters	Our Contributions and Achievements
	Employee Development	· Created more jobs by actively expanding domestic and international businesses and opening new stores. · Established a comprehensive compensation and performance system and implemented diverse employee incentive measures.
	Tech For Good Employee Development Harmony Industry Development	· Delivered smart wearable devices that help monitor and improve user's physical and mental health. · Improved the device accessibility experience and allowed the visually and hearing impaired users as well as the elderly users to better embrace the digital world. · Provided employees with a wide range of cultural and sports activities and welfare care, to ensure their health and safety in the workplace.
	Tech For Good Youth Empowerment Employee Development	· Launched HONOR Academy to provide diverse and customized career training for all employees. · Hosted series of competitions such as HONOR Talents to empower the growth of youth.
	Employee Development	· Adhere to equal and diversified employment policies. · Care for female employees and protect the legal rights and interests of female employment.
	Environmental	· Advocated green operations and water conservation.
	Environmental	· Promised to use 100% renewable energy by 2045 and to actively explore opportunities for clean energy applications. · Improved overall energy efficiency in office, manufacturing, and transportation.
	Employee Development	· Provided diverse internship opportunities for outstanding young people in various fields. · Formulated and released a supplier code of conduct in order to create a responsible supply chain.

SDGs	Chapters	Our Contributions and Achievements
	Environmental Privacy and Security Tech For Good Youth Empowerment Harmony Industry Development	· Delivered MagicOS that brought a full-scene and smart life experience to users; · Drove collaborative development of the industry chain through product innovation.
	Tech For Good Employee Development Responsible Governance	· Set up an accessibility task force and introduced a variety of accessibility and elderly-friendly features. · Established a sound employee complaint handling procedure to create an equal and inclusive workplace environment.
	Environmental Harmony Industry Development	· Promoted low-carbon transportation by choosing new energy vehicles to reduce greenhouse gas emissions; · Chose eco-friendly buildings as office locations.
	Environmental Employee Development	· Adopted green product concepts and eliminated harmful substances from products; · Advocated lightweight and small packaging to reduce unnecessary waste; · HONOR intelligent manufacturing factory adopted advanced automation technology and equipment to achieve efficient and green production.
	Environmental Harmony Industry Development	· Promised to achieve carbon neutrality by 2045 through four pillars; · Established a green supply chain and conducted greenhouse gas inventory training to empower suppliers.
	Privacy and Security Employee Development Harmony Industry Development Responsible Governance	· Established a privacy protection system to safeguard data for users and partners; · Established a complete compliance system to ensure that the company complies with the laws and regulations of the countries and regions in which it operates.
	Privacy and Security Tech For Good Youth Empowerment Harmony Industry Development Responsible Governance	· Actively carried out industry-university-research collaboration to promote technology innovation; · Empowered young designers in collaboration with multiple institutions; · Joined a variety of sustainability associations and initiatives and worked with partners to promote fair cooperation.

Data and Index

Data on Key Performance Indicators

		Percentage
Number of employees by gender	Male employees	74.70%
	Female employees	25.30%
Number of employees by age group	30 and below	46.91%
	31–50	52.87%
	50 and above	0.22%
	2021	2022
Average Training Hours per Employee	24.2	28
Number of employee activity associations	/	30
Annual employee participation in cultural and physical activities	/	15000
Number of internal auditors of occupational health and safety	/	160
Number of participants in EHS training	/	800
Coverage of EHS Awareness Training	/	100%

GHG Emission Data



BUREAU VERITAS
Certification

VERIFICATION STATEMENT GREENHOUSE GAS EMISSIONS

Bureau Veritas Certification (Beijing) Co., Ltd. (hereinafter referred to as BVC) was engaged to conduct an independent verification of the greenhouse gas (GHG) emissions reported by HONOR Device Co., Ltd. (hereinafter referred to as HONOR) registered in Offices of Suit 3401, Unit A, Building 6, Shum Yip Sky Park, No. 8089, Hongli West Road, Xiangmihu Street, Futian District, Shenzhen, Guangdong, P. R. China for the period stated below. This Verification Statement applies to the related information included within the scope of work described below.

The determination of the GHG emissions is the sole responsibility of HONOR. BVC's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyze, and review the information.

Boundaries of the reporting company GHG emissions covered by the verification:

- All the entities, regional activities and facilities that Honor Device Co., Ltd. has full financial and operational control, including Honor Device Co., Ltd., Beijing Honor Device Co., Ltd., Xi'an Honor Device Co., Ltd., Nanjing Honor Software Technologies Co., Ltd., Shenzhen Honor Smart Machine Co., Ltd., main domestic offices and overseas subsidiaries.

Emissions data verified:

- Scope 1:** 2217.51 metric tons of CO₂ equivalent
- Scope 2 (Location-Based):** 37994.74 metric tons of CO₂ equivalent
- Scope 3:** 126213.44 metric tons of CO₂ equivalent consisting of:
 - The production process of purchased key raw materials
 - Transportation process of key raw materials
 - The transportation process of downstream products
 - Employee Business travel by air
 - Employee shuttle bus

Data and information supporting the Scope 1, Scope 2 (Location-based), and Scope 3 GHG emissions assertions were historical and, in some cases, estimated in nature.

Period covered by GHG emissions verification:

- January 1, 2021 to December 31, 2021

GHG Reporting Protocols against which verification was conducted:

- ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2)
- WRI/WBCSD Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and

Bureau Veritas Certification (Beijing) Co., Ltd.
Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza,
No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
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Tel: +86 20 83073822
<http://certification.bureauveritas.cn>

GHG Emission Data



BUREAU VERITAS
Certification

Reporting Standard (Scope 3)

- A portion of this footprint was subject to limited-level assurance by others using industry accepted assurance protocols.

GHG Verification Protocol used to conduct the verification:

- ISO 14064-3:2019 Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of Assurance and Qualifications:

- Reasonable
- Uncertainty has been qualitatively assessed and the weighted average point is 4.92.

GHG Verification Methodology:

- Interviews with relevant personnel of HONOR;
- Review of documentary evidence produced by HONOR;
- Review of HONOR Device data and information systems and methodology for collection, aggregation, analysis, and review of information used to determine GHG emissions at HONOR; and
- Audit of sample of data used by HONOR to determine GHG emissions.

Assurance Opinion:

Based on the process and procedures conducted, in our opinion, the reporting company's assertion of their scope 1, scope 2, and scope 3 emissions by category, as reported in the inventory report:

- is in conformance with the ISO 14064-1:2018 GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

It is our opinion that HONOR has established appropriate systems for the collection, aggregation and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

Statement of independence, impartiality, and competence

The Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years history in providing independent assurance services.

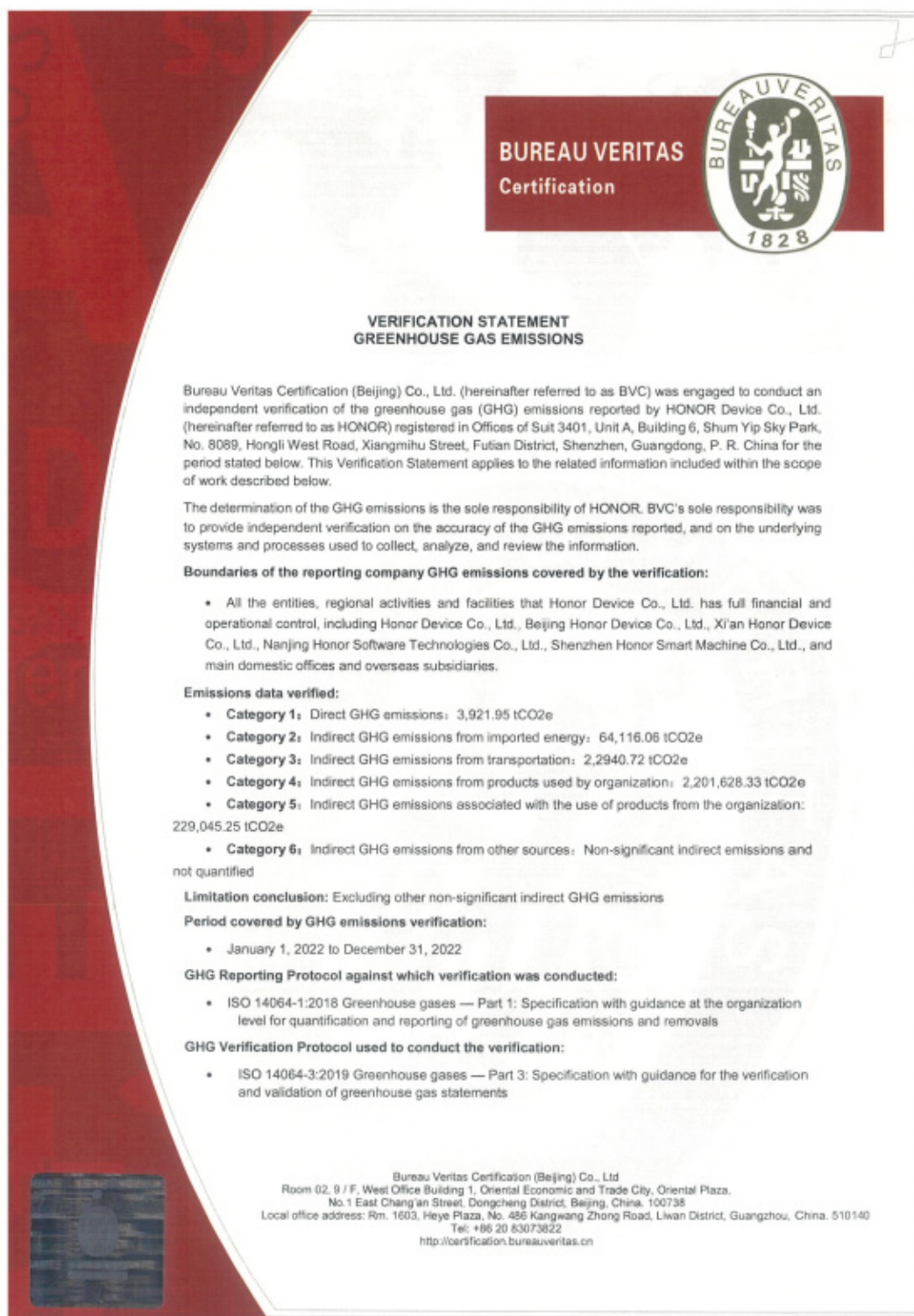
No member of the verification team has a business relationship with HONOR, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

The Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

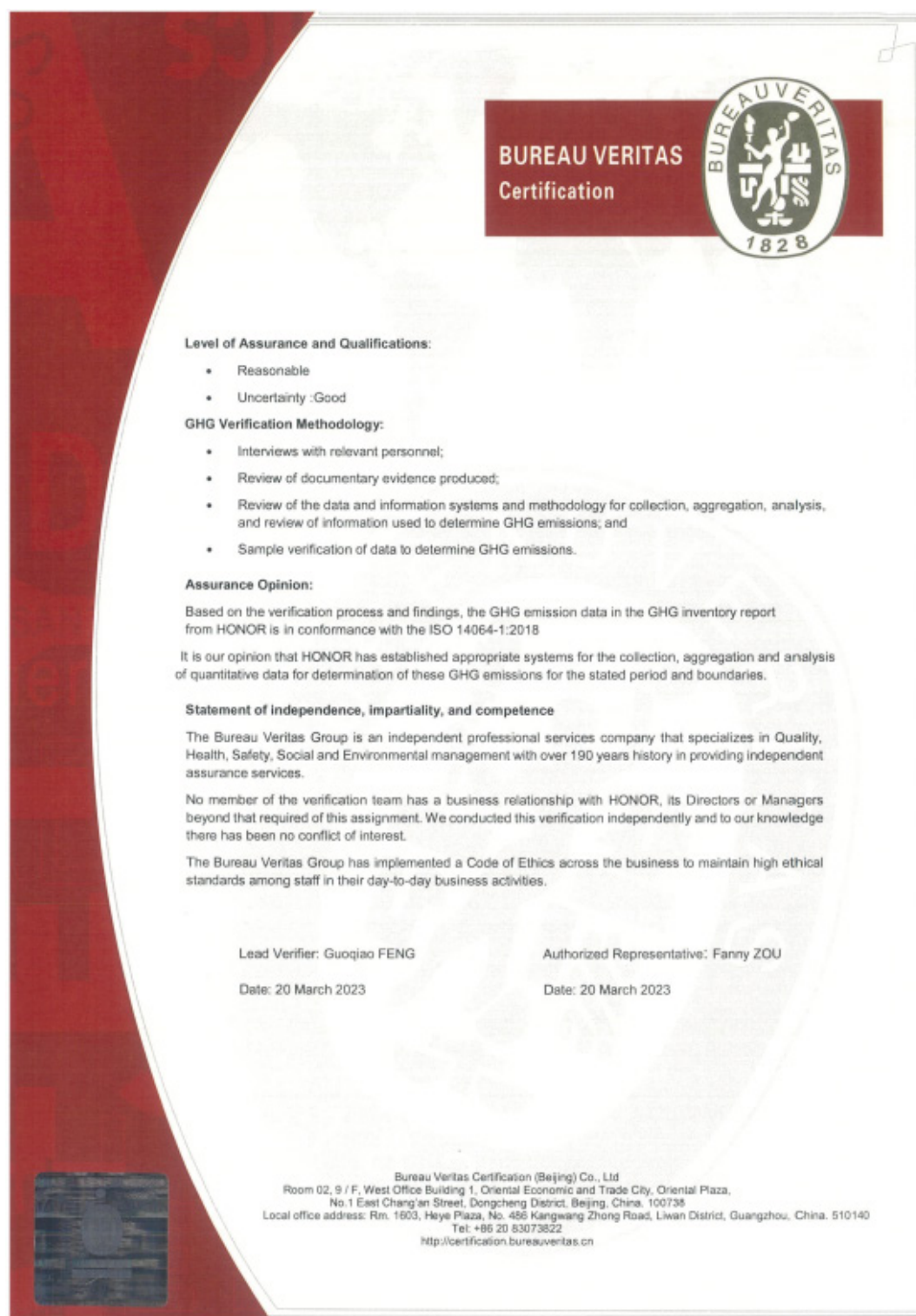
Lead Verifier: Sean Pan	Authorized Representative: Fanny ZOU
Date: 21-Jul-2022	Date: 21-Jul-2022

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GHG Emission Data



GHG Emission Data



Report Metrics Index

GRI Standard

Category	Disclosure#	Disclosure Item	Chapter in this report
GRI 2:The organization and its reporting practices	GRI 2-1	Organizational details	About this report
GRI 2:The organization and its reporting practices	GRI 2-2	Entities included in the organization's sustainability reporting	About this report
GRI 2:The organization and its reporting practices	GRI 2-3	Reporting period, frequency and contact point	About this report
GRI 2:Activities and workers	GRI 2-6	Activities, value chain and other business relationships	About HONOR
GRI 2:Activities and workers	GRI 2-7	Employees	Data and metrics
GRI 2:Activities and workers	GRI 2-8	Workers who are not employees	Data and metrics
GRI 2:Governance	GRI 2-9	Governance structure and composition	ESG Governance
GRI 2:Governance	GRI 2-10	Nomination and selection of the highest governance body	/
GRI 2:Governance	GRI 2-11	Chair of the highest governance body	ESG Governance
GRI 2:Governance	GRI 2-21	Annual total compensation ratio	/
GRI 2:Strategy, policies and practices	GRI 2-22	Statement on sustainable development strategy	ESG Governance
GRI 2:Strategy, policies and practices	GRI 2-27	Compliance with laws and regulations	HONOR compliance practice
GRI 2:Strategy, policies and practices	GRI 2-28	Membership associations	Green partners
GRI 2:Stakeholder engagement	GRI 2-29	Approach to stakeholder engagement	Stakeholder communication
GRI 3:Disclosures on material topics	GRI 3-1	Process to determine material topics	ESG Governance
GRI 3:Disclosures on material topics	GRI 3-2	List of material topics	ESG Governance
GRI 3:Disclosures on material topics	GRI 3-3	Management of material topics	ESG Governance
GRI 201:Economic Performance	GRI 201-1	Direct economic value generated and distributed	/
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	/
	GRI 201-3	Defined benefit plan obligations and other retirement plans	Care for our people, improve their happiness
	GRI 201-4	Financial assistance received from government	/
GRI 205:Anti-corruption	GRI 205-1	Operations assessed for risks related to corruption	Anti-bribery and corruption
	GRI 205-2	Communication and training about anticorruption policies and procedures	Anti-bribery and corruption
	GRI 205-3	Confirmed incidents of corruption and actions taken	Anti-bribery and corruption

GRI Standard

Category	Disclosure#	Disclosure Item	Chapter in this report
GRI 206:Anti-competitive Behavior	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance to competition
	GRI 301-1	Materials used by weight or volume	Greener packaging Data and Metrics
GRI 301:Materials	GRI 301-2	Recycled input materials used	Greener packaging Green operation Data and Metrics
	GRI 301-3	Reclaimed products and their packaging materials	Greener packaging Green operation Responsible collect and disposal
	GRI 302-1	Energy consumption within the organization	Green manufacturing Green operation Data and metrics
GRI 302:Energy	GRI 302-2	Energy consumption outside of the organization	Data and metrics
	GRI 302-3	Energy intensity	Data and metrics
	GRI 302-4	Reduction of energy consumption	Green manufacturing Green operation
	GRI 302-5	Reductions in energy requirements of products and services	Greener packaging More durable product
GRI 303:Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	Green manufacturing Green operation Data and metrics
	GRI 303-2	Management of water discharge-related impacts	Green manufacturing Green operation Data and metrics
	GRI 303-3	Water withdrawal	Green manufacturing Green operation Data and metrics
	GRI 303-4	Water discharge	Green manufacturing Green operation Data and metrics
	GRI 303-5	Water consumption	Green manufacturing Green operation Data and metrics

GRI Standard

Category	Disclosure#	Disclosure Item	Chapter in this report
GRI 305: Emissions	GRI 305-1	Direct (Scope 1) GHG emissions	Green operation Data and metrics
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	Green operation Data and metrics
	GRI 305-3	Other indirect (Scope 3) GHG emissions	Greener packaging Green logistics Data and metrics
	GRI 305-4	GHG emissions intensity	Data and metrics
	GRI 305-5	Reduction of GHG emissions	Greener packaging Green logistics Green operation
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	Data and metrics
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Data and metrics
GRI 306: Waste	GRI 306-1	Waste generation and significant waste-related impacts	Green manufacturing Responsible collect and disposal
	GRI 306-2	Management of significant waste-related impacts	Green manufacturing Responsible collect and disposal
	GRI 306-3	Waste generated	Green manufacturing Responsible collect and disposal Data and metrics
	GRI 306-4	Waste diverted from disposal	Green manufacturing Responsible collect and disposal Data and metrics

GRI Standard

Category	Disclosure#	Disclosure Item	Chapter in this report
GRI 306:Waste	GRI 306-5	Waste directed to disposal	Green manufacturing Responsible collect and disposal Data and metrics
GRI 308:Supplier Environmental Assessment	GRI 308-1	New suppliers that were screened using environmental criteria	Supplier Assessment
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Assessment
GRI 401:Employment	GRI 401-1	New employee hires and employee turnover	Diversified and fair development opportunities
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee caring
	GRI 401-3	Parental leave	/
GRI 403:Occupational Health and Safety 2018	GRI 403-1	Occupational health and safety management system	Occupational health and safety
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety
	GRI 403-3	Occupational health services	Occupational health and safety
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety
	GRI 403-5	Worker training on occupational health and safety	Occupational health and safety
	GRI 403-6	Promotion of worker health	Occupational health and safety
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
	GRI 403-8	Workers covered by an occupational health and safety management system	Occupational health and safety
	GRI 403-9	Work-related injuries	Occupational health and safety
	GRI 403-10	Work-related ill health	Occupational health and safety
GRI 404:Training and Education	GRI 404-1	Average hours of training per year per employee	Employee training
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Employee training
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Employee caring
GRI 405:Diversity and Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees	Diversified and fair development opportunities
	GRI 405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406:Non-discrimination	GRI 406-1	Incidents of discrimination and corrective actions taken	Diversified and fair development opportunities Employee communication
GRI 408:Child Labor	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Supplier Assessment

GRI Standard

Category	Disclosure#	Disclosure Item	Chapter in this report
GRI 409:Forced or Compulsory Labor	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier assessment
GRI 414:Supplier Social Assessment	GRI 414-1	New suppliers that were screened using social criteria	Supplier assessment
	GRI 414-2	Negative social impacts in the supply chain and actions taken	Supplier assessment
GRI 416:Customer Health and Safety	GRI 416-1	Assessment of the health and safety impacts of product and service categories	Safer chemical material Tech for healthier life
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Tech for healthier life
GRI 418:Customer Privacy	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our practice

HONOR