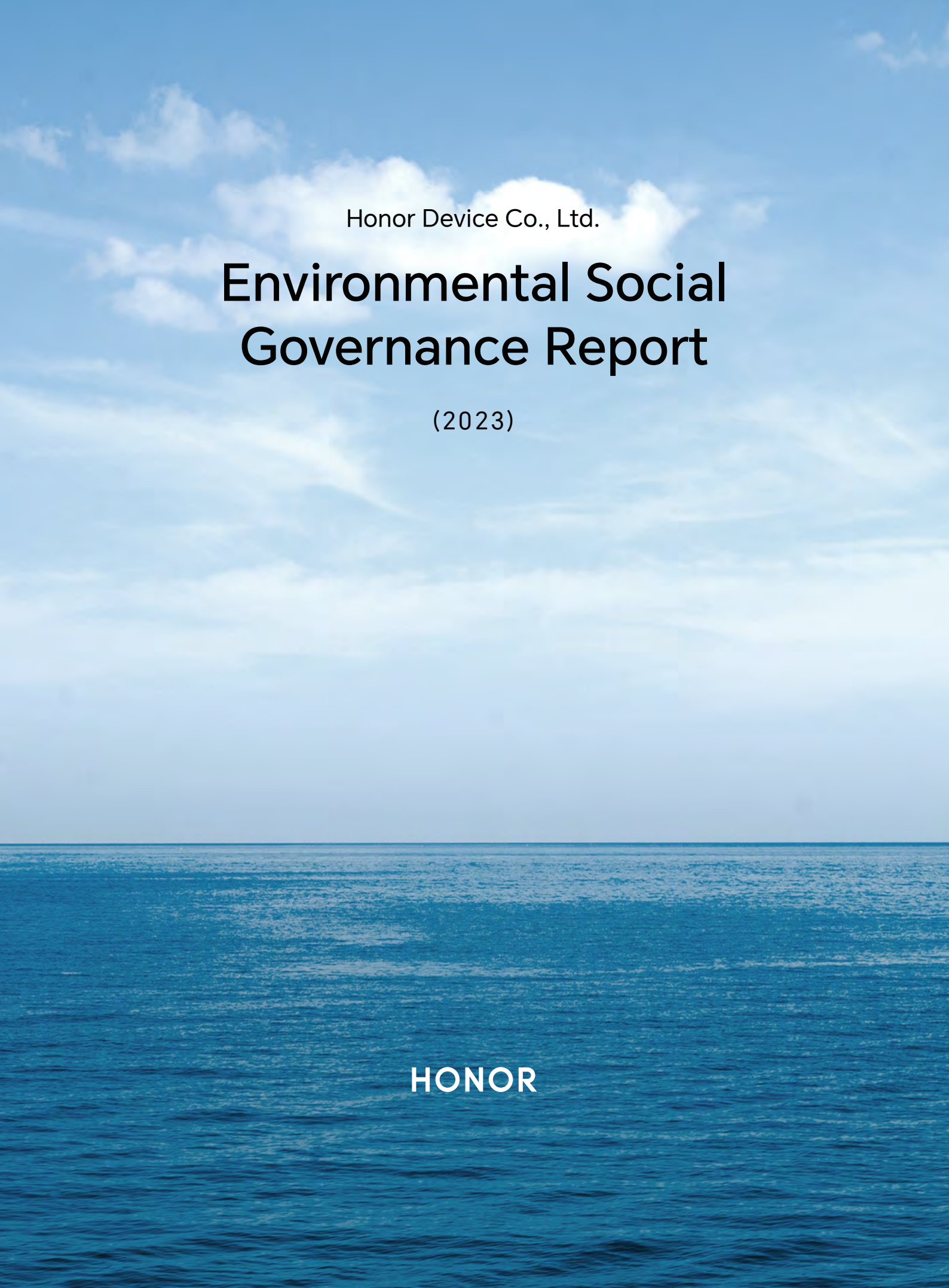




Honor Device Co., Ltd.

Environmental Social Governance Report

(2023)

HONOR

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2023 ESG Key Progress and Moments

Environmental Protection

Level B

Acquired level B in CDP rating in 2023, above industry, regional and global averages

8%

In 2023, we began to adopt clean energy, with a 8% usage ratio in the first year

876 Tonnes

In 2023, we reduced and avoided approximately 876 tonnes of greenhouse gas emissions through green product initiatives

128

128 mobile phones and tablets have been awarded the certification of China Quality Certification Center (CQC)

4,440 Tonnes

Since 2016, Honor has cumulatively reduced around 4,440 tonnes of hazardous substances and materials

2,185 Tonnes

As of the end of 2023, we had recycled a total of 2,185 tonnes of electronic waste

100%

In 2023, 100% compliant disposal of electronic waste

85%

85% processes on manufacturing lines were automated

2

In 2023, Honor launched 2 sustainable financing plans to facilitate ESG work

3%

In 2023, the average electricity consumption per person in the office parks decreased by about 3% compared to 2022

3,435 Tonnes

We have established a standardized material recycling system to reduce logistics package material consumption. In 2023, the initiative helped reduce 3,435 tonnes of carbon emission

700,000 kwh

In 2023, Honor photovoltaic power station was put into service, expected to provide 700,000 kWh of clean electricity per year

Privacy and Security

Certification on privacy protection and security

We have newly obtained a series of authoritative certifications such as ISO/IEC 27701, ePrivacyseal, PCI DSS, TEE, FIDO, UPDSS, and "Double List" certification for mobile internet Apps

Innovative privacy functions

We have launched a variety of terminal privacy functions and services, including Parallel Space, Privacy Moment, and Privacy Assistan

60

We have led or participated in the formulation of over 60 released or approved standards on privacy and security

200 Million

We have intercepted over 200 million pieces of fraudulent

AI governance

We have built a responsible AI governance framework in view of the AI lifecycle

TAI-U model

We have established the TAI-U model based on privacy awareness and user journey and integrated AI governance into our business operations

Tech for Good

3,400,000

As of the end of 2023, ScreenReader benefited over 3,400,000 users

590,000

In 2023, Color Correction benefit benefited over 590,000 people each month

470,000

As of the end of 2023, Call Subtitles benefited over 140,000 people each month

200,000

In 2023, Select-to-Speak benefited over 200,000 people each month

140,000

As of the end of 2023, Call Subtitles benefited over 140,000 people each month

800,000

As of the end of 2023, AI Subtitles benefited over 800,000 people each month

520

In 2023, we engaged in face-to-face interactions with nearly 520 hearing-impaired users to promote information accessibility.

26

In 2023, we completed and implemented elderly-friendly projects, and HONOR Magic and X series was certified as elderly-friendly.

20,000

In 2023, Remote Caretaking benefited over 20,000 people each month

6

In 2023, HONOR actively participated in the creation and promotion of six industry standards focused on the protection of minors

1 billion

Over the next three years, HONOR will invest over 1 billion yuan in research and development, particularly advancing into the relatively unexplored field of eye protection research

500,000

In 2023, HONOR Magic Moments mobile photography project received a total of 500,000 global submissions

Youth Empowerment

25,000

HONOR Talents Global Design Awards received 25,000+ submissions, covering 240+ universities in 40+ countries

5,300

HONOR Tech Innovation Awards attracted over 150 universities nationwide participated by more than 5,300 students in 2023

1,000

HONOR Talents Developer Awards attracted 1,000+ developers

219

The 1st HONOR Talents Original Music Awards in 2023 received 219 pieces of original music compositions worldwide

Employee Development

MostIn Most Attractive Employers Award

HONOR won several awards such as “2023 MostIn Most Attractive Employers Award”

14,600

We provided more than 14,600 training courses for employees

51

In 2023, employees received an average of over 51 hours of training

10

We offered employees the opportunity to change professions among 10 talent areas and for job allocation worldwide

30,000

We organized 150+ cultural and sports activities, attracting 30,000+ people to participate in

500

In 2023, 500+ HONOR employees joined as first aid volunteers

300

We conducted 300+ sessions of EHS training for R&D laboratories across China

0

We achieved EHS targets, such as no serious injuries and fatal workplace accidents, no occupational diseases, and no environmental pollution accidents

100%

We created a workplace emergency response system of “100% qualification of workplace security guards, 100% coverage of automated external defibrillators (AEDs) in the workplace, and 100% implementation of monthly first aid drills”

Supplier CSR

300

The supply chain survey covered over 300 smelters and refiners. We shared the results of mineral supply chain due diligence management with stakeholders

100%

We conducted risk assessment of 100% of major suppliers

450

Over 450 supply chain employees participated in empowerment training

260,000

On-site assessment covered over 260,000 industry chain employees

100

The greenhouse gas survey covered over 100 suppliers

Responsible Governance

13

We provided 13 compliance campaigns for employees

21,000

We applied over 21,000 patents worldwide

9,700

Over 9,700 patents were granted worldwide

Jan

- Launched the preparation of the first ESG report to improve transparency of the Company's ESG governance

Feb

- Participated in the first session of United Nations Global Compact (UNGC) SDG Innovation Accelerator for Young Professionals
- Our green practice was included in the White Paper on Promoting Global Development Initiative to Accelerate the 2030 Agenda for Sustainable Development: Corporate "Carbon Neutrality" Targets, Action and Global Collaboration issued by the UNGC in partnership with BCG

Mar

- Launched the "Call Subtitles" feature, enabling offline voice-to-text conversion to helping the hearing impaired answer calls
- Hosted the HONOR Talents Global Design Competition Art Exhibition with the United Nations Industrial Development Organization (UNIDO) Investment and Technology Promotion Office (ITPO) (Beijing, China)
- Participated in the "Promoting the Digital Economy" forum at the Boao Forum for Asia Annual Conference 2023 and delivered a speech to share HONOR's innovative achievements in promoting digital economic development and digital convergence



Apr

- Released the first ESG report, committing to achieve carbon peak by 2030 and carbon neutrality in our own operations by 2045
- Established a dedicated ESG Office to ensure the structured execution of ESG work at the organizational level



May

- Participated in the Forum on Urban Biodiversity and Sustainable Development, sharing HONOR's ecological activities across the country
- Participated in the 2023 Technology Accessibility Development Conference and delivered a keynote speech on "Warm Technology"
- Our case study on information accessibility was included in the "2023 Case Compilation on Information Accessibility"
- Conducted offline accessibility exchange under the theme of "Tech for Good: Exploring HONOR" first in Beijing



Jun

- Participated in the Developing Circular Economy and Promoting Sustainable Development of Enterprises and "Paulson Prize for Sustainability" Exchange
- Participated in EcoVadis assessment and won the bronze medal

Jul

- Participated in the main forum "Openness, Inclusiveness, Collaboration and Sharing, and Promoting Practical Cooperation in Emerging Industries" at the China-ASEAN Forum on Emerging Industries and delivered a speech, highlighting HONOR's commitment to giving back to society and improving ESG management with digital technology
- Participated in the 2023 World Conference on Artificial Intelligence and delivered a speech with the theme of "End-side Platform-level AI, Creating Health and Fitness Solutions Tailored to You"

Aug

- Participated in the UNGC 2023 Sustainable Development Conference in Mexico and gave a speech at the workshop on "Impact Alliances for the SDGs: The relevance of Business sustainability towards the future", elaborating on HONOR's practices in ESG aspects and HONOR's goal of achieving carbon neutral operations by 2045
- Participated in the 2023 Shenzhen International Consumer Electronics Exhibition and delivered a speech, highlighting HONOR's dedication to bridging the digital divide by technology and building an intelligent world for everyone
- Participated in the second session of UNGC Climate Ambition Accelerator Program



Sep

- Participated in the China International Fair for Trade in Services, and delivered a keynote speech on "AI Empowerment for Sustainable Investment and Development" in the "AI and Sustainable Investment" Forum, highlighting HONOR's commitment to open cooperation with global partners in building a AI ecosystem
- Participated in the World 5G Conference in Mexico and made a speech at the opening ceremony, and discussed environmental issues including marine plastic reduction and marine biodiversity with Mexican designers
- Our "Tech for Good: Exploring HONOR" initiative held an information accessibility event at Taiyuan Store, themed "Where There is Love, There are no Barriers"
- HONOR's Tech for good project was included in the 2023 Fortune China Best Design List
- Obtained the first sustainability-linked loan issued by Industrial Bank

Oct

- Participated in the 2023 Global Technology Conference, sharing HONOR's commitments and actions in terms of sustainable development and ESG
- Joined the UNGC's Forward Faster initiative and participated in the roundtable forum during UN Assistant Secretary-General's visit to China to discuss sustainable business development
- Green practice was selected as the excellent case in the Fourth Industrial Revolution and Digital Transformation - the Fourth Industrial Revolution Alliance Progress Report

Nov

- Participated in the "Global Development Initiative Digital Cooperation Forum" at the 2023 World Internet Conference Wuzhen Summit and delivered a keynote speech, sharing HONOR's innovative practices and development achievements
- Participated in the 2023 China Circular Economy Development Forum
- Held HONOR Talents Art Exhibition in Mexico
- Awarded the "Excellent Cases of High-Quality Development of Green Finance in 2023" by the Shenzhen Green Finance Association



Dec

- Won the Collaboration Award of AmCham Shanghai 2023 CSR Awards
- Included in the Bloomberg Green ESG 50 Companies to Watch List



About Our ESG



ESG Leadership

Looking back on 2023, HONOR has maintained strategic confidence and positioning, facing challenges head-on with unwavering determination. Throughout the journey, our actions have been guided by our core capabilities and strategic product planning, especially in implementing our ESG initiatives. On the path of sustainable development, we are steadfast in our commitment to seven directions, such as tech for good, environmental, employee development and youth empowerment. These efforts have led to significant progress and recognition from our stakeholders. While achieving business growth, we enable more people to benefit from our products and services, thus co-creating a sustainable future for all.

Implement green transition to achieve sustainable development

In the face of rapid technological advancements, we still face the challenge of global climate change. As a responsible corporate citizen, HONOR actively shoulders its social responsibility. We incorporate climate change into our corporate management, set goals for carbon neutrality and make the action plan, contributing to the transition to a low-carbon society and industry. To achieve the carbon neutrality targets, we constantly break through the boundaries of technology with our innovative capabilities and strive to provide customers with lower-carbon, more durable and greener products. We have made significant breakthroughs in Qinghai Lake battery and Oasis Eye Protection Screen, paving the ways for new industry standards. We also break traditional boundaries in the field of foldable screens and explore interdisciplinary approaches to usher in the millimeter era, making foldable screens both slim and durable. We explore the use of degradable, innovative and environmentally friendly materials to reduce our negative impact on environment. We actively explore clean energy opportunities, install and use distributed photovoltaic power stations and purchase the Green Electricity Certificate, so as to reduce carbon emissions from our operations. We also set up a long-term plan for the use of clean energy to gradually increase the proportion of clean energy in our total energy consumption. We will continue to embrace the trend of green and low-carbon development, with a focus on green production and operations to reduce carbon emissions. In these ways, we aim to lead by example in fulfilling our commitment to sustainable development and demonstrate our corporate responsibility.

Bridge the digital divide via innovative technology to benefit the wider community

At HONOR, our drive for technological breakthroughs and innovation is matched by our commitment to using the power of technology to bridge the digital divide, enabling equal access for everyone to share the benefits of technological development and enjoy the convenience brought by digital life. Features like Screen Reader, color correction, and magnification gesture offer the visually impaired users a more accessible digital experience, bringing light to their limited sight. We have developed innovative features such as on-device AI subtitles and call subtitles in the industry. The people with hearing impairments are very excited about these features, since these features help eliminate their sense of isolation without internet access. We will continue to explore and innovate new features and bring the power of technology to illuminate every corner of society, ensuring that everyone can find their place in the digital age and share the benefits of technological progress.

Put people first and empower talents

We value the fresh energy of the youth. We provide a broader global development platform for young people to showcase their talent. HONOR Talents adheres to the philosophy of “youth empowerment”. We organize diverse competitions and activities to encourage young people in various fields to leverage their creative thinking and expertise, fully unleashing their pioneering power. In the industrial chains, we pay attention to the working and living conditions of employees. We have established a high-standard and sustainable development path in partnership with our suppliers. Employees are our most valuable asset. Upholding the core values of customer focus, hard work and dedication, we provide competitive remuneration and sound employee welfare plans. We endeavor to create a simple, efficient, caring and inclusive working environment for employees from different countries and cultures, safeguarding every HONOR aspirant with dreams.

Strengthen corporate governance with responsible and trustworthy actions

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

With technology as our foundation and innovation as our beacon, we embrace our responsibilities while striving to forge a splendid future. Going forward, we will continue to lead with innovation and responsibility, working with stakeholders to realize our shared visions and navigate the vast possibilities that lie ahead.

Wu Hui

Chairman of Honor Device Co., Ltd.

George Zhao

CEO of Honor Device Co., Ltd.

About HONOR

As a leading global provider of smart devices, HONOR unswervingly regards innovation, quality and service as its strategic focus for the future. With a focus on a new round of technological innovation, we invest heavily in bolstering our R&D capabilities, aiming to surpass our limits and improve product quality. At present, we have more than 13,000 employees worldwide, of which the R&D team accounts for more than 60%. With more than 45,000 HONOR experience stores and counters across the globe, we have established an extensive channel, and retail and service network, enabling 200 million users worldwide to enjoy the benefits brought about by digital progress.

Innovation

HONOR continues to invest in innovative products, R&D and forward-looking technologies. Our R&D investment intensity ranked among the top six in the “2022 Top 500 Chinese Enterprises” list. At present, our R&D team has more than 8,000 people worldwide, with over 300 patents filed each month. We also have seven R&D centers and more than 100 innovation laboratories. Meanwhile, HONOR Intelligent Manufacturing Industrial Park developed by us has become the demonstration manufacturer certified by the Ministry of Industry and Information Technology of the People’s Republic of China in the smartphone industry. In 2023, we continued to make breakthroughs in products and realized a series of innovative practices represented by Qinghai Lake battery and Oasis Eye Protection Screen, which were highly acclaimed by consumers. In 2023, we won 36 “Best of IFA2023” awards, of which 27 were for HONOR Magic V2 and 9 were for HONOR Magic V Purse.

High quality

We have put in place stringent quality control standards for all processes, covering product design, purchase, R&D, and manufacturing. Our Intelligent Manufacturing Industrial Park, which integrates R&D, trial production, mass production and testing, strives for zero defects and offer high-quality and innovative products and experiences to consumers. At present, 85% of the processes in our production line is automated, and over 60% of the automation equipment is developed in-house.

Service

We continue to provide users with warm, professional and high-quality services. We are committed to continuously optimizing our service system, and provide various online and offline service channels, so that each of our users can quickly access official services. HONOR Support and My HONOR app provide users with up-to-date service information and usage skills. A variety of activities are launched at the official authorized service center to thank our users. We also provide video maintenance, in-city maintenance and an accessible service hotline to deliver more convenient, secure, transparent and inclusive user experiences. Moreover, we provide official value-added service products, including screen protection, warranty extension, and accidental damage coverage, to ensure our products are well protected.



ESG Governance

To effectively implement our sustainable development strategy, 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, tech for good, youth empowerment, employee development, supplier CSR and responsible governance. Under the guidance of the ESG Committee, we have also established an ESG Office and an ESG Working Group, whose members are from various departments such as R&D, Production, Procurement, and Supply Chain Management. Their job is to integrate the ESG strategy into the business process and carry out ESG work step by step to achieve the sustainable development goal of the Company



In both the first and second half of 2023, we organized two ESG Committee meetings to discuss the ESG planning and current progress. The ESG Committee clearly proposes the carbon neutrality targets and relevant requirements. Attendance at both ESG Committee meetings was 100%. To continuously improve our ESG governance, the ESG Office organized over 30 people from departments including R&D, Procurement, Human Resources, Finance, and Supply Chain to hold a mid-year ESG symposium in August 2023. This session was to review the interim progress of key work and discuss the difficulties and pain points in related work. We listened carefully to feedback from all departments and proposed practical suggestions for the next work.

Meanwhile, we actively participate in sustainability-related activities. We engaged in extensive communications with stakeholders on climate change, biodiversity, digital inclusion and other cutting-edge ESG issues to communicate our approach to sustainability, and share our ESG practices and achievements, gaining broad support and recognition from stakeholders.

Stakeholder Engagement and Communication

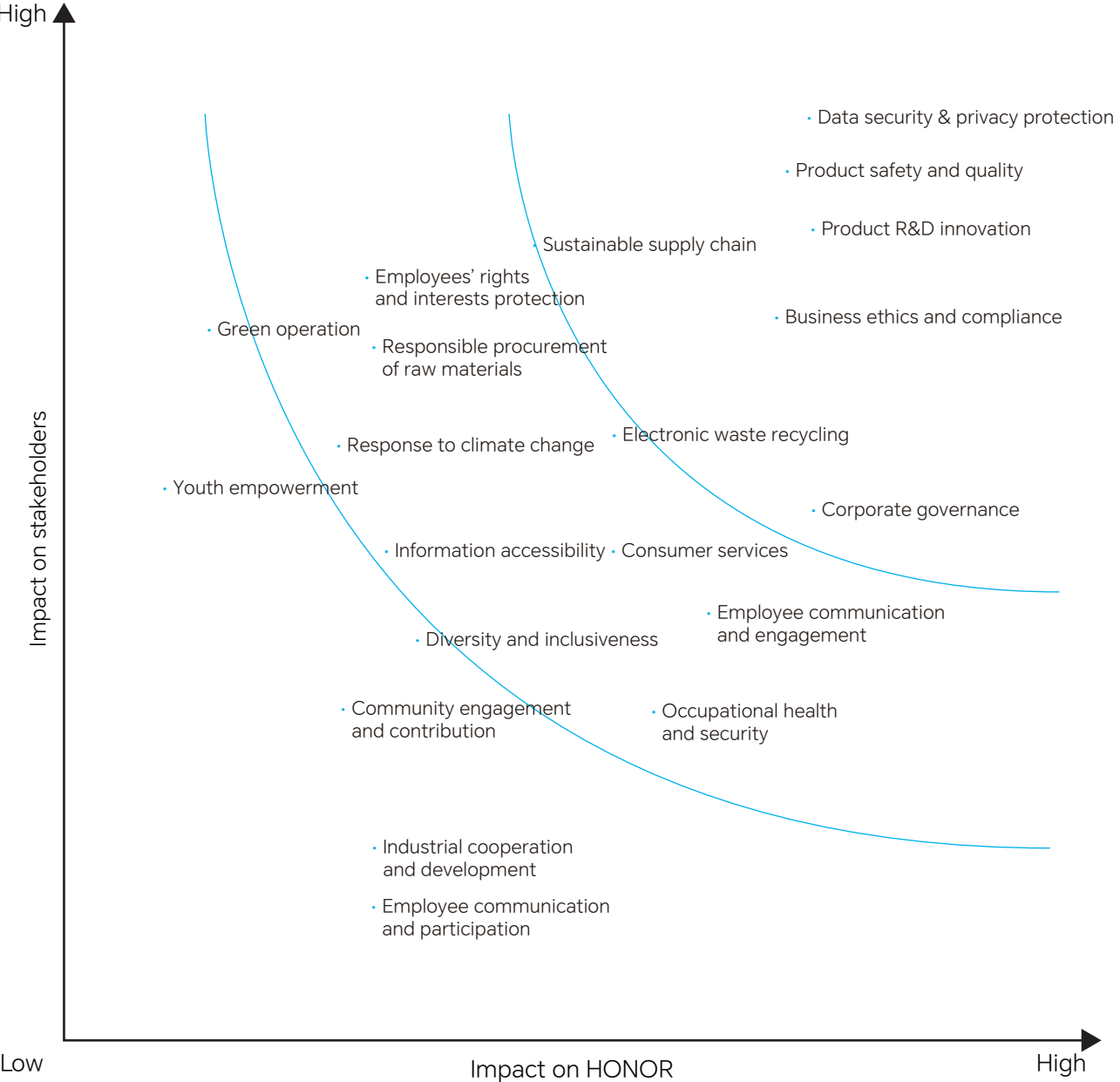
Stakeholder engagement is an important part of our ESG promotion. We actively communicate with stakeholders to understand and respond to their expectations and needs in a timely manner, and maintain close contact with them, so as to achieve win-win cooperation and build a sustainable business ecosystem.

Stakeholders' expectations & our response

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

Material Issues

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 of our ESG performance and learn from leading companies. We conducted an online questionnaire on the material issues, covering customers, shareholders, consumers, employees, suppliers, partners, industry associations, the public and other stakeholders. A total of 171 responses were received. We ranked their significance from the two dimensions, namely “impact on stakeholders” and “impact on HONOR” and developed a matrix to guide our ESG work and achieve business sustainability.



Environmental Protection Safeguard Our Shared Planet

SDGs in this chapter:



Environmental Protection

Highlights

2045

Achieving carbon neutrality in our operation.

Level B

Acquired level B in CDP rating in 2023, above industry, regional and global averages

Bronze Medal

Awarded Ecovadis Bronze Medal rating results in 2023

8%

In 2023, we began to adopt clean energy, with a 8% usage ratio in the first year

876 Tonnes

In 2023, we reduced and avoided approximately 876 tonnes of greenhouse gas emissions through green product initiatives

128 Products

128 mobile phone products have been awarded the certification of China Quality Certification Center (CQC)

4,440 Tonnes

Since 2016, Honor has cumulatively reduced around 4,440 tonnes of hazardous substances and materials

2,185 Tonnes

As of the end of 2023, we had recycled a total of 2,185 tonnes of electronic waste

100%

In 2023, 100% electronic waste was compliant disposal

85%

The automation in manufacturing lines has reached 85%

3,435 Tonnes

We have established a standardized material recycling system to reduce logistics package material consumption. In 2023, the initiative helped to reduce 3,435 tonnes of carbon emission

700,000 kWh

In 2023, Honor photovoltaic power station put into service, expected to provide 700,000 kWh of clean electricity per year

Green Factory

In 2023, Shenzhen Honor Smart Machine Co., Ltd. was selected as a green factory by the Ministry of Industry and Information Technology

3%

In 2023, the average electricity consumption per person in the office parks decreased about 3% compared to 2022

2

In 2023, Honor launched 2 sustainable financing plans to facilitate ESG work



Our climate action

As the impact of climate change increases globally, governments, organizations, and enterprises are actively responding to it and exploring effective climate strategies. In response to the national carbon peaking and carbon neutrality strategy, enterprises in China have gradually shifted to a sustainable development model that takes into account both the environment and society. In Europe, with the conclusion of the European Green Deal, various enterprises have undertaken a green transition, driving the development of a low-carbon economy in EU. As a responsible corporate citizen, HONOR actively shoulders its social responsibility. We incorporate climate change into our corporate management, set carbon neutrality goals and chart the action path, contributing to the transition to a low-carbon society and industry. We consider climate-related disclosure as an important aspect of our climate actions, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose our plans, actions, and accomplishments in climate action from the four dimensions of governance, strategy, risk management, and metrics and targets.

Governance

To enhance the oversight and management capabilities regarding climate change, HONOR has integrated climate management functions into the ESG governance framework. The Executive Management Team (EMT) is responsible for supervision to ensure alignment between our climate strategies and sustainable development direction. The ESG Committee is responsible for formulating climate-related plans, implementing solutions, and conducting supervisory reviews. We regularly organize ESG Committee meetings, which include management from departments such as R&D, operations, finance, and human resources, to identify and assess climate-related risks and opportunities. We develop short, medium, and long-term response plans, supervise the implementation of climate action plans by relevant departments, and periodically review and summarize the progress of climate strategies. Timely identification and rectification of issues are undertaken to comprehensively enhance our ability to address climate risks.

Strategy

Based on the TCFD framework, we identify and evaluate the climate risks and opportunities associated with our business, formulate strategic plans to address climate change, and drive the implementation of multiple measures to mitigate the adverse impacts of climate risks on our operations. We actively embrace the development opportunities brought about by climate change. In 2023, we identified 9 significant climate change risks and opportunities resulting from the potential impact of climate change on our business operations and developed targeted response plans. Through comprehensive analysis and calculations, HONOR has established clear climate strategic goals to achieve carbon peak by 2030 and operational carbon neutrality by 2045, and has set specific milestones and specified four key pillars, namely green products, green operation, green manufacturing, and green partners.

Transition risks

Category	Name	Description	Countermeasures
Policy and regulation	Low-carbon economy transition policy	As China commits to achieving the "3060" carbon peaking and carbon neutrality goals and other governments worldwide set carbon neutrality targets, policies and laws related to green development have been introduced in various regions. These measures place increasingly stringent requirements on the green transition of enterprises across the entire industry chain, including energy conservation, emission reduction, and restrictions on the use of plastics, which may lead to increased production and operational costs.	- Integrate carbon reduction targets into our corporate strategy and strive to achieve emission peak by 2030. Achieve carbon neutrality in our own operation and ensure all the energy we use is renewable by 2045. Specify four pillars of green operation, green manufacturing, and green partners. Develop a green transition plan, implement green initiatives, and conduct regular reviews to ensure the realization of carbon neutrality goals. - Optimize product packaging solutions by using renewable materials as substitutes to reduce plastic usage.
	Climate disclosures	Regulators have issued increasingly comprehensive, strict and demanding guidelines on climate change-related disclosure. Enterprises must improve their management of carbon emissions data and disclosure capabilities, possibly leading to increased operational costs.	- Stay updated with the latest domestic and international climate disclosure guidelines, and continuously improve the quality of our climate disclosures. - Conducted carbon inventory covering Scope 1, 2, and 3 since 2022 and obtained the ISO 14064 certification on greenhouse gas management system. - Actively respond to stakeholder demands, participated in the Carbon Disclosure Project (CDP), and acquired Level B in 2022 and 2023.
Technology	Low-carbon technology innovation	Enterprises need to promote the development of new clean energy technologies, optimize product design, and create green products that combine user experience with environmental benefits to seize a first-mover advantage in the market. However, the transition to new technologies may increase the investment on R&D.	- Optimize product design to continuously provide consumers with more efficient, energy-saving, and durable green electronic products. - Explore the usage scenarios of clean technology, establish photovoltaic power stations, purchase clean electricity, and strive to achieve the goal of 100% reliance on renewable energy within the operational scope by 2045.
Market	Green consumption behavior	With the increasing attention from all sectors of society to environmental protection, consumers will prefer low-carbon and environmentally friendly electronic products. Enterprises that can meet consumers' demand for environmentally friendly products will be able to seize the market more quickly.	- Incorporate sustainable design concepts throughout the whole life cycle of products, and promote environmental-friendly, high-efficient, durable, easy-to-maintain and recyclable product. - Implement responsible product recycling programs that benefit consumers, while exploring more environmentally friendly and circular economic models.

Physical risks

Category	Name	Description	Countermeasures
Acute risk	Extreme weather	The frequency and intensity of extreme weather events such as heavy rain, flooding, hurricanes, etc., continue to increase, which may cause temporary disruptions to the operations of stores and factory production, leading to revenue losses.	- Establish an emergency team for extreme weather, responsible for tracking and alerting extreme weather events and overseeing the implementation of response measures by relevant departments. - Develop an emergency response plan for extreme weather, conduct regular emergency drills to ensure the effectiveness of the Company's emergency and operational recovery plans. - Equip emergency supplies to cope with production and operational disruptions caused by extreme weather, and enhance the efficiency of production recovery.
Chronic risk	Climate warming	As the global greenhouse effect intensifies, the average temperatures in summer are rising year by year. The Company needs to equip more cooling facilities to ensure the comfort of employees in the office. However, this will increase the Company's operating costs.	Adjust the budget for cooling equipment accordingly, and promptly procure relevant facilities to ensure that the temperatures in operational premises meet the occupational health requirements for employees.

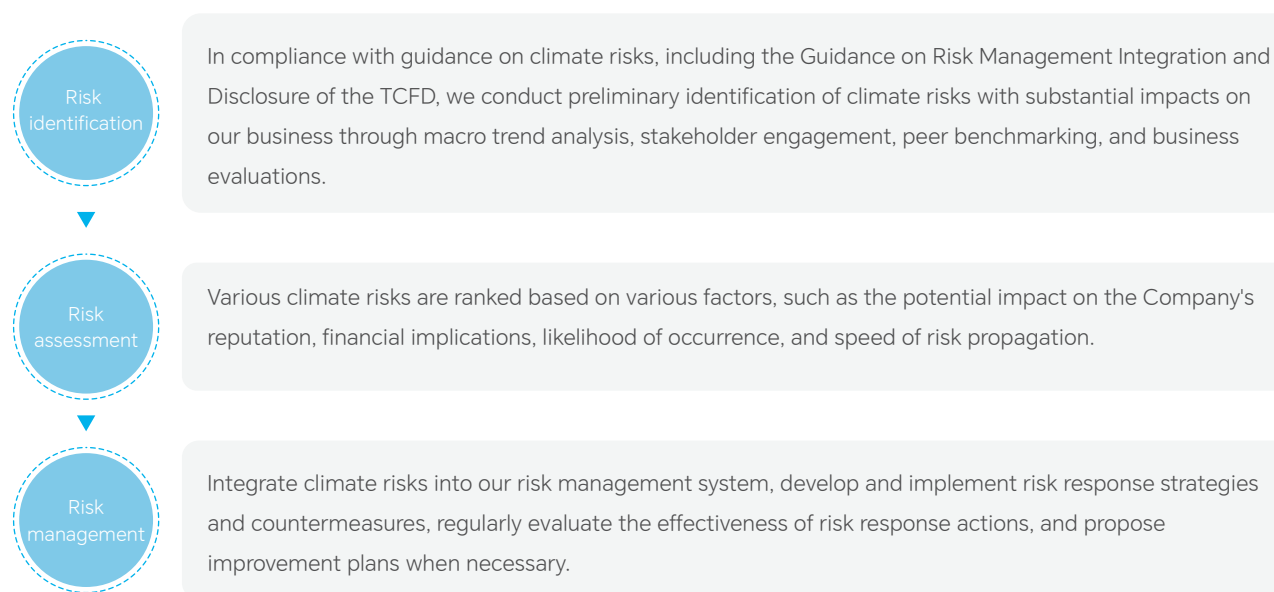
Opportunities

Category	Name	Description	Countermeasures
Resource efficiency	Product distribution and transportation	As the industrial upgrade progresses towards intelligence and the development of intelligent logistics systems has become increasingly sophisticated, enterprises can optimize cargo transportation routes through digital means, thereby enhancing logistics efficiency. Meanwhile, the promotion of carbon-neutral policies and technological innovations has led to the widespread adoption of new energy vehicles, resulting in a significant reduction in carbon emissions during transportation.	Optimize the layout of distribution center networks through intelligent platforms to reduce logistics transportation mileage and energy consumption.
	Product recycling	Governments around the world have introduced a series of policies to promote the development of the circular economy. Recycling, disassembly, and reutilization of products can enhance the efficiency of resource utilization, potentially reducing procurement costs and the demand for natural resources.	- Engage in trade-in and environmental-friendly recycling business, encouraging consumers to deliver their waste electronic products such as mobile phones and tablets to the Company for environmentally friendly disposal. - Send the scrapped products to qualified suppliers for environmentally friendly disassembly and concurrently explore the potential for recycling certain materials.

Category	Name	Description	Countermeasures
Product and service	Green product development	As public awareness of green environmental protection continues to rise, the innovative product development in green environmental protection is advantageous in gaining favor with consumers. It can also bring more investment opportunities in the capital market, leading to revenue growth for the brand.	- Invest in ecologically designed products, enhance environmental performance such as energy efficiency and durability, and create innovative products with green and environmental advantages. - Explore more environmentally friendly product packaging solutions. This involves optimizing packaging design to reduce material usage, substituting recyclable materials, and utilizing soy ink printing to provide visually appealing, reliable, and environmentally friendly packaging solutions.

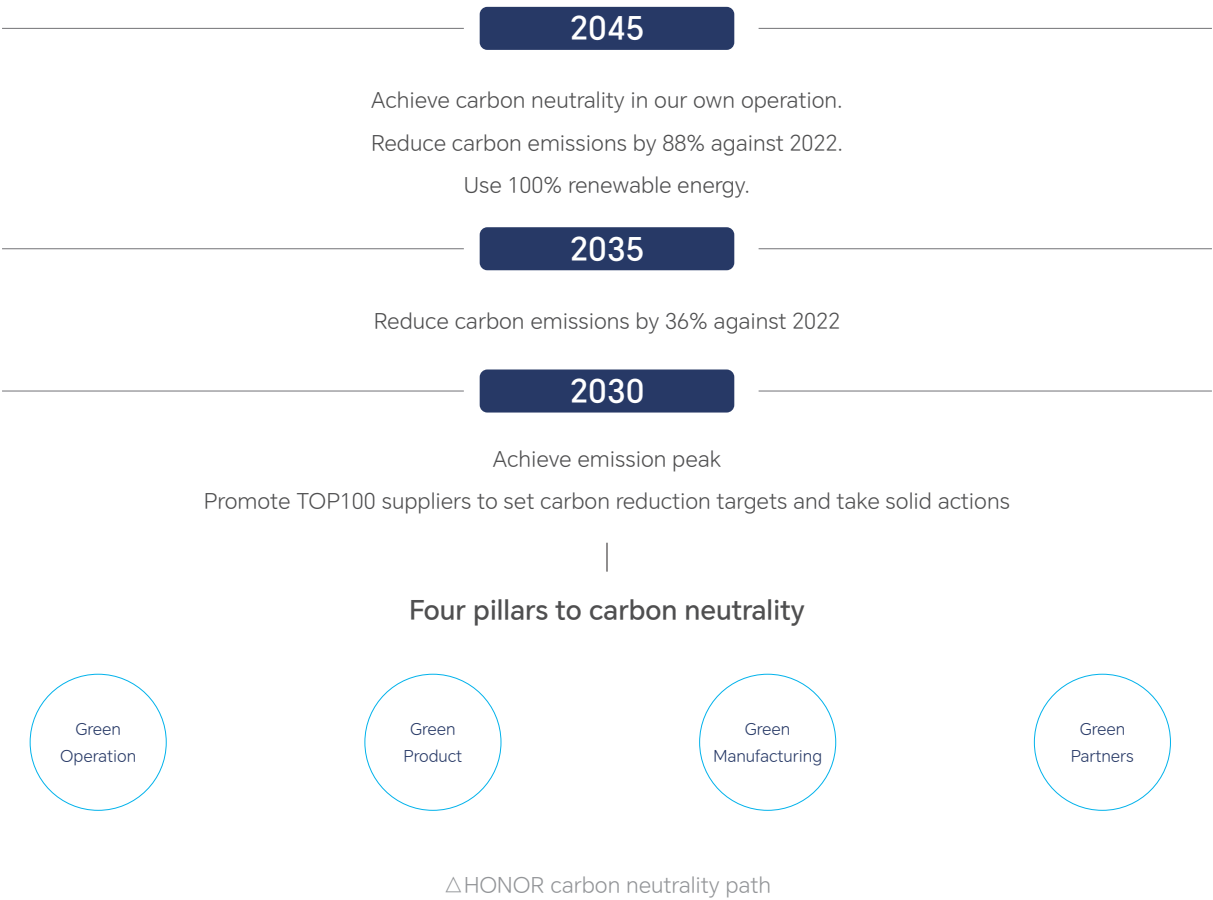
Risk management

We incorporate climate risk into our risk assessment and management system by formulating internal regulations such as the ESG Risk Management Manual and the Procedures for Identifying and Evaluating Climate Change Risks and Opportunities. These policies are designed to provide guidance for the identification, assessment, and response to climate risks. We also develop the Greenhouse Gas Emission Risk Identification and Evaluation Checklist to scientifically manage climate risks.



Metrics and targets

In April 2023, HONOR released its first ESG report and officially launched the carbon neutrality plan. 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. We actively engage in reducing the carbon emissions across the value chain and promote our TOP100 suppliers to set carbon reduction targets by 2030, contributing to the green transition in the industry. To achieve carbon neutrality by 2045, we consider our pillars of green products, green operation, green manufacturing, and green partners as the key, and regularly monitor and disclose our progress and achievements around the four pillars.



In 2023, we gradually increased the use of clean energy in our operation, resulting in a total usage of over ten million kWh of clean energy and a gradual increase in the usage ratio to 8%. Every step counts towards covering a thousand miles. We will continue to drive energy conservation, emissions reduction, and the use of clean energy to achieve our carbon neutrality goal.

Year	Electricity consumption of workplace(kWh)	Usage of clean energy (kWh)	People	Average electricity consumption per user
2021	53,459,879	—	8,000	6,682
2022	105,437,345	—	11,000	9,585
2023	128,545,047	10,112,200	13,800	9,315

Innovation in green products

HONOR consistently upholds the principle of producing greener and more environmentally sustainable products, aiming to enhance user experience while reducing the negative impact on the environment. We integrate the concept of green and circular economy into the whole life cycle of product development, develop and introduce applicable green and low-carbon technologies, and provide users with innovative and eco-friendly products with high quality. In 2023, through technological innovation, we have cumulatively reduced and avoided approximately 876 tonnes of greenhouse gas emissions¹. This reduction was achieved in the stages of product research and design, material selection and usage, durability improvement, and product efficiency enhancement. These efforts have significantly contributed to the achievement of our carbon neutrality goals.

We established a Green Product Technology Management Team to conduct research in professional fields such as environmental regulations, green product design, and clean production technologies. The team explores possibilities for green product upgrades in all aspects, such as e product performance and production materials. They also formulate and promote innovative solutions to ensure the realization of our environmental concept throughout the entire product life cycle. As of the end of 2023, 128 models of mobile phones and laptops had obtained certification on environmental protection from the China Quality Certification Center (CQC). In 2023, 5 models of laptops obtained the China Environmental Labeling Certification and Energy Conservation Certification.

We continuously conduct environmental impact assessments throughout the entire product life cycle to understand the impact of our products on the environment, providing a data foundation for the optimization of energy conservation and emission reduction. We closely collaborate with our supply chain partners to collect product-related environmental data based on standards such as ISO14064/14067 and PAS2050 to ensure the authenticity and accuracy of the data. We assess and disclose the environmental impact of the product life cycle from dimensions such as product carbon footprint, hazardous substances, product energy efficiency, material selection, and recyclability. In 2023, we shared information with all stakeholders by publishing 18 reports on product environmental KPIs on the HONOR official website.

Based on the carbon footprint assessment, over 80% of the carbon emissions from HONOR products originate from the raw materials and production stages. We actively communicate with upstream suppliers to identify potential emission reduction opportunities at the production source. We encourage them to use clean energy, set carbon reduction targets and emission reduction pathways, and optimize high-emission processes to minimize carbon emissions from production.

876 tonnes

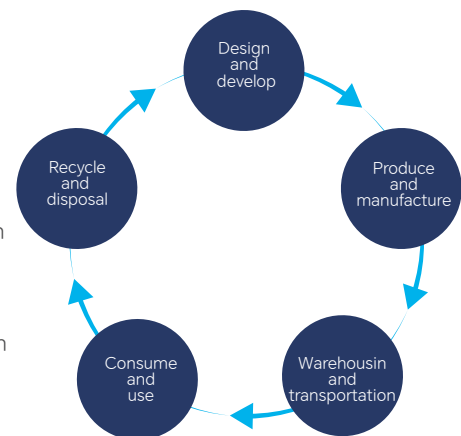
In 2023, we reduced and avoided approximately 876 tonnes of greenhouse gas emissions through green product initiatives

128

models of mobile phones and laptops obtained certification on environmental protection from CQC

5

models of laptops obtained the China Environmental Labeling Certification and Energy Conservation Certification



¹. Carbon reduction results from the elimination of chargers and protective cases, adoption of lighter packages and thinner product design, and the optimization of logistics and transportation.

Innovation for greener packaging¹

Our green product packaging embodies our commitment to environmental protection. We advocate lightweight, small-sized, harmless, and easily recyclable packaging to ensure a positive user experience, reduce resources consumption and convey our green attitude. In practice, we have first adopted the lightweight and attractive packaging designs.

Smaller package

- After optimization, the volume of the HONOR X8a packaging box in the European market decreases by 51% compared to products shipped to other regions, and the weight decreases by 31%. This measure is equivalent to reducing 222.3 tonnes of carbon emissions.
- For laptop product packaging, we adopt a more integrated and streamlined all-paper folding packaging solution that eliminates the use of carton boxes. Products are directly shipped on pallets to ensure safe transportation while reducing paper usage. This measure is equivalent to reducing 341 tonnes of carbon emissions.
- We digitize product instructions to reduce the paper usage of traditional instruction manuals. We minimize the paper content within regulatory limits, annually avoiding the cutting of approximately 3,500 adult trees and reducing 43.42 tonnes of carbon emissions.

Eco-friendly paper

- We have replaced the original PET anti-tamper labels with biodegradable high-density fiber labels, which are made from high-strength virgin fibers arranged in an oriented manner. This more environmentally friendly approach ensures material durability and effectively resists the risk of tearing during box packaging.
- The bare device protection for HONOR X8a in the European market has transitioned from PE bags to recyclable copperplate paper label film.

Responsible use of plastics

- In order to prevent environmental pollution, we strive to reduce the use of single-use plastics in the packaging. Currently, the rate of plastic reduction in the packaging for our products in the European market has increased from 95% to 98%.
- We replace the original BOPP full packaging film for mobile phones with biodegradable and recyclable greaseproof paper made of matte fiber to reduce the use of plastic in the packaging.
- In 2023, we initiated and completed the reliability verification of recycled plastics, achieving mass production utilization of this recycled material in phone series including the HONOR Magic V2 and HONOR X8b.
- We have incorporated bio-based plastics primarily derived from castor oil into over 20 product components, including the mainboard bracket, to reduce the use of petroleum-based plastics. This measure is equivalent to reducing 35.5 tonnes of carbon emissions.

Eco-friendly printing materials

- The color box packaging and product manuals of our products are printed with soy 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. In 2023, we replaced traditional ink printing with soy ink printing, leading to an estimated annual reduction of around 12.7 tonnes of carbon emissions.

1.The emission factors of color boxes, packaging materials, printed paper, plastics and inks in this chapter derive from Ecoinvent database in Simapro.

Innovation for enhanced durability

Durable products can not only improve the user experience and minimize unnecessary product replacements, but also effectively reduce the waste of resources and environmental impact. In addition to conventional product reliability testing, we innovate in the design of durability features such as drop resistance, heat dissipation, and folding, to extend the product lifespan as much as possible.

- The hinge performance of foldable screen products determines their lifespan. We have self-developed the HONOR Super-light Titanium Hinge, which optimizes structural design and upgrades to a more reliable titanium alloy material. This has increased the axle cap strength by 150% and supports over 400 thousand screen folds, greatly enhancing the durability of foldable screen products.
- We continue to optimize the product's cooling system to enhance user experience and extend the product lifespan. For example, in 2023, we introduced the HONOR Ultra-thin Bionic Cooling System for the newly launched Magic V2 series. The system increases the overall heat dissipation area to 29,000 mm², which is 12.5% larger than the Magic Vs series launched in 2022. This effectively optimizes the phone's cooling performance and reduces potential damage to the screen and battery caused by overheating, making the product more durable.
- Screen damage is one of the main reasons for replacing phones. Therefore, we select more durable screens for our products to reduce interruptions caused by accidental drops. HONOR strives for ultimate durability in drop resistance. The screen of the HONOR Magic V2 is made from second-generation nano-crystalline glass, providing 10 times the shock resistance of regular glass. Meanwhile, the HONOR X50 features a ten-sided anti-fall curved screen with 360-degree drop resistance, making it the first mobile phone globally to receive Swiss SGS five-star anti-drop standard certification.

We have established professional reliability labs to simulate the use scenarios of mobile phones and test the reliability of the devices and components with strict standards to ensure that our products adapt to various extreme weathers or abnormal scenarios. For tablets and laptops, we conduct durability performance tests that surpass industry standards. These tests involve simulating various dimensions such as interface durability, key durability, hinge durability, high humidity and high temperature resistance, salt and fog resistance, dust resistance, bending, and drop tests. We evaluate, analyze, and optimize product designs accordingly to enhance the reliability and durability of our tablets and laptops.

Meanwhile, 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. During the product usage phase, we provide users with efficient and reliable after-sales service. At present, we have provided one-stop maintenance services in our service stores around the world, so that users can access high-quality maintenance service easily when they need it.

■ HONOR's online repair service: Customized diagnostics by professional engineers

To enhance service efficiency and convenience, HONOR has launched an online repair service. Engineers can remotely communicate with users via text, audio, or video to quickly diagnose device issues. If further professional repair is required, we offer a door-to-door pickup service, providing users with a one-stop repair solution without leaving their house. In 2023, over 60,000 users utilized this service to address their issues.



△ HONOR's online repair service

Innovation for higher efficiency of energy and material usage in products

Highly efficient products not only optimize user experience but also reduce carbon emissions generated during product usage. For software, we adopt the intelligent energy-saving technology to adjust the state of mobile phone applications based on user habits and scenarios to improve product energy efficiency. When it comes to hardware, our focus on product design includes integrating more efficient components like chips and batteries and paving the way for advancements in technologies such as fast charging, screen-adaptive refresh rate based on Low-Temperature Polycrystalline Oxide (LPTO), and Pulse Width Modulation (PWM) dimming. These efforts have contributed to the overall enhancement of the product's energy efficiency, optimization of user experience, and increase of environmental benefits.

■ Industry's first adoption of silicon-carbon anode battery technology – HONOR “Qinghai Lake” battery

HONOR has successfully launched the “Qinghai Lake” battery. This battery employs the new silicon-carbon anode technology, redesigned power supply chain, and intelligent battery management algorithms to deliver a higher energy density and longer usage time in low-voltage conditions for mobile phones, all within the same volume. According to calculations, the HONOR Magic5 Pro, equipped with the “Qinghai Lake” battery, features a 12.8% increase in battery energy density compared to the HONOR Magic4, and a 240% improvement in cases where users with a high endurance usage experience, reduces the need for premature device replacement due to insufficient battery life, and extends the product lifespan.

In terms of materials usage, HONOR has continued to make innovation. For instance, we have successfully developed and implemented a new gold-plating substitution process, which reduces the amount of gold used in the Printed Circuit Board (PCB) by approximately 30%, contributing to a reduction in the extraction of rare metal resources. This initiative can lead to a reduction of 221.7 tonnes of carbon emissions.

Meanwhile, in the development and design of foldable screens, HONOR has achieved ground-breaking advancements. We have provided a fresh design approach for the foldable screen category, breaking the boundaries between traditional bar mobile phones and foldable mobile phones. With the advancement of screen and hinge technologies, foldable screens will continue to make mobile phones lighter and thinner. The HONOR Magic V2 has made a significant breakthrough in foldable screen design, ushering in the “millimeter” era with a folded thickness of 9.9mm. This marks the first time that the thickness of mobile phones is reduced to less than 1cm. We customize each component for thinness, and produce ultra-thin foldable hinges, foldable screens, VC cooling systems, Type-C interface modules, and fingerprint recognition to achieve breakthrough designs for individual systems and functional modules. Moreover, through systematic architectural design, the weight of the Magic V2 has been reduced to 231g, even lighter than certain conventional bar phones, leading to a considerable decrease in raw material consumption.



△HONOR “Qinghai Lake” battery

Innovation for safer products

HONOR insists on treating quality and safety as the lifeline of its products, and continues to enhance product safety management capabilities to provide users with safe and high-quality products. We establish a comprehensive quality and safety management system internally and construct a four-layered safety and compliance protection network for our products.



First layer: Standard formulation participation

Actively participate in the formulation of relevant product safety standards by industry and regulators, such as GB31241-2202, to contribute to the development of industry safety standards.



Second layer: Safety design review

Integrate safety design reviews into the product design and development phase, strictly control key components such as batteries, shells and screens to ensure compliance with regulatory safety standards.



Third layer: Product safety testing

Establish safety and compliance labs with full accreditation and high capabilities to conduct safety testing on products, such as flame retardancy testing, and make timely optimizations and improvements to product designs upon identifying safety hazards.



Fourth layer: Sampling inspection on product safety

Implement standardized sampling inspections on mass-produced critical components to ensure that each batch meets safety and compliance requirements.

The safety and compliance protection network ensures that our existing products meet regulatory safety standards and allows us to swiftly formulate response plans for upcoming safety standards and optimize product design schemes. In 2023, we set higher standards for ourselves than the safety regulatory requirements, and prioritized the design of audio radiation protection to ensure user hearing safety, as well as heat design schemes to prevent users from cold burns. This enables us to create safe and reliable products for our users.

HONOR strictly controls the use of hazardous chemical substances in our products. At the design stage, we consider the potential involvement of hazardous chemical substances throughout the product's whole life cycle. We implement strategies to reduce the use of hazardous substances from the source, ensuring that the chemical substances used in our products are safe and non-hazardous. In 2023, we continued to optimize and upgrade the HONOR Substance List in accordance with external regulations such as the Stockholm Convention, the EU's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, and the proposal for restrictions on Per- and Polyfluoroalkyl Substances (PFAS). The updated list includes additional restricted substances such as UV-3287 and DCRP8, enforcing strict control over the chemical substances used in our products.

We have established and continuously improved the hazardous substance management system. This system ensures that our products comply with domestic and international regulations on hazardous substances. It also helps us to identify and eliminate potential hazardous substances from products and packaging materials, minimizing negative impacts on the environment and user health throughout the product's whole life cycle. HONOR has independently developed a chemical hazard risk assessment method for chemicals not restricted by regulations. The method classifies and controls chemicals according to their hazard levels, and has identified the first batch of chemicals that need to be banned during the production process. In The future, we plan to update our chemical restriction details every year based on the hazard levels and exposure risks of substances. In 2023, HONOR established a comprehensive, systematic, and transparent process management system for hazardous substances and obtained certification for the QC 080000 Hazardous Substance Process Management (HSPM) system.

In addition, we actively collaborate with suppliers to identify restricted substances during the product manufacturing process and use new materials for effective substitution. For instance, we have cooperated with multiple material suppliers to test dozens of different raw materials. We now have achieved halogen-free power cables for all mobile phones and tablets, which greatly reduces the negative impact on the environment. Since 2016, HONOR has reduced the use of hazardous substances and materials by approximately 4,440 tonnes.

As 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. As of the end of 2023, we had completed more than 121 toxicological tests on materials used in products that often touch skin.

4,440 tonnes

Since 2016, HONOR has reduced the use of hazardous substances and materials by approximately 4,440 tonnes

Recycle and dispose of products in a responsible way

According to statistical data from Statista, over 50 million tonnes of electronic waste are generated globally every year. As a responsible enterprise, we set out to develop a practical and effective product program to reduce the negative impact of electronic waste on environment and explore possibilities for reusing waste materials to promote the development of a circular economy.

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, efficient, and green product recycling services. As of the end of 2023, we had recycled a total of 2,185 tonnes of electronic waste. The total recycling volume in 2023 increases by 22% compared with 2022.

We continue to improve our featured recycling system and our service to attract more consumers. We also organize diverse promotional and experiential events to raise awareness among consumers about the importance of the circular economy.

2,185 tonnes

As of the end of 2023, our recycled electronic waste had reached 2,185 tonnes

- We have released materials about our Trade-in program on HONOR Talks, and organized offline training sessions at various service stores, aiming to share with users the value of recycling electronic products and to encourage their participation in our recycling initiative.

- We have upgraded the HONOR Trade-in program on our official website to provide users with a more optimized one-stop mobile phone recycling service. Our service coverage has been expanded, and the recycling process has been streamlined, leading to a threefold increase in efficiency.

- We offer users the "Trade-in for spare parts" program and encourage them to entrust damaged components to HONOR to increase the recycling rate of electronic components with our professional recycling process.

Following product recycling, we have established a systematic waste treatment system to responsibly handle the recycled waste products. We carefully disassemble and sort the recycled waste products to identify the value of materials and components for reuse. After identifying used components with potential for reuse, we strive to take various methods to explore their values such as returning them to the factory for repair and transforming them into internal assets. For example, certain adapters are utilized for manufacturing testing. We aim to fully explore the recycling value of waste and practice the concept of circular economy. For components with no value, we have set up a special supplier certification working group to ensure that suppliers dispose of waste in compliance with regulations and minimize potential environmental pollution.

100%

100% electronic waste was compliant disposal in 2023

We have launched recycling and disposal systems across our global markets, including China, Europe, the Middle East, Africa, and other regions. This proactive approach aligns with global environmental protection policies on electronic waste such as the Basel Convention, the Waste Electrical and Electronic Equipment Directive (WEEE) of the EU, and the Extended Producer Responsibility (EPR) policy in Germany and France. This ensures the compliant disposal of product waste and explores the potential for resource recycling.

Innovation for intelligent manufacturing with high standards

Manufacturing is the most important stage in the product life cycle in terms of carbon emission. We insist that suppliers strictly adhere to our standards for energy conservation and emissions reduction. Meanwhile, we actively respond to the carbon peaking and carbon neutrality goals, and leverage technological innovation to drive advancements in production to create modern factories where production efficiency and environmental benefits coexist. We hope to build a high-standard energy-saving and emission-reduction demonstration park, provide examples for industrial partners, and drive them to carry out green production together.

In 2023, the Shenzhen Honor Smart Machine Co., Ltd. (HONOR Intelligent Manufacturing Industrial Park), was selected as a green factory by the Ministry of Industry and Information Technology. It obtained domestic and international certifications for green management systems, including ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and the Shenzhen Voluntary Clean Production certification.

85%

The automation in manufacturing lines has reached 85%

Green manufacturing

We aim to drive the digital intelligence transformation of industrial production by leveraging advanced technologies. We have equipped the HONOR Intelligent Manufacturing Industrial Park with advanced high-precision automated manufacturing equipment and a digital control platform., effectively promoting the development of green and intelligent factories. At present, 85% of our production line is automated, greatly improving production efficiency. A green production model featuring high efficiency, high quality and low emissions has been implemented.

Energy management optimization

Intelligence and environmental protection are two sides of the same coin in a modern green factory. Besides committing to the intelligent upgrading of the manufacturing process, we have also strengthened our ability for energy management. We have launched and continuously optimized the energy management system, air compressor group control system and other intelligent platforms to monitor the consumption of electricity, water and gas in the production park in real time, conduct statistical analysis on the energy consumption of equipment, formulate reasonable evaluation indexes of energy consumption, regulate the operating parameters of equipment, reasonably improving the level of energy efficiency of the production by scientific means.

We have implemented an energy management system at the HONOR Intelligent Manufacturing Industrial Park in Shenzhen. The system achieves electrical energy measurement, monitoring, and abnormality warnings for parks, buildings, floors, production lines, and major energy-consuming equipment. We have collected and analyzed energy data from nearly 800 facilities with the help of the energy management system, established energy consumption evaluation indicators for each equipment, and set reasonable alarm and alert thresholds. When energy consumption deviates abnormally, the system automatically sends information to the energy-saving manager to ensure timely follow-up of the anomalies by a dedicated person. In 2023, we issued alerts over 100 times and followed up on them to address abnormal situations, greatly reducing unnecessary energy consumption in daily production.

Recycling heat from air compressors

- We have implemented a heat recycling system for the air compressor. The heat generated during the operation of the air compressor is extracted, transferred to the heat exchanger, and then used to raise the production water temperature to the level required for the production process through the plate heat exchanger. This approach reduces the energy consumption required for heating the water and saves 300 thousand kWh of electricity every year.

Optimizing production equipment

- We have selected efficient and energy-saving production equipment, such as high-speed placement machines, dispensers, and printers. This helps to reduce human operation errors and decrease energy consumption during the production.
- We have set the energy-saving mode for various equipment such as computers, reflow ovens, placement machines, and film crossing machines.
- We have added valves to gas terminals such as drying cabinets and suction pens to reduce waste of compressed air.

Transitioning to clean energy

To realize the goal of carbon neutrality, HONOR has actively pursued opportunities to utilize clean energy and achieved significant breakthroughs in 2023. We have installed a distributed photovoltaic power station with a capacity of 700 kW in the HONOR Intelligent Manufacturing Industrial Park, expected to provide 700 thousand kWh of clean electricity every year. In addition, we have purchased 10,000 international green power certificates to reduce our operational carbon emissions. We have also established a long-term plan for the use of clean energy, aiming to gradually increase the proportion of clean energy in our overall energy consumption.



△ The distributed photovoltaic power station at the HONOR Intelligent Manufacturing Industrial Park in Pingshan District

Optimizing resource utilization efficiency

We responsibly manage material consumption in production to minimize unnecessary resource waste and explore the potential for recycling materials. We also establish a standardized resource recycling mechanism and enhance resource utilization efficiency by taking various measures.



Standard Container Implementation Plan

We have formulated the Standard Container Implementation Plan to standardize the production containers and carriers, allowing for their immediate use upon arrival. Upon arrival at the factory, standardized materials are transported to the production line using smart logistics technology. This reduces the risk of material damage or waste caused by manual unpacking, sorting, and handling. In 2023, the reusable raw materials used in the standard container packaging contribute to the saving of approximately 500 thousand cardboard boxes.



Recycling of cardboard box dividers

We also encourage suppliers to replace paper cardboard box dividers with vacuum cardboard box dividers during transportation. This enhances the durability and support of the dividers, enabling their reuse and recycling. In 2023, a total of 6,000 dividers were recycled and reused.



Compliant Discharge

We strictly abide by national environmental protection laws and regulations and dispose of various waste in a timely and effective manner. We use activated carbon adsorption and UV photolysis waste gas treatment system to ensure the compliance of industrial waste gas discharge in HONOR Intelligent 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 2023, HONOR has no record of discharge misconduct, and was included in the positive examples for corporates during the ecological and environmental law enforcement in Shenzhen.

Green logistics

HONOR pays close attention to greenhouse gas emissions generated during warehousing and logistics transportation. We are committed to creating a green and low-carbon warehousing and logistics system based on innovative technologies and circular economy principles. In our warehouses, we actively promote the following green practices:

- Use 100% electric forklifts to reduce carbon emissions due to diesel consumption.
- Use high shelves for the high-density layout of unmanned warehouses, enhancing space utilization efficiency and achieving a shelf utilization rate of over 85%.
- Leverage smart terminals to replace the traditional paper sheets used in the material receiving, storage, inventory, and delivery processes, so as to realise the paperless operation of warehouses.
- Establish a standardized material recycling system and fully explore the potential for recycling and reusing packaging materials to reduce their consumption in transportation. In 2023, we recycled approximately 43,200 pallets, 578,000 intermediate bulk containers, 60,000 packaging boxes, 120,000 air cushion bags, and 600,000 waterproof bags. This initiative is equivalent to a reduction of 3,435.82 tonnes of carbon emissions.
- Collaborate with suppliers to establish a pallet recycling system. Through resale, sharing, and reuse, pallets are reused and the efficiency of resource utilization has been improved. In 2023, we saved a total of about 130,000 pallets.

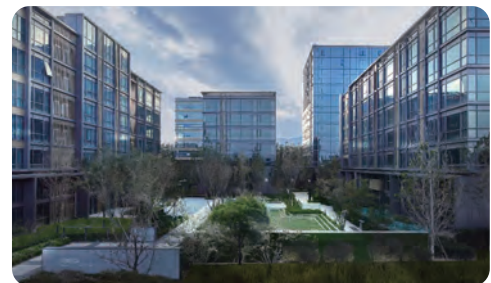
Green operation, green experience

To achieve carbon neutrality in operations by 20245, we uphold the principles of energy conservation and environmental protection, continuously improve our energy management system, and integrate the concept of green and low-carbon into our business operations. In 2023, the global headquarters of HONOR obtained the ISO50001 Energy Management System certification

We implement green operations in all parks, enforcing an inspection strategy to ensure the shutdown of air conditioning, computers, lights, and the closing of doors and windows to avoid energy waste. In offices and stores where circumstances allow, we deploy energy management systems to monitor and identify potential energy-saving opportunities, and promptly implement corrective measures to enhance energy usage efficiency. Starting from key energy-consuming equipment, we drive the implementation of multiple energy-saving technological transformation projects to support the Company's transition to low-carbon operations. In 2023, the average electricity consumption per person in the office parks decreased about 3% compared to 2022.

We advocate for green commuting and encourage employees to use public transportation. We also provide a total of 130 commuting buses and local shuttle bus service between office parks to reduce carbon emissions from driving. We are committed to promoting the clean energy transition of our vehicle fleet. We use EV shuttle buses in Shenzhen and Beijing. Electric buses account for 52% of all commuting buses and shuttle buses nationwide.

We give priority to renting green buildings with greater energy efficiency as our offices. HONOR Beijing office at Vanke Lake International has obtained the Leadership in Energy and Environmental Design (LEED) Gold certification. Our Shenzhen office at New Generation Industrial Park has obtained the two-star green building design certification. In our daily operations, we have achieved fully automated and paperless workflows by continuously improving the development of office platforms such as HONOR E, which allows us to enhance work efficiency and reduce resource consumption. In 2023, the paperless office system helped us reduce paper consumption by approximately 2.75 tonnes, which is equivalent to reducing 4.88 tonnes of carbon emissions¹. We have built an internal second-hand asset sharing platform for our people to publish their idle asset resources and reallocate them to other departments in need. This platform facilitates cross-departmental resource reuse and enhances resource utilization efficiency. In 2023, a total of 2,420 pieces of equipment were allocated through this platform, saving our procurement expense.



△ Vanke Lake International in Beijing



△ New Generation Industrial Park in Shenzhen

1. Calculated based on the China Products Carbon Footprint Factors Database (CPCD).

Meanwhile, HONOR is committed to enhancing employees' awareness of energy conservation and environmental protection. Through sharing relevant knowledge and organizing interesting activities, we continue to deepen their understanding of green practices and encourage application in work and daily life.

■ HONOR environmental protection – Activities for energy conservation and environmental protection

In July 2023, we held an environmental protection event at HONOR Pingshan Manufacturing Industrial Park . Employees were invited to participate in fun activities focused on energy conservation and emissions reduction, including DIY graffiti, knowledge quizzes, plant care, and waste sorting. We aimed to help employees relieve work stress while learning about environmental protection and integrating green practices into their daily lives.



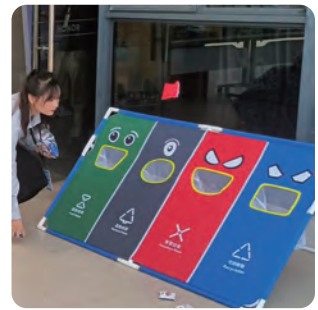
DIY Graffiti



Knowledge Quizzes



Plant Care



Waste Sorting

In addition to the office area, we also prioritize green environmental practices in our offline retail store operations. We integrate technology, fashion, and traditional cultural elements in our building designs and employ front-end design strategies to reduce energy consumption, contributing to energy conservation and emission reduction. For our street-facing retail stores, we incorporate adjustable translucent fabric curtains to increase the intake of natural light and reduce energy consumption. For instance, the second-floor facade of the Fuzhou flagship store features 185m² of translucent windows. In 2023, the power consumption of the Heating, Ventilation and Air Conditioning (HVAC) system on the second floor of this store decreased by approximately 12% per day. We utilize the energy-efficient SI4.0 lighting system with owned intellectual property. While similar 3C brands adopt large-area surface light designs, we pioneer the use of a point source lighting system, resulting in a 30% reduction in the energy consumption of lighting system.



In 2023, we launched the "paperless" program for our service stores. The processes involving paper documents such as acceptance forms, retrieval forms, and repair reports in the repair service scenario are all handled through online terminals, with retrieval passwords replacing the physical retrieval forms. The optimized service process has been simplified by over 50%, significantly reducing the amount of paper documents printed at the stores. The paperless service initiative currently covers over 400 service stores, with a 95% utilization rate. As we continue to expand our service store network, we aim to ensure 100% coverage in all of HONOR's authorized service centers. In 2023, the paperless service program allowed us to save 3.6 tonnes of printing paper and reduce carbon emissions by 6.3 tonnes¹.

Besides the spatial design and service experience, we incorporate the concept of green, health, safety, and efficiency within our stores. We continuously consider every detail of the consumer experience and aim to collaboratively build a sustainable and safe experiential environment with consumers. We have undertaken Environmental, Health, and Safety (EHS) audits and personnel empowerment in our self-operated stores. Any issues identified during the audits are promptly addressed, achieving a 100% issue closure rate. Regarding interior layout, we have established separate experiential zones with different color temperatures to reduce consumer fatigue. In two-story stores, we have lowered the step height of the stairs to enable children to use them safely and comfortably.



1. Calculated based on the China Products Carbon Footprint Factors Database (CPCD)

Green partners, build a green business ecosystem

HONOR firmly believes that only through open and inclusive collaboration with partners from all walks of life can we steadily progress towards a sustainable and bright future. We maintain close cooperation with partners across various industries worldwide, and envision a business ecosystem where technology harmoniously coexists with nature. By sharing our experiences and achievements on the path to sustainable development, we seek to explore sustainable solutions for future business endeavors, striving to realize our common "green aspirations". In 2023, HONOR continued to engage in in-depth discussions with partners, including the United Nations Global Compact (UNGC), to jointly outline a blueprint for green development.

UNGC 2023 Sustainable Development Conference in Mexico

In August 2023, at the UNGC 2023 Sustainable Development Conference in Mexico, HONOR presented the progress of the Company's seven ESG strategies to participants from around the world, and reaffirmed HONOR's goal of achieving carbon neutral operations by 2045.



UNGC "Forward Faster" CEO Roundtable

In October 2023, HONOR participated in the UNGC "Forward Faster" CEO Roundtable, and shared the Company's exploration, practices, and reflections in clean energy opportunities, value chain decarbonization, and eco-friendly materials. The objective was to collectively explore innovative, reliable, and effective sustainable development solutions.



East Tech West 2023

In October 2023, we participated in the East Tech West 2023. We engaged in in-depth discussions with industry partners on important topics such as "How companies integrate ESG into the processes" and "How the terminal industry can move towards sustainable development", and shared and discussed sustainable development solutions in the industry.



2023 China Circular Economy Development Forum

In November 2023, HONOR participated in the conference organized by the China Association of Circular Economy, attended the thematic discussion on "High-quality Development of Resource Recycling Industry" and engaged in roundtable dialogues. During the dialogue, HONOR offered perspectives on the current utilization of idle smart phones and emphasized customer demands. We discussed how HONOR collaborates with partners to involve more consumers in the electronics recycling process, continuously driving the development of the circular economy industry.



Forum on Urban Biodiversity and Sustainable Development

At the Forum on Urban Biodiversity and Sustainable Development hosted by the World Wide Fund for Nature (WWF) in May 2023, we shared our efforts in preserving global natural ecosystems and explored the feasibility of smart terminal companies in biodiversity conservation.



Opening ceremony of the "Green Wishes: Exhibition on Sustainable Lifestyle, Fashion, and Art" at Xiao Hui Wang Art Museum

HONOR was invited to participate in the opening ceremony of the "Green Wishes: Exhibition on Sustainable Lifestyle, Fashion, and Art" at Xiao Hui Wang Art Museum. Through art, we showcased sustainable practices from terminal enterprises, inspiring the audience to contemplate the present and future of sustainable concepts.



Reducing Ocean Plastics, Art and technology drives sustainable development

The HONOR Talents annual exhibition is held in the Modern Arts Museum in Mexico. In the Art Salon session, two Mexican judges, Julio Frías Peña and YUNUENE, discussed "technology as a tool for artistic expression towards sustainability" at the art and technology level. The unique discussion brought profound insights into art, technology, and environmental protection.



Additionally, YUNUENE exhibited two of her oil paintings. "Algae Rhythms" was also dynamically designed and adapted to the HONOR V Purse foldable phone. YUNUENE demonstrated and introduced its thinking on ocean protection issues in its design and explained the fresh ideas brought about by combining technological products and artistic concepts. As a co-founder of Diseña México, Julio Frías Peña presented the Diseña México 2023 is to address environmental issues, targeting plastic reduction in oceans. He hopes students can express their ideas and thoughts about environmental protection through artistic design.

In 2023, HONOR collaborated with Diseña México, and created two core awards to help young designers incubate their ideas on reducing plastic in oceans. We aim to boost ocean biodiversity and drive sustainable development with art and technology.

In addition, HONOR actively responds to national policies. We have combined ESG strategies and business characteristics to establish a green and sustainable development financial framework, providing principles, policies, and action guidelines for the Company to engage in green financing activities. We aim to ensure that our green projects receive reliable financial support, thereby safeguarding long-term stable and sustainable development.

We have established medium-to-long-term partnership with multiple banks on Sustainability-Linked Loans (SSL), providing financial support for the implementation of seven major ESG strategies, including green environmental protection. Our green finance projects adhere to the Sustainability Linked Loan Principles (SLLP) issued by the Asia Pacific Loan Market Association, where the loan interest rates are linked to our performance indicators in the ESG strategy. The selection of key performance indicators (KPIs) for green loans, validation of sustainability performance targets (SPTs), loan characteristics, information disclosure, and verification are evaluated and demonstrated by independent third-party entities to ensure the reliability and authenticity of the information. Furthermore, we commit to engaging independent third-party organizations annually to conduct ongoing tracking and verification during the continuance of the SSL, and to disclose validation reports externally.

■ HONOR received the first SSL from the Industrial Bank

In September 2023, HONOR received its first SSL from the Shenzhen Branch of Industrial Bank. This loan is focused our ESG strategies, specifically targeting green environmental protection and technology for good. It incorporates sustainable performance indicators and links the loan interest rate to these indicators. This incentivizes us to continuously drive the realization of sustainable development initiatives, achieve our ESG strategic objectives, and enhance our performance in the critical areas of green environmental protection and technology for good.



△HONOR awarded the "Excellent Cases of High-Quality Development of Green Finance in 2023" by the Shenzhen Green Finance Association

Your Privacy Our Priority

SDGs in this chapter:



Privacy and Security

Highlights

Certification on privacy protection and security

We have newly obtained a series of authoritative certifications such as ISO/IEC 27701, ePrivacyseal, PCI DSS, TEE, FIDO, UPDSS, and "Double List" certification for mobile internet Apps

200 Million

We have intercepted over 200 million pieces of fraudulent

12,000

In 2023, we have responded to more than 12,000 data subject requests.

Innovative privacy functions

We have launched a variety of terminal privacy functions and services, including Parallel Space, Privacy Moment, and Privacy Assistan

AI governance

We have built a responsible AI governance framework in view of the AI lifecycle

60

We have led or participated in the formulation of over 60 released or approved standards on privacy and security

TAI-U model

We have established the TAI-U model based on privacy Impressiveness and user journey and integrated AI governance into our business operations

Sound privacy management system



HONOR has established a complete three-tier organizational structure for privacy protection. The Global Cybersecurity and Privacy Protection Committee serves as the highest management organization for cybersecurity and privacy protection, positioned as the decision-making level. The Global Cybersecurity and Privacy Protection Officer is appointed as the Committee Director and reporting to the CEO. The Joint Privacy Committee is responsible for the day-to-day management of privacy protection and is positioned as the business management level, with the Privacy and Compliance Department supporting its daily operations and reporting to the Global Cybersecurity and Privacy Committee. Each business organization and regional organization has appointed privacy engineers, responsible for the implementation of the privacy protection work, positioned at the executive level.

With the Generally Accepted Principles and Practices (GAPP) as the framework and the Personal Information Protection Law of the People's Republic of China and EU General Data Protection Regulation (GDPR) as the basis, HONOR has formulated and published the Overall Privacy Policy, the Privacy Protection Management Regulations, the Privacy Compliance Baseline and other management requirements, to ensure that HONOR's global businesses comply with the laws, regulations and standards of relevant countries or regions.

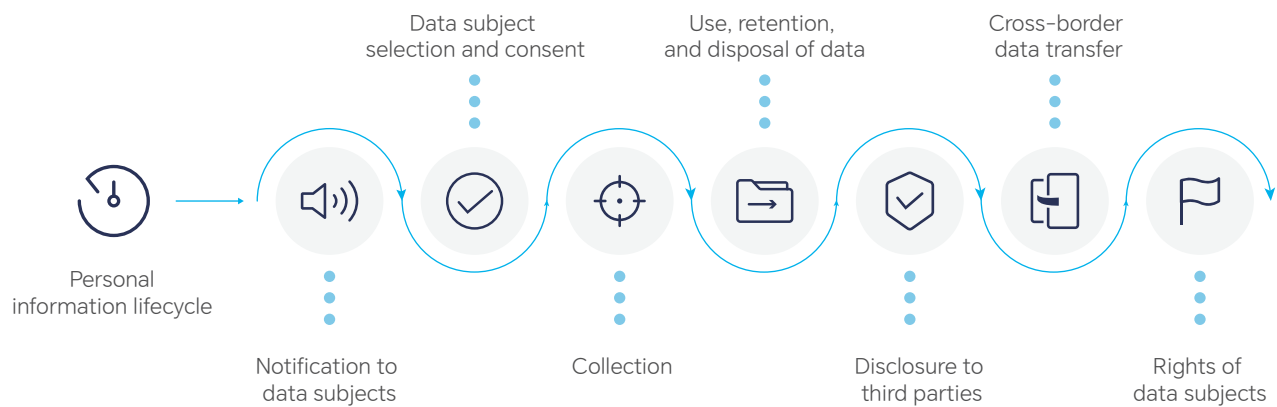
HONOR ensures the effective implementation of privacy requirements in business processes by embedding relevant requirements in processes and executing, evaluating and optimizing the processes.

HONOR upholds the corporate culture of "Privacy and Security for All" . To ensure that each employee accurately understands the Company's requirements for user privacy protection and strictly implements relevant policies and processes, HONOR has established a comprehensive privacy protection training system for all employees (including new hires), privacy practitioners, and managers. By the end of 2023, the number of HONOR IAPP (International Association of Privacy Professionals) licensees reached more than 60.

HONOR systematically builds a one-stop privacy protection management platform, including a privacy security knowledge community, a privacy security tool library, and a privacy security digital operation platform to support efficient management and operation of privacy protection business.

Protect personal information during the whole lifecycle

Based on the GAPP, HONOR has established a long-term mechanism for personal information protection to ensure full life-cycle protection for users. The mechanism covers all stages of personal information processing, including notification to data subjects, data subject selection and consent, collection, use, retention and disposal, disclosure to third parties, cross-border data transfer, and rights of data subjects.



In 2023, we have responded to more than 12,000 data subject requests

Integrate privacy protection into product development process

Protecting user privacy is the most basic prerequisite for HONOR to provide products and services. From product design to service provision, HONOR takes a full account of how to better protect user privacy in every link and how to allow users to have independent control over their personal data.

Active prevention in the product development process

Strict review before product release

Comprehensive support in product operation and maintenance

Management of product after-sales service system

Provide users with a comprehensive privacy protection experience

Information misuse prevention

Common ways of misusing personal information include excessive permissions requested by Apps, denial of service without giving permissions, background retrieval of personal information by Apps, and malicious reading of clipboard information. The HONOR phone(s) provides in-depth detection of privacy risks based on minimal permission granting, visualized permission usage and intelligent permission revocation to enable users to understand the privacy and security status of their phones in real time. With these functions, users can systematically prevent the misuse of their personal information.

Since 2023, the number of users using the HONOR Privacy Newsletter has significantly increased. We have helped users resolve privacy risks more than 1.35 million times, making privacy risks identifiable and controllable.

"Minimal Permission Recommendations" to ensure a minimal number of permissions granted

"Privacy Access History" to allow access to information at any time

"Privacy Assistant" to provide in-depth detection of privacy security status

Clipboard contents automatically deleted to prevent malicious reading

Harassment protection

Users often appear to be harassed in the daily use of mobile phones, with common harassment including marketing SMS, marketing calls, fraudulent calls and App notifications. HONOR phone(s) can effectively intercept or block such harassment.

"Intelligent Identification" to prevent telecom fraud

Smart authorization to reduce pop-up interruptions

Data disclosure protection

Personal information leakage will lead to serious consequences, while personal information can be leaked in a variety of ways. HONOR Mobile has built a systematic security mechanism from hardware security, system security, data security and application security to protect users personal information security.

"Repair Mode" to ensure privacy during after-sales services

One-click removal of personal information to ensure privacy during photo sharing

"HONOR Parallel Space" pretends to have a second mobile phone which runs in isolation without interfering with each other

Protect user behavior from being tracked

Behavior tracking is one of the most worrying issues for users. Common situations of being tracked include location and trajectory tracking, acquisition of operating behavior and usage habits in cyberspace, and tracking of device identifiers and Wi-Fi MAC addresses. HONOR Mobile reduces or prevents users behavior from continuous tracking through technical means such as anonymous device identifiers and fuzzy location.

"Position Fuzzification" to stop Apps from tracking location

Detection of unknown Bluetooth TAG to prevent malicious tracking

"Privacy Moment" to provide excellent privacy experience

Snooping prevention

During daily use of mobile phones, the content on the phone screen may be seen by others, photos may be viewed by borrowers when the phone is borrowed, and conversations may be overheard in crowded places (i.e., subway or elevator), causing unnecessary embarrassment and trouble. HONOR phone(s) provide systematic solutions for scenarios such as screen projection, sound leakage, phone repair, and phone borrowing.

Privacy protection during screen projection

"AI Privacy Call" to prevent sound leakage

* The privacy functions described in this chapter may vary depending on the product model and system version; Please refer to the specific product model for accurate information.

Build privacy and security ecosystem with stakeholders

HONOR is committed to becoming a global iconic technology brand, which builds all-scenes, faces all channels, and serves all people. HONOR chooses to continue to innovate and build a privacy security ecosystem with excellent partners to provide users with the ultimate all-scene smart life experience. HONOR has taken multiple measures to improve its own privacy and security capabilities while actively empowering the industry to build a privacy and security ecosystem. We maintain an open attitude towards external cooperation and engage in in-depth discussions with regulatory agencies, standards and industry organizations, academic institutions, developers and users on various challenges to privacy protection.

Governments and regulators

HONOR carries out in-depth cooperation with relevant parties to minimize users, governments and regulators' fraud risks and safeguard their property security. As of December 2023, HONOR has intercepted over 200 million fraud attempts, including blocking fraudulent Apps over 7.15 million times, over 93.95 million fraudulent messages, and over 137.87 million fraudulent calls, helping users avoid fraud risks over 12,000 times.

Industry standards organizations

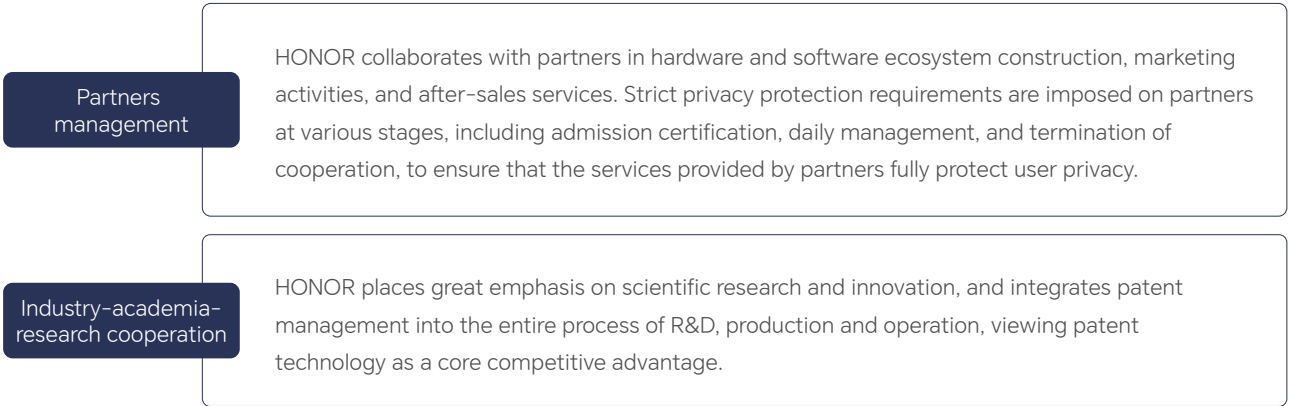
HONOR closely monitors the progress of the industry's standardization effort on privacy and security and has established a special team to participate in standard setting. We joined several standards and industry organizations, such as the National Technical Committee 260 on Information Security Standardization (TC260), the China Communications Standards Association (CCSA), and the Telecommunication Terminal Industry Forum Association (TAF) at the beginning of our establishment. Under the guidance of the Ministry of Industry and Information Technology and the Cyberspace Administration of China, we actively participate in the standard system construction and industry development for personal information protection, data security, AI security, telecom anti-fraud, and minor online protection. In particular, we worked together with the China Academy of Information and Communications Technology to complete the "Research Program on the Protection of Personal Information of Minors". By the end of 2023, HONOR had led or participated in the formulation of over 60 privacy standards on privacy and security.

Hardware ecosystem privacy and security

HONOR has created a people-centered, cross-device and cross-system smart solution for users' daily life. Therefore, users can enjoy a seamless experience in all scenarios and manage the privacy and security of the hardware ecosystem through MagicRing trusted ring and eco-product access controls

Software ecosystem privacy and security

HONOR manages the privacy and security of the software ecosystem by implementing privacy controls over open capabilities and the application market.



Information and Communications Bureau, MIIT of China, launched the collection of excellent cases of Internet application service capacity enhancement, while the case “Enhancing Terminal Security Guardian Capability” (Magic OS Shake advertisement control / Anti-telecom fraud / Rogue advertisement prevention and control) which HONOR submitted has won 2023 “Best Practice of Enhancing Mobile Internet Application Service Capability. Meanwhile, “Smart permission recommendation” “Position fuzzification” and “Private access to calendar memo” are awarded as excellent case by China Academy of Information and Communications Technology.

There is more we can do to protect privacy

■ Protect children's privacy in the digital world

In the face of a complex network environment, protecting children's rights has become a topic of public concern. HONOR's products prioritize child privacy protection and offer exclusive services such as Child Account, Kids Mode, and HONOR AI Space – Family Space to protect children's privacy in the digital world.

Child identification is a prerequisite for providing child privacy protection. HONOR identifies children through Child Account and Kids Mode. After identifying a child, HONOR provides users with parental authorization, default privacy protection, content control, remote management, and other features to protect children's privacy and security.

HONOR provides a child account feature that includes a real-name authentication process. Through the Parental Consent Form, HONOR clearly informs parents or guardians of the information required for HONOR to provide services to their children, so as to ensure that parents or guardians can understand HONOR's personal information processing activities and enable them to have intuitive and complete controls. When logging into a child account, it is possible to automatically identify the child's identity and implement functional restrictions or child protection measures.

HONOR's terminal products enable a Digital Balance – Kids Mode at the operating system level. After activating the Kids Mode, the system will impose content restrictions, anti-advertisement tracking, and other restrictive measures to safeguard the privacy and security of children.

HONOR also offers child privacy protection features based on the 'Smart Space – Family Space'. Parents or other guardians can associate child devices through Family Space for remote monitoring, remote location viewing, geographical boundaries setting, and anti-fraud reminders, thus better safeguarding the privacy and security of children.

■ Take care of elders to stay away from online scams

With the development of the economy and the accelerated pace of an aging society, some unscrupulous individuals set their sights on the elderly utilizing, widely use financial and information communication technologies to commit telecommunications frauds, causing serious harm to the property security and physical and mental health of some elderly people. HONOR has always been concerned about the cybersecurity of the elderly population, helping them stay away from online scams by providing anti-fraud features and promoting knowledge of fraud prevention and privacy protection.

HONOR phone(s) offers a series of functions including virus scanning, harassment interception, malicious URLs detection, anti-fraud detection, Wi-Fi detection, anti-counterfeit base station, and external source application installation reminders. Such functions could significantly reduce the likelihood that older users fall victim to SMS scams, fraudulent calls, and malicious Apps.

The HONOR Club provides a "Safety and Privacy Protection" section, regularly publishing privacy and anti-fraud knowledge. Elderly users can learn about and enhance their awareness of privacy protection and fraud prevention in the club.

■ Achieve autonomous control over personal information by HONOR Health

HONOR Health can record and analyze users' exercise and health data, involving sensitive personal information. Once illegally shared or leaked, user privacy may be at risk. HONOR protects user privacy and data security by default through uploading data to the cloud, sharing information under user control, and encrypting data during transmission and storage.

HONOR Health does not collect user personal information by default and only does this with user consent. When conducting statistical analysis and user experience improvement, differential privacy technology is used to add interference to user data, making it impossible for the cloud to access the user's real data, thus ensuring user privacy and security.

HONOR Health by default stores exercise and health data locally. Users can decide to back up the data to the cloud as needed for cross-device data synchronization, with the option to clear cloud data at any time. Additionally, users can choose to share exercise and fitness data with other applications or users as needed and can stop data sharing at any time to achieve user autonomous control.

HONOR Health also provides comprehensive data security protection, offering end-to-end secure transmission channels. All data uploaded to the cloud are encrypted using encryption algorithms before storage.

■ HONOR Smart Space to safeguard family's privacy and security

HONOR AI Space is a unified management platform for HONOR full-scenario intelligent devices. It can find, connect, and manage HONOR full-scenario devices and HONOR Connect ecosystem intelligent products, thus achieving the interconnection of intelligent devices, building exclusive intelligent scenarios, and providing a brilliant intelligent space. HONOR AI Space connects numerous third-party smart home devices. Once the third-party smart devices are invaded or controlled, it will result in a violation of users' private space and privacy. HONOR protects the privacy and security of users and their families through comprehensive security technology measures, privacy and security controls for ecosystem products, and the Family Space feature.

HONOR employs multiple security measures to ensure access authentication, transmission, and storage security from IoT devices to phones and to the HONOR AI Space servers. This includes client identity authentication, support for end-to-end secure transmission channels, encryption of transmission channels, and encryption of sensitive data stored.

HONOR conducts due diligence on ecosystem product vendors involved in the collection and storage of personal information to ensure that they have appropriate privacy protection capabilities. Additionally, HONOR sets clear privacy and security requirements for ecosystem products, such as classifying and grading ecosystem products based on the product types and data sensitivity, requiring ecosystem products that process personal information to publish a privacy statement, conducting privacy security testing for ecosystem product access, and conducting privacy security reviews for the launch of ecosystem products. HONOR AI Space provides a "Family Space" feature, allowing parents or other guardians to associate family devices through 'Family Space' to achieve remote monitoring, remote location viewing, geographical boundaries setting, anti-fraud reminders, etc., so as to better protect family privacy and security.

Responsible AI governance

The rapid development of AI technology has emerged as a new general technology and AI is widely applied across various sectors. While driving socioeconomic development and enhancing consumer quality of life, AI has also brought forth a series of legal, ethical, and social issues, which becomes a "must-answer question" for technology development in the electronics consumer goods industry.

In 2023, HONOR released the "Overall Policy for AI Business Governance" within the Company, aimed at standardizing the Company's AI business governance, so as to comply with external laws and regulations and provide users with "Trusted + Responsible" AI services. The policy outlines 5 principles (PFAST) of AI governance at HONOR:

Privacy	Privacy is a fundamental right of users, and all activities of AI businesses should consider how to better protect user privacy and safeguard users' data subject rights
Fairness and Justice Accountability	AI businesses should adhere to common human values and ethical principles, respect differences in users' religious beliefs and cultural traditions, and treat different social groups fairly, justly, and inclusively to prevent discrimination and bias
Accountability	AI businesses must strictly comply with laws, regulations, ethical principles, and relevant standards and have the ability to assess, record, and self-prove compliance with the above principles
Security and Reliability	AI businesses must strictly comply with laws, regulations, ethical principles, and relevant standards and have the ability to assess, record, and self-prove compliance with the above principles
Transparency and Control	AI businesses should operate in a robust, secure, and reliable manner, with necessary security measures to safeguard the security of user data and information services and be able to resist malicious attacks

Based on 5 principles of AI governance, HONOR has constructed an AI governance system architecture from data governance, model governance and service governance:

AI Data Governance	AI business should respect the legitimate rights and interests of users and others over data, take effective measures to control illegal and undesirable information in data, and strengthen the quality management of data training
AI Model Governance	AI business should establish a full-process model governance mechanism to improve model security and reliability by controlling models operation in introduction, training, optimization and online implementation
AI Service Governance	AI services should provide transparent and controllable services, turn on the service under users authorization, provide the user with a clear and unambiguous description of the service content, the basics of the algorithms and the personal data being processed, as well as provide a convenient method to exit and turn off the AI service

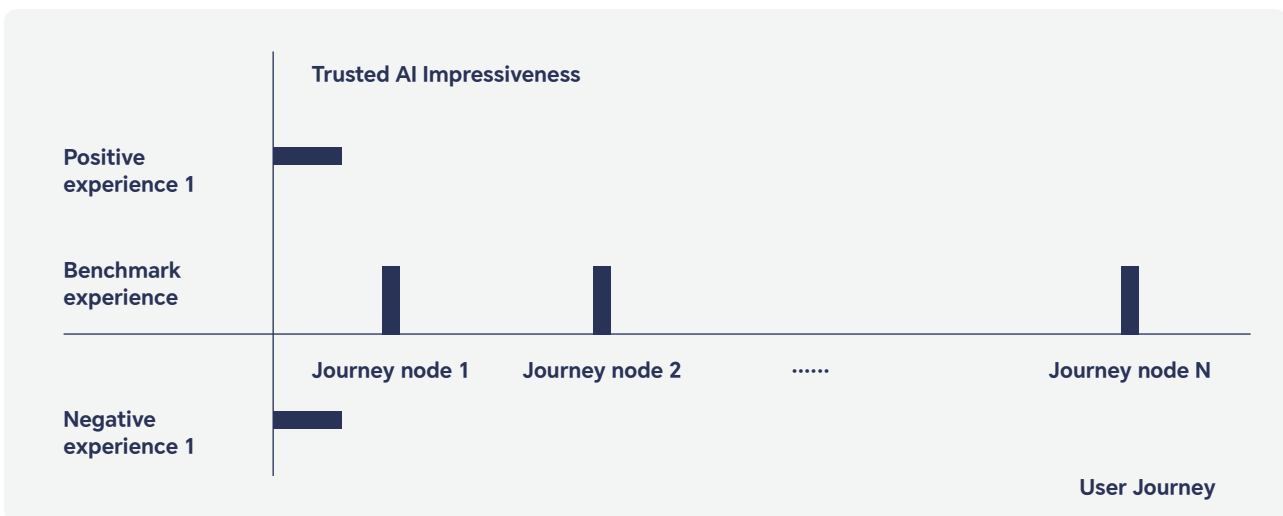
In addition, HONOR strengthens AI business governance through innovative technical solutions and product design schemes.

HONOR's MagicOS on-device large language model

HONOR officially released the MagicOS on-device large language model and developed with Qualcomm for deep debugging. This self-developed 7-billion-parameter on-device large language model has been deployed on the Snapdragon 8 Gen3, running smoothly and efficiently. Different from other approaches that compress large models from the cloud to the device, HONOR's MagicOS on-device large model is the evolution and upgrade of platform-level AI, which is a leap from perception to cognition (perceptual capability - perceiving user behavior and geographical location, and providing intelligent recommendations; cognitive capability - in-depth and comprehensive learning and understanding of user digital content, and making decisions and analysis based on more factors to achieve more accurate intent recognition and personalized services). The platform-level AI empowered by the on-device large language model can better train user personal data and achieve a deeper, more accurate, and more nuanced understanding of user intent. Besides, the personal knowledge base accumulated on the device is transferable, inheritable, and growable. As on-device AI learns and grows with user personal data and habits, it can understand user intent more deeply and bring more personalized services in complex scenarios. As such, the operating system can be more personalized, making the phone more user-friendly and truly achieving personal privacy protection.

Design schemes to enhance user trust

To integrate AI governance into business design, we have launched the "Trusted Design" project to establish the TAI-U model based on two dimensions, namely Trusted AI Impressiveness and User Journey. This scheme provides references for work content segmentation and progress measurement in the product design phase, which enhances the matching between user mental models and interactive interfaces and is conducive to establishing a positive product service image.



In the HONOR TAI-U model, the horizontal axis represents the process of users using product services, and the vertical axis represents users' positive or negative experiences of trust and security in AI services. Through user research, industry common practices comparison, and governance rules decomposition, we have established a design principles checklist for trusted AI Impressiveness, including positive experiences, benchmark experiences, and negative experiences. We are committed to eliminating all journey nodes falling into negative experiences in the user journey to fully optimize users' experience of trust and security in AI services.

Tech for Good Enjoy a Better Life Together



SDGs in this chapter:



Tech for Good

Highlights

3,400,000

As of the end of 2023, ScreenReader benefited over 3,400,000 users

590,000

In 2023, Color Correction benefit benefited over 590,000 people each month

470,000

As of the end of 2023, Call Subtitles benefited over 140,000 people each month

200,000

In 2023, Select-to-Speak benefited over 200,000 people each month

140,000

As of the end of 2023, Call Subtitles benefited over 140,000 people each month

800,000

As of the end of 2023, AI Subtitles benefited over 800,000 people each month

520

In 2023, we engaged in face-to-face interactions with nearly 520 hearing-impaired users to promote accessibility to information

26

In 2023, we completed and implemented elderly-friendly projects, and HONOR Magic and X series was certified as elderly-friendly

20,000

In 2023, Remote Caretaking benefited over 20,000 people each month

6

In 2023, HONOR actively participated in the creation and promotion of six industry standards focused on the protection of minors

1 Billion

Over the next three years, HONOR will invest over 1 billion yuan in research and development, particularly advancing into the relatively unexplored field of eye protection research

500,000

In 2023, HONOR Magic Moments mobile photography project received a total of 50,000 global submissions

Bridge the digital divide by technology and create a better future

As digital technology continues to evolve, the new and rapidly changing technologies have unintentionally widened the digital divide with the disadvantaged in society. According to the China Disabled Persons' Federation and other data providers, approximately 17 million people have low vision and over 27 million are hearing impaired in China. National economic data released by the National Bureau of Statistics in early 2022 shows that China's elderly population over 60 years old exceeds 267 million, accounting for 18.9% of the country's population. Restricted by the physical environment and their own conditions at different levels, people with disabilities experience obstacles and difficulties in accessing, utilizing, and leveraging information. HONOR upholds the concept of technology for good and is committed to enabling equal access for everyone to share the benefits of technological development and enjoying the convenience brought by digital life. In order to bridge the digital divide for people with disabilities, we have set up a working group on accessibility to analyze the problems they face in using mobile phones, listen to their opinions, explore user needs and application scenarios. We also continue our efforts to advance technological innovation to deliver an ultra user experience.

Vision, at your fingertips

In this digital world, visually impaired users will find it incredibly difficult to use electronic products and will be unable to keep up with the rapidly evolving information environment without appropriate voice assistive technologies. Limited by visual impairment, complicated operations and mass data will only trap visually impaired users in an "information silo" and become a barrier to accessing what they want. To improve the experience for visually impaired users, we continuously optimize the mobile phone functions to help them better enjoy digital products in every detail, aiming to benefit all people with our technological achievements.

ScreenReader makes life easier

When ScreenReader 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. By the end of 2023, ScreenReader had benefited 3.4 million users.

Select-to-Speak empowers your control of reading

Select-to-Speak enables users to freely choose reading content. With Select-to-Speak, more digital materials in form of text and image become accessible to users. Audiobook is no longer the only format for them to access digital information. In 2023, Select-to-Speak benefited over 200 thousand people each month.

Magnification enables clearer views

The magnification gesture allows users to adjust the screen by quickly zooming in on screen content when they cannot see clearly. In 2023, Magnification gesture benefited over 470 thousand people each month.

Color Correction brings true colors back to life

Color Correction can better meet the needs of users with color blindness or weakness, helping them read the screen more easily. In 2023, Color Correction benefited over 590 thousand people each month.

Dark Mode provides a clear display

Dark Mode increases contrast to make the screen sharper and clearer in dim lighting environment.

Visualize all audios on your phone

For normal hearing people, video conferencing, online education and live streaming have already become part of their daily life. It is also common to receive a phone call from a delivery person after ordering take-away food. However, the hearing-impaired users confronted with great challenges due to limited access to information and are at a loss when exposed to those online activities. HONOR carefully guards each and every hearing-impaired user, and insists on listening to the voice of users and meeting their needs. Meanwhile, HONOR is committed to bridging the digital divide between the hearing impaired and normal hearing people through technology.

Currently available on HONOR' s phones, laptops, tablets, watches, etc., the hearing assistive features supports the conversion of speech to text, enabling hearing impaired users to communicate smoothly with normal hearing people.

■ Call Subtitles

In March 2023, HONOR launched the Call Subtitles feature in the dialing interface. Once enabled, users can touch the "Call Subtitles" button to convert the speech to text in real time during a phone call. Hearing-impaired users can text on the screen and the information will be converted to speech for the recipient. The most unique advantage of Call Subtitles is that it enables on-device mode for translation on mobile phones. Even without WiFi and data connection, real-time conversion of speech and text is still available. This allows hearing-impaired users to use the phone safely in elevators, underground garages, subways and other places with poor signals. The number of monthly active users has grown exponentially since Call Subtitles was launched. By the end of 2023, nearly 140 thousand users had benefited from the feature each month.

■ AI Subtitles

The AI Subtitles feature has been installed on HONOR' s phones, tablets, and certain models of HONOR laptops. This feature can help hearing-impaired users to access content from live streaming, online courses, or other non-subtitle videos, facilitating their learning and social activities. It not only supports real-time speech-to-text conversion in face-to-face communication, but can also convert and translate speech in multimedia programs, such as adding subtitles to a live show, and translating subtitles from English, Japanese and Korean subtitles into Chinese. In November 2023, "AI Subtitles" on HONOR' s phones and tablets was updated, making HONOR a terminal manufacturer to realize offline speech-to-text conversion in face-to-face communication. This enables hearing-impaired people to convert speech to text and vice versa anytime, anywhere, even offline. Tests have shown that HONOR' s AI Subtitles has the best performance among terminal manufacturers in terms of word accuracy and translation speed. By the end of 2023, AI Subtitles had benefited nearly 800 thousand users each month.

■ Notes

HONOR has launched a new note-taking feature on mobile phones and tablets. Specifically, in meetings, classes or other scenarios, one can record the speakers' speech from the notes interface, and then convert it to text, making it easier for users to read and understand. Hearing-impaired users can benefit from this feature.

■ Hearing Aid Connection

The Hearing Aid Connection feature turns the hearing aid into a "wireless earphone" . While wearing hearing aids, users can connect them directly to their mobile phones. In addition to the hearing aid function, users can directly make or receive phone calls, watch TV programs, listen to music and more through mobile phones connected to hearing aids, gaining easier access to the digital world.

■ Speech-to-Text Conversion for Wearables

Wearables are essential for the hearing impaired. We have integrated the notification of a number of features into the vibration of the watch, which can be felt by hearing-impaired users, so that important information is not missed.

■ Flash for Alerts

Our users gave us feedback in 2023. Specifically, hearing-impaired users always miss incoming calls or messages, so they want us to introduce a new feature, LED flash for alerts, as a reminder for calls and messages. In response, we launched the Flash for Alerts feature in late 2023. Incoming calls, notifications and alarms would trigger the LED on the phone to flash. We also introduced screen flashing to ensure that important information is not missed.

Ensure digital inclusion for the elderly and the children

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.

China has entered the aging era. 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. In 2023, HONOR had implemented 26 projects to meet the demands of this aging population. HONOR Magic series and X series have gained certifications for elderly-friendly design.

Simplified mode makes phones easier to use

Simplified mode 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 enjoy technological benefits.

Remote caretaking provides close companionship anywhere

We have developed HONOR Parental Control¹, a remote caretaking platform, to check the location and operation status of parents. This app features various functions such as reminders for inactivity and remote location tracking to bridge the gap between children and their parents, providing constant and reliable companionship.

Scam alerts empowers fraud prevention

The scam alert function 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.

1. HONOR Parental Control is now upgraded to HONOR AI Space

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
Parental Control¹

Parents can manage children's mobile phones/tablets remotely with the Parent Control feature. This feature allows parents to set "screen time limits" for their children to ensure they are using the device appropriately.



Eye Protection
Mode

HONOR 100 has introduced the Oasis Eye Protection Screen to protect eyes from flickering, excessive or low brightness, and blue light. Meanwhile, HONOR Pad 8 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.



Parental Control

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.

1. HONOR Parental Control is now upgraded to HONOR AI Space

At the same time, HONOR has created the first tablet to be certified with minor protection according to national standards. The HONOR Pad X8 Pro offers both device-end protection and remote caretaking modes for child protection, which involves apps management, screen time setting and hearing protection. These two modes help children use the tablet for effective learning in a healthy way, making parents feel more assured. The HONOR Pad X8 Pro has passed the first product compliance test and received the first domestic intelligent mobile terminal product certification for minor protection issued by CESI Certification Co., Ltd. under the China Electronics Standardization Institute (CESI).

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

■ Tech for good - Support youth education and development

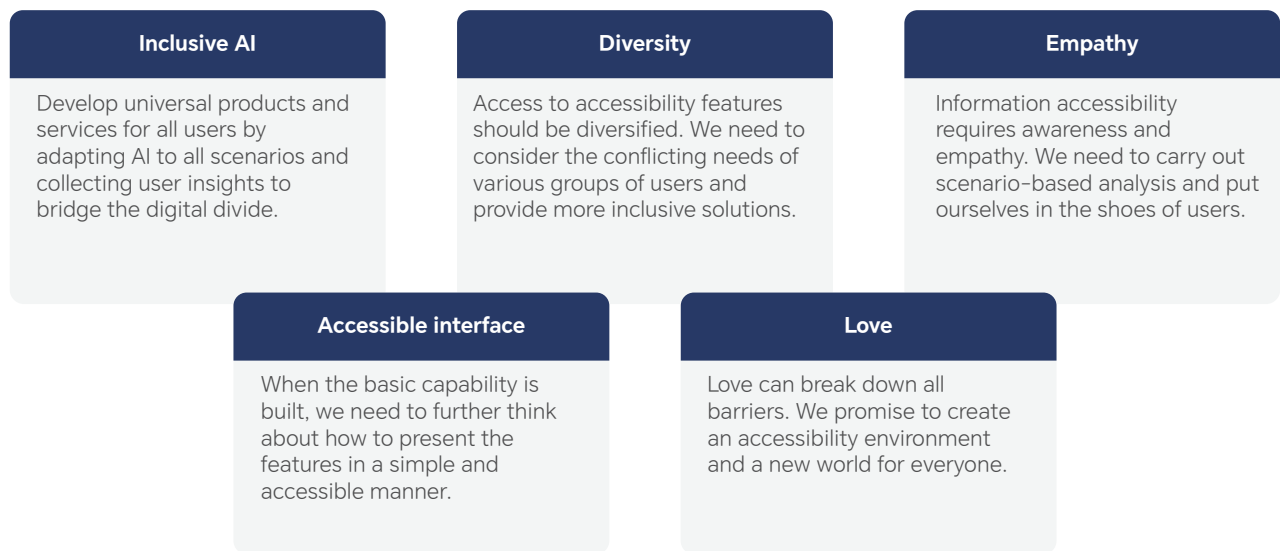
In 2023, HONOR practiced the concept of tech for good in remote areas of Mexico. Together with Eduardo Dondé de Teresa, President of Fundación Dondé, and others, HONOR held an HONOR tablet donation ceremony at the education center on the outskirts of the Mérida, Yucatán, Mexico. Fundación Dondé is a Mexican non-profit organization that fosters the capacity of children and teenagers in marginalized communities to explore. In its century-long history, Fundación Dondé has established more than 100 education centers in remote areas of Mexico, reaching more than 750 thousand children and teenagers.

HONOR visited one of the education centers, participated in a psycho-educational and botanical knowledge development course for the students and donated HONOR tablets. The donation will help integrate modern technology into local education to foster students' awareness of independent learning through technology and sharing of technological knowledge, and to build their self-confidence and perseverance. By doing so, no one will be left behind in the world of science and technology. In the future, HONOR will deepen its partnership with Fundación Dondé to bridge the digital divide in remote areas and promote the youth education and development.



AI empowers extensive accessibility

Information accessibility aims to make information equally and conveniently accessible and usable for everyone in every scenario. In the digital era, information accessibility not only benefits individuals with disabilities, but is also closely related to every person's life. Healthy people can also face barriers to accessing information in certain scenarios, such as receiving a phone call when their hands are greasy in the kitchen, being unable to move due to a sports injury, or being unable to answer a phone call in the middle of a meeting with their boss. 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. Based on the principle of IDEAL, HONOR has worked hard on addressing such bothering issues with technology.



14.9million

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 14.9 million.

340million

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 over 340 million times each month to provide smart services, a year-on-year increase of 78.9%.

927partners

HONOR hopes to improve the exposure of third-party apps to target users through MagicOS, thus promoting their business. By the end of 2023, MagicOS had been used by 927 third-party partners through YOYO Suggestions, improving efficiency for millions of users every month.

HONOR launched MagicRing in 2022 to provide millions of users with a new way of cross-device information transferring, enabling consumers to effectively achieve high-level connection upgrade in an easy manner. In July 2023, MagicOS was the first system to introduce the function of far-field networking and transmission and apply it to the connection between mobile phones and watches. This breaks the physical distance limit of Bluetooth connectivity between devices and alleviates users' fears of missing important information. When users are engaged in sports, cleaning, cooking and other activities where it is inconvenient to carry a mobile phone, HONOR Watch can be used as an information receiving center, synchronizing information and incoming calls from mobile phones using MagicRing's far-field transmission function, without the distance limitations of Bluetooth.

Technology enriches people's lives. Since their launch, HONOR Magic Portal and Magic Capsule have provided users with a new way of service interaction, offering an efficient and direct pathway for users to access what they need. These features leverage sophisticated information extraction frameworks and user intent detection to improve the service experience across eight key scenarios, including travel and everyday living. They provide not only a more personalized and efficient user experience but also encourage the efficient utilization of resources, showcasing technology's vital role in promoting sustainable development and enhancing societal well-being.

Get closer to users to deliver better services

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. HONOR is committed to bridging the digital divide for people with disabilities. We listen to the needs of special groups to improve our accessible services, so that every user can equally enjoy the convenience of technology.

Love can break down all barriers. We have built a “human-centric” service network, and conducted the “love can break down all barriers” information accessibility exchange activities in many places. We hope that through such activities, we can create a platform for the Accessibility R&D team to interact directly with the vulnerable groups, encouraging more people to participate and share their experiences. In this way, we can know the most authentic “user voices” to promote the rapid development of our accessibility features and services. As a result, smart products can benefit the disadvantaged and help them enjoy the convenience of smart devices with greater ease.

■ “Love can break down all barriers” information accessibility exchanges

In 2023, we organized offline “HONOR Information Accessibility” exchanges in various cities including Beijing, Taiyuan, Zhengzhou, and Chengdu, where we met face-to-face with over 520 hearing-impaired users. We listen closely to their voices, understand their needs, and guide them through the use of hearing accessibility features. We want to better understand the needs of these users through these activities, use technology to make the digital world more accessible and create a warmer, more convenient communication environment for those with hearing impairments.

“HONOR's AI and call subtitle functions are top-notch; I'm a huge fan of these accessibility features. A big thank you to HONOR for their commitment to accessibility. When every barrier is removed, the glow of AI shines so bright.”

— Message from a participant



Industrial cooperation for common progress

We have made unremitting efforts to promote the development of accessibility industry standards, and actively participated in the drafting of information accessibility, protection of minors and other related standards by industry associations. Meanwhile, we have actively participated in industry and information accessibility and other professional forums and related activities to promote industrial development.

In 2023, HONOR actively promoted the development of industry standards.

- Engaged in the formulation of the Technical Requirements and Testing Methods for Information Accessibility Smart Campus Intelligent Terminals led by the China Academy of Information and Communications Technology (CAICT)
- Engaged in the formulation of the national standard of General Specification for the Protection of Minors in Intelligent Mobile Terminals led by the CESI
- Engaged in the formulation of the industry standards of the Technical Specification for the Protection of Personal Information of Minors in Mobile Internet Applications and the Implementation Specification for Informing Consent for the Processing of Personal Information of Children in Mobile Internet Applications (APPs), and the group standard of Technical Requirements for the Protection of Minors in Mobile Terminals, led by the CAICT, etc.

In 2023, HONOR also actively participated in relevant industry forums and activities, working with peers to promote the development of accessibility

- Joined the Internet Industry Social Responsibility Construction Working Committee under the Internet Society of China, became a member of the second batch, and participated in the Responsibility Forum activities to promote the sound development of the Internet industry.
- At the seminar on tech for good to drive high quality development, we discussed the relationship between technology and the good, how enterprises can contribute to the development of public welfare, and other topics related to the theme.
- Participated in the 9th China International Silver Industry Exhibition, delivering keynote speeches on “Smart Life without Barriers to Information Accessibility” and “Developing Warming Technologies” to share HONOR’s progress in accessibility.

■ HONOR at the 2023 Technology Accessible Development Conference and the Accessibility Joint Conference.

On May 29, 2023, the 5th Technology Accessible Development Conference was held in Beijing. Xu Zhiyu, Senior Vice President of HONOR, was invited to the conference. He gave a keynote speech on “Developing Warming Technologies”, and participated in the Accessibility Joint Conference. The theme of this year’s Technology Accessible Development Conference is “All Scenarios of Accessibility: Moving Towards a New Journey”, which aims to promote the integration and communication, as well as technological innovation and change in accessibility, and to facilitate the construction and development of the domestic accessibility environment. At the conference, HONOR summarized and shared with the audience its latest innovations and technical solutions for people with disabilities.



△ 2023 Technology Accessible Development Conference

■ Develop warming technologies: HONOR presented at the 2023 China International Silver Industry Exhibition

From November 17 to 19, 2023, HONOR delivered a keynote speech at the 2023 Smart Accessibility Exchange on the theme of “Smart Life without Barriers to Information Accessibility”. Based on HONOR’s innovation practice and development history, the speech showed how HONOR has adhered to human-centric technological innovation in accessibility and provided warming technologies for the hearing impaired, visually impaired, the elderly and minors, among others.

At the China International Silver Industry Exhibition, HONOR set up three functional areas – smart home, health, and smart office – in its booth. By providing an all-scenario user experience for terminal products, HONOR highlighted the technological innovations it had made under the principles of tech for good and bridging the digital divide. Through scenario-based display, consumers can better understand and perceive HONOR’s technological efforts for elderly-friendly products and information accessibility by experiencing Remote Caretaking, Call Subtitles, Select-to-Speak, Parent Mode and other features.

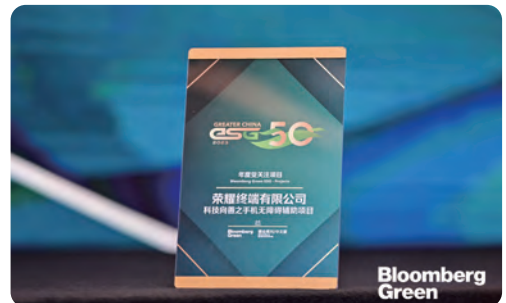


△ 2023 China International Silver Industry Exhibition

■ HONOR was included in the 2023 Bloomberg Green ESG 50 List

On December 20, 2023, the 2023 Bloomberg Green ESG 50 List was released, and HONOR Device Co., Ltd.’s Tech for Good: Mobile Accessibility Assistance project was included in the list of Best ESG Projects.

Technology is a driver of economic and social development. Implementing tech for good requires not only a broad sense of social responsibility to be fostered through policy support, but also upstream and downstream companies working together to improve user needs research, technology development and scenario-based application. As a leading global provider of smart devices, HONOR actively collaborates with global industry partners and continuously plays its role in driving social development and achieving sustainability goals through technology.



△ 2023 award ceremony for the Bloomberg Green ESG 50 List

Jointly create an inclusive world: HONOR participated in the Celebration of the 2023 International Day of Persons with Disabilities

On December 3, 2023, HONOR participated in the Celebration of the 2023 International Day of Persons with Disabilities, together with the UN Theme Group on Disability in China, Phoenix Satellite TV and other organizations. At the event, the UN Theme Group on Disability in China, in partnership with Phoenix Satellite TV, hosted China's first inclusive play, "Reversing the Future". Following the performance, Ma Bing, President of Process, IT, Quality and Operations of HONOR, and five other guests attended a high-level panel discussion. They explored the creative concepts behind the play and discussed the issues of accessibility, inclusion, equal participation, law enforcement, and the role of technology.

Through this event, HONOR hopes to raise the public's awareness of the situation of people with disabilities in political, social, economic, and cultural life. In the future, HONOR will continue to apply smart technology to mobile phones to solve the pain points of people with disabilities, so that they do not fall behind in the digital world.



HONOR was included in the 2023 Fortune China Best Design List for its achievements in Tech for Good

On September 20, 2023, the 2023 Fortune China Best Design List was officially released. With the in-house latest achievements in visual accessibility, auditory accessibility, and elderly-friendly design of mobile phones, HONOR Device Co., Ltd.'s Tech for Good: Information Accessibility project stood out from more than 200 submitted projects and was successfully included in the 2023 Fortune China Best Design List. On November 2, 2023, the 2023 Fortune ESG Summit was successfully held in Shanghai. Under the theme of "Sustainability and Inclusivity: New Business Paradigm", the summit explored the path towards sustainable and responsible business growth. Liu Xiaojun, ESG Director of HONOR, shared the Company's tech for good case at the meeting. He pointed out that only by communicating face to face with users and understanding their pain points and needs would the product developed be the one they need.

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 realize daily monitoring of body indicators, including blood oxygen, body temperature, body fat, blood pressure, and blood glucose, and to keep users informed of their health status directly.

Combining software and hardware solutions, HONOR provides a series of features to help users manage their health status with science-based methods. HONOR Watch 4 Pro provides more accurate heart rate monitoring during walking, running and other activities. Besides, HONOR Watch 4 Pro is equipped with an updated engine and a large heart rate model, which significantly improve its ability to monitor irregular and high-intensity intervals and other exercises, and accurately measure all health data. In addition, HONOR also cooperates with Fuwai Hospital of the Chinese Academy of Medical Sciences, one of the top cardiology hospitals in China. Through the continuous development of high-precision algorithm engines, it is able to provide risk alerts for suspected atrial fibrillation, suspected premature beats, and suspected sleep apnoea, providing the first line of defense for the user's heart health.

HONOR wearables also provide professional workout guidance, creating a unique fitness experience tailored to each individual user. HONOR Watch 4 Pro supports up to 85 exercise modes and 19 professional workout modes. It also provides 200+ preset courses and 7 exercise plans in the HONOR Health. These allow users to develop a long-term plan to improve their cardiorespiratory capacity, scientifically manage the exercise process and improve the quality of exercise.

HONOR Health, an exercise and health management APP, is designed to help users actively manage their health through AI. HONOR Health can record and analyze users' exercise and health data. Based on the platform-level AI capabilities of MagicOS 7.0, HONOR Health can customize exercise plans for users in view of their habits. It helps users create their own exercise and health management plans effectively.

■ Create more “personalized” health management with on-device platform-level AI

HONOR has been exploring on-device platform-level AI for many years. With the vast amount of user behavioral and health data collected by smart devices, HONOR builds customized on-device personal models. At the same time, the central control technology of on-device multi-AI model is used for the first time on Magic Live. This technology connects multiple large models, making full use of the breadth of knowledge of the public model, the professionalism of the vertical model, and the accuracy of the personal model, to provide users with a “personalized” and scientific exercise and health guideline.

We have launched the smart device access service, aiming to build an extensive exercise and health database with device manufacturers in the ecosystem, and to further the partnership with medical institutions, universities, experts and scholars. This contributes to the development of the industry, and the upgrading of the three phases of accurate screening, risk prediction and early prevention of diseases, so as to protect users' health.

■ Build a technology-driven sports city to promote health for all

On November 22, 2023, HONOR, as one of the representative high-tech enterprises in Shenzhen, made full use of its advantages. It fully supported the “Shenzhen Marathon 2023” with cutting-edge smart wearables and technologies to inspire the public’s enthusiasm to participate. It is also possible for users to participate in online marathons through the HONOR Health. In addition, users can run a marathon using the Sports Course feature and improve their ranking with friends on the same road section, competing for the first place of the section. HONOR Health also launched running courses including a 45-minute easy running and a 16-kilometre long-distance jogging to help participants prepare for the marathon in a scientific way. In addition, on the day of the Marathon, HONOR relied on leading smart wearables and cutting-edge technology to accurately monitor participants’ blood oxygen, heart rate and other key indicators to protect their health and safety during the race. HONOR insists on using technology as the driving force to promote the integrated development of sports events and national health, so that everyone can fully enjoy the happiness brought by scientific and healthy sports.



In addition to creating a self-managed health and exercise platform for users, HONOR focuses on major health issues. For example, according to a survey by People's Daily in 2023, 210 million people in China suffered from eye diseases, and 600 million people suffered from myopia. The overall myopia rate among children and teenagers was 52.7%, which is partly attributed to the improper use of electronic products. Therefore, HONOR focuses more on eye care to provide consumers with eye-friendly, more comfortable and reassuring products.

In 2023, the HONOR Oasis Eye Care Laboratory was officially inaugurated in Pingshan, Shenzhen, to promote innovative R&D in the field of health display. HONOR will invest more than RMB 1 billion R&D funds in the Oasis Eye Care Laboratory over the next three years. The funds will be used to establish extensive cooperation with partners in the construction of eye care standards and evaluation system, eye health and biomedicine, advanced screen technology, and co-construction of scientific research and academic institutions, and to advance into the brand-new field of eye care research. By conducting in-depth research in the four technical areas of basic display experience enhancement, natural light-simulated technology, human-scene and crowd differences, and professional solutions to visual problems, HONOR will take screen technology as the basis and human experience as the goal to create human-centric, professional, and standardized healthy displays.

The international standard IEEE Std1789-2015 states that there is no risk to the human eye if the screen flickers at a frequency greater than 3,125 Hz. Based on 3,840 Hz ultra-high frequency PWM dimming technology, HONOR 100 Pro integrates the advantages of natural color display, 360° adaptive dimming, natural light-simulated eye care technology, and sleep-supporting display technology. Ultra-high frequency PWM dimming solves the visual fatigue problem caused by low frequency PWM dimming. It has better low-brightness display performance compared to software-based DC dimming, providing users with both smooth and accurate colors and protecting their eyes. At present, HONOR 100 series is launched with the "HONOR Oasis Eye Protection Screen", which provides all-day eye protection and is the first mobile phone product to pass the Eye Comfort 3.0 certification mark from TÜV Rheinland. It has also passed the TÜV Rheinland Flicker Free Certification to realize zero-risk dimming, leading the industry into the "all-day eye protection era".



Adhering to the idea of inclusiveness, HONOR transforms its technological strength into professional and practical products. HONOR carefully records user action in all aspects. With multiple health management products and services, we provide users with professional data and rich activity experience to help them manage their health effectively.

Technology, discovers Magic Moments in life

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 that is enabled by science and technology. Recording 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 the 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.

On April 6, 2023, HONOR Magic Moments Awards, the third annual global mobile photograph competition hosted by the brand, was officially launched at the HONOR Magic5 series press conference. The competition focuses on the humanistic aspect of photography, highlighting the stories and emotions behind photos. The awards offered six categories in this year's iteration – On the Way, We, Protection, The Moment, The Story, and Video. Among them, the On the Way category encourages entrants to go out and capture the scenery and customs they see along the way, the Protection category welcomes entries that are shot on any smartphones documenting the human efforts undertaken towards creating a sustainable future, while The Moment category is for works that perfectly immortalize fleeting moments. The HONOR Magic Moments Awards saw over 500,000 entries from 51 countries and regions around the world over the past 120 days, an increase of 67% over last year. This year's competition covered five major regions outside of China, including Europe, Latin America, Asia Pacific, Middle East and Africa, and Eurasia. The number of international submissions exceeded 140,000, constituting 20% of the total, a 100% increase year on year. This year's international candidates stood out for their prominent display of local ethnic cultural and regional feature images, giving rise to numerous exceptional works when compared to previous year.

500,000

In 2023, the HONOR Magic Moments Awards collected over 500,000 entries worldwide



△Six major categories: Capture humanistic photographs

The judging panel was composed of eight members, including: Iván Macías, the winner of World Press Photo Contest from Mexico; Yan Zhigang, winner of the Golden Statue Award for China Photography; and Zhao Yingxin, Editor-in-Chief of China Photo Press. A total of 59 global awards are selected. There are 1 Photographer of the Year, 6 champions, 6 first runners-up and 6 second runners-up in each category, and 20 Winners of the Recommendation Award and 20 Winners of the Excellence Award, regardless of category. This year's winners come from Latin America, China, Italy, France, Myanmar, Philippines, India, Malaysia and many other countries and regions. The coveted Photographer of the Year title comes with a cash prize of USD 15,000.

In addition, the HONOR Magic Moments Awards actively connects various participants, such as communities and photography associations, to work together on image-related projects. It encourages people to explore the unknown, use their mobile phones to capture beautiful moments in life, and take humanistic photographs that better reflect the lives of the public.



Device: HONOR Magic5 Pro

《The Magic of Been》 Nelomh (Latin America) | Photographer of the Year of HONOR Magic Moments Awards 2023

"It is simple but unforgettable. The pleasure of ease and the dizziness caused by the rapidly receding tide make this photo full of visual contradictions. In contrast, the figure, standing serenely, is below the horizon, and the splashing water seems to make the viewer feel as if he or she were there."



Device: HONOR Magic3 Pro+

《Separated by a Wall》 Anlee | Winner of Protection of HONOR Magic Moments Awards 2023

"Under the bright sunlight, the mottled colors mix with the subtle architecture, weaving a vibrant image. In the picture, a lonely elephant hides behind a door, in stark contrast to its surroundings. The picture touches the heart, awakens the softness in us and triggers rich imagination".

■ Photo exhibition themed on “Women's Day Special- Airport Shines with Photos by HONOR Phones”

The HONOR Magic Moments Awards, in cooperation with Shenzhen Baoan International Airport and Shenzhen Mobile Photography Association, organized a photo exhibition with the theme of “Women's Day Special - Airport Shines with Photos by HONOR Phone” on International Working Women's Day on March 8, 2023 to capture every shining moment of women in the new era.

The photos displayed were taken with HONOR phones, showing the different styles of women of different ages and professions. Women in these photos are gentle and beautiful, brave and tough, or, independent and confident. Each style is full of charm, showing a special femininity and their pursuit of beauty and freedom.



Youth Empowerment Talent Showcase

SDGs in this chapter:



Youth Empowerment

Highlights

25,000

HONOR Talents Global Design Awards received 25,000+ submissions, covering 240+ universities in 40+ countries

5,300

HONOR Tech Innovation Awards attracted over 150 universities nationwide participated by more than 5,300 students in 2023

1000

HONOR Talents Developer Awards attracted 1,000+ developers

219

The 1st HONOR Talents Original Music Awards in 2023 received 219 pieces of original music compositions worldwide

Young people are a source of innovation. Their creativity and vitality play a crucial role in social development. By youth empowerment, we can unlock their innovation potential and develop their problem-solving abilities, so as to drive social development towards greater intelligence and digitalization. Supported by technology, young people can give full play to their talents in all walks of life and make more contributions to social progress.

Youth is the future of the world, and technology is an important engine for social progress. Empowering youth with technology can not only arouse the innovation potential of young people, but also bring more opportunities and possibilities to them. The rapid development of technologies such as information technology, artificial intelligence, and big data has provided a broader space for young people to develop. Thanks to these technologies, young people today have greater options and convenience in innovation and entrepreneurship, learning and growth.

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 has hosted various and exciting activities, inviting young people from all over the world to participate in together and share wonderful moments. We utilize our strong scientific research strength and mobilize rich brand resources to help expand and refine the youth knowledge system, with a focus on developing and applying their creations, and showcasing and disseminating their talents.

“HONOR hopes to help young emerging talents and let their works and talents be seen by the world.”

— George Zhao, CEO of Honor Device Co., Ltd.

■ 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 del 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 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 entrepreneurial projects, including supporting creating a business plan, and providing training in financing communications. 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 2023, HONOR and UVM had 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 2024, HONOR will also continue its cooperation with UVM to provide more support for young and creative students.

■ Innovation Collaboration Contribution - HONOR won the Collaboration Award of 2023 AmCham Shanghai CSR Awards

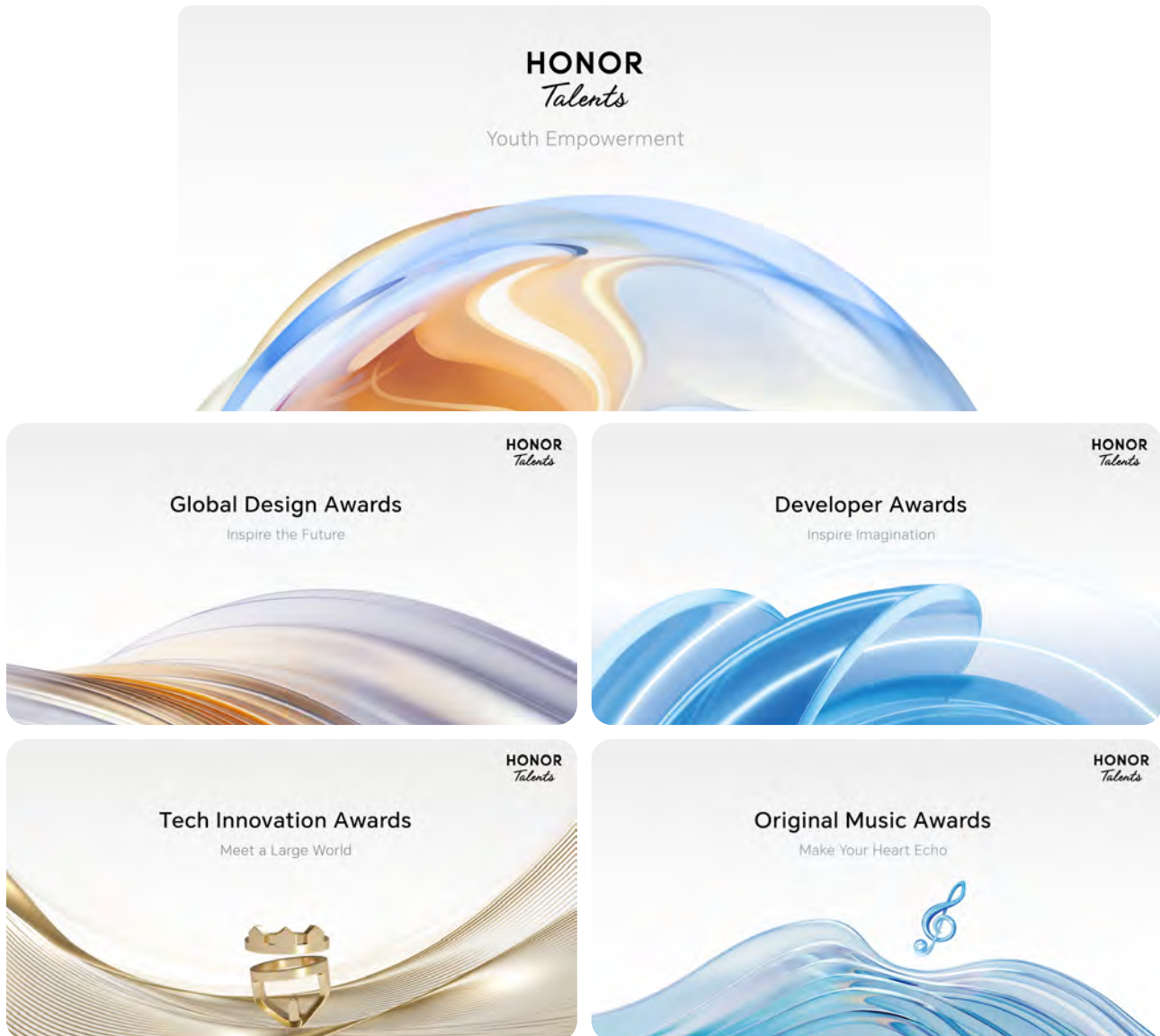
HONOR, by virtue of its HONOR Talents Program, won the Collaboration Award at the 2023 Annual CSR Conference & Awards Ceremony organized by AmCham Shanghai. Oriented to "youth empowerment", HONOR Talents Program gathers young art pioneers and talents with a commitment to integrating art and technology, and supporting, empowering and incubating more forces with original thinking. By 2023, HONOR Talents had reached in-depth cooperation with many governments, embassies and consulates in China, international organizations, renowned design institutions and outstanding artists. Through the cooperation, HONOR has spread the beauty of innovation to Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Chengdu, Kuala Lumpur, Mexico City, Milan and Berlin, and created a diversified platform for young people to display their talents.

The Collaboration Award of 2023 AmCham Shanghai CSR Awards is not only a recognition of HONOR's ESG contributions, but also an inspiring milestone. Acknowledged by this award, HONOR will make persistent efforts to seek more opportunities for collaboration and innovation, so as to bring broader social, economic and environmental impacts. In a nutshell, HONOR will empower young people and create more value for the combination of technology and art.



The HONOR Talents

HONOR Talents is a brand window of HONOR designed for youth. Upholding the philosophy of “youth empowerment” , HONOR seeks young talents in different fields through a variety of competitions and devotes itself to building a stage for young people to showcase their talents. HONOR Talents Program consists of HONOR Talents Global Design Awards, HONOR Talents Developer Awards, HONOR Tech Innovation Awards and HONOR Talents Original Music Awards. HONOR encourages young people in different fields to give full play to their creative thinking, interests and expertise, in an effort to promote innovation development, social progress and cultural exchanges by means of technology and art. Through this Program, HONOR attempts to give more creative young people the opportunity to communicate face-to-face with industry experts, international masters and other big shots. We provide multi-dimensional support and incentives for youth development to fulfill the dreams of more creative young people. Believing in the power of youth, we hope to become a carrier to help young people tap into the diversity and innovation of thinking with technology and art, hence creating a better world with a shared future.



HONOR Talents Global Design Awards

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 continues to carry out a global dialog on art and technology, including art design, end product experiential design, and new forms of design expression. We hope this could enable the brilliance of young and creative talents to be seen by the world, and allow consumers to experience the innovative beauty of combining technology and art every moment.

Since its inception in 2020, HONOR Talents Global Design Awards has reached in-depth cooperation with internationally renowned design institutions such as Central Academy of Fine Arts, Tsinghua University, Tongji University, Politecnico di Milano and Aalto University. After 4 years of growth, the competition has attracted young creators from 40+ countries and regions and 240+ renowned institutions around the world to participate in, with a total of 25,000+ works received. Among them, 200+ winning entries were customized into themes, wallpapers, art backs, retail products, etc., and toured the world. The competition has fully activated the power of young pioneering artists around the world.

Beauty in all that you see. The 2023 HONOR Talents Global Design Awards called for entries from all over the world under the theme of "Inspire the Future", with 3 design topics of "Renewal of Life · Return", "Cultural Prosperity · Celebration", and "Genesis · The Future". These topics inspire young people to deliver humanistic values by design from the perspectives of sustainable development, cultural inheritance and exchanges, and integration of technology and art. The competition was divided into 2 categories, namely Visual Communication Design and Art & Technology, covering 5 sections of wallpapers, themes, watches, open designs, and art & technology. There were 97 prizes in total, including the Global Champion Award, the Top 3 winners of each design section, the Best New Talent Award, the Judges' Choice Award, the AIGC Innovation Award, and the Best Interactive Participation Award. In 2023, the number of submissions reached a record high, with 12,000+ pieces of works received worldwide. Meanwhile, the competition attracted more young people to participate. Specifically, 70+ institutions signed up as new participants and more than 51% of entries were from students in 2023. Tech meets art, inspire the future. We hope art and technology can inspire innovation and empower a new generation of youth to redesign the future.

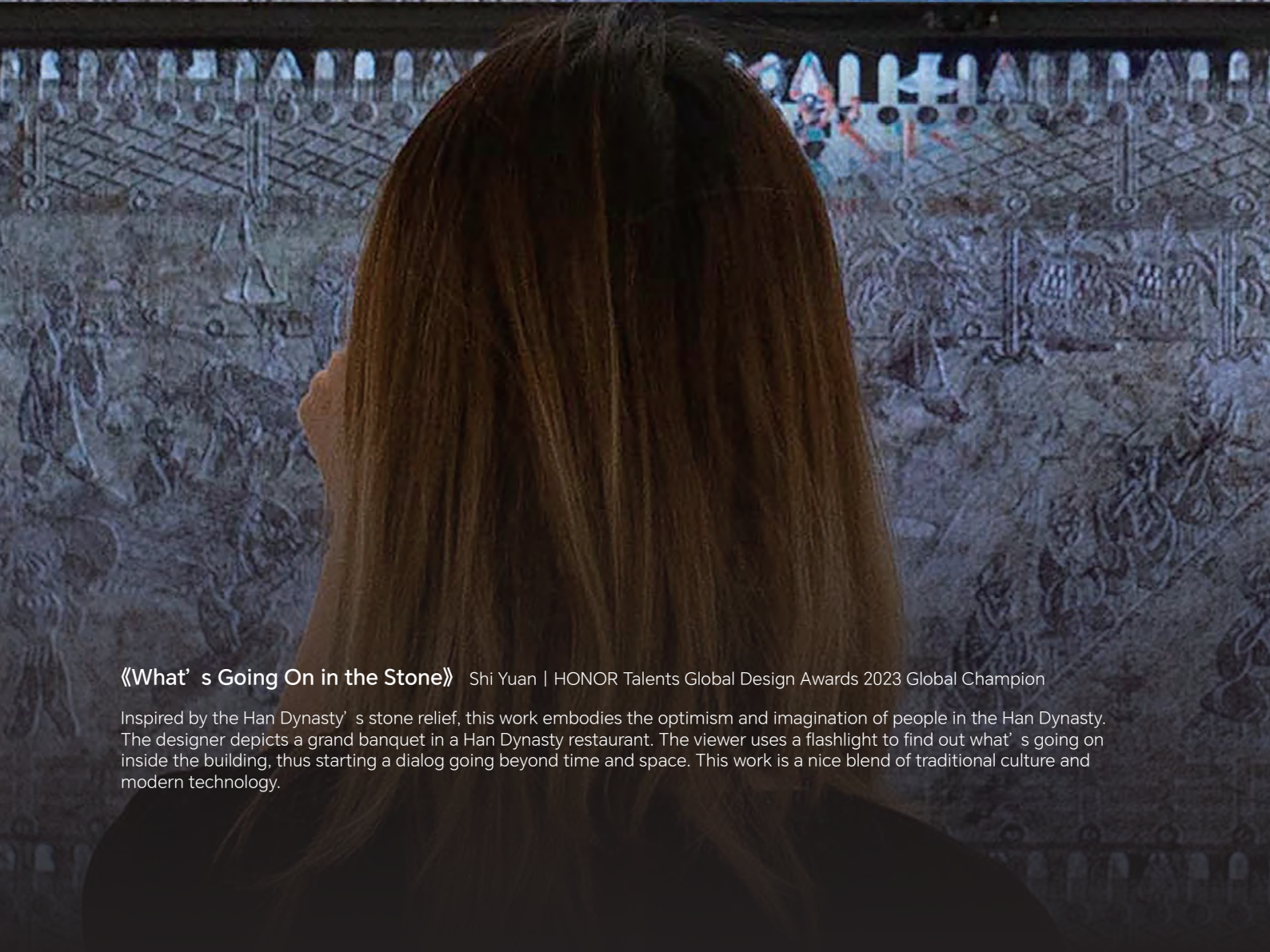
The competition attracted young creators from

40+ countries and regions

240+ renowned institutions

In 2023, **70**+ institutions newly participated in

More than **51%** of submissions were from students



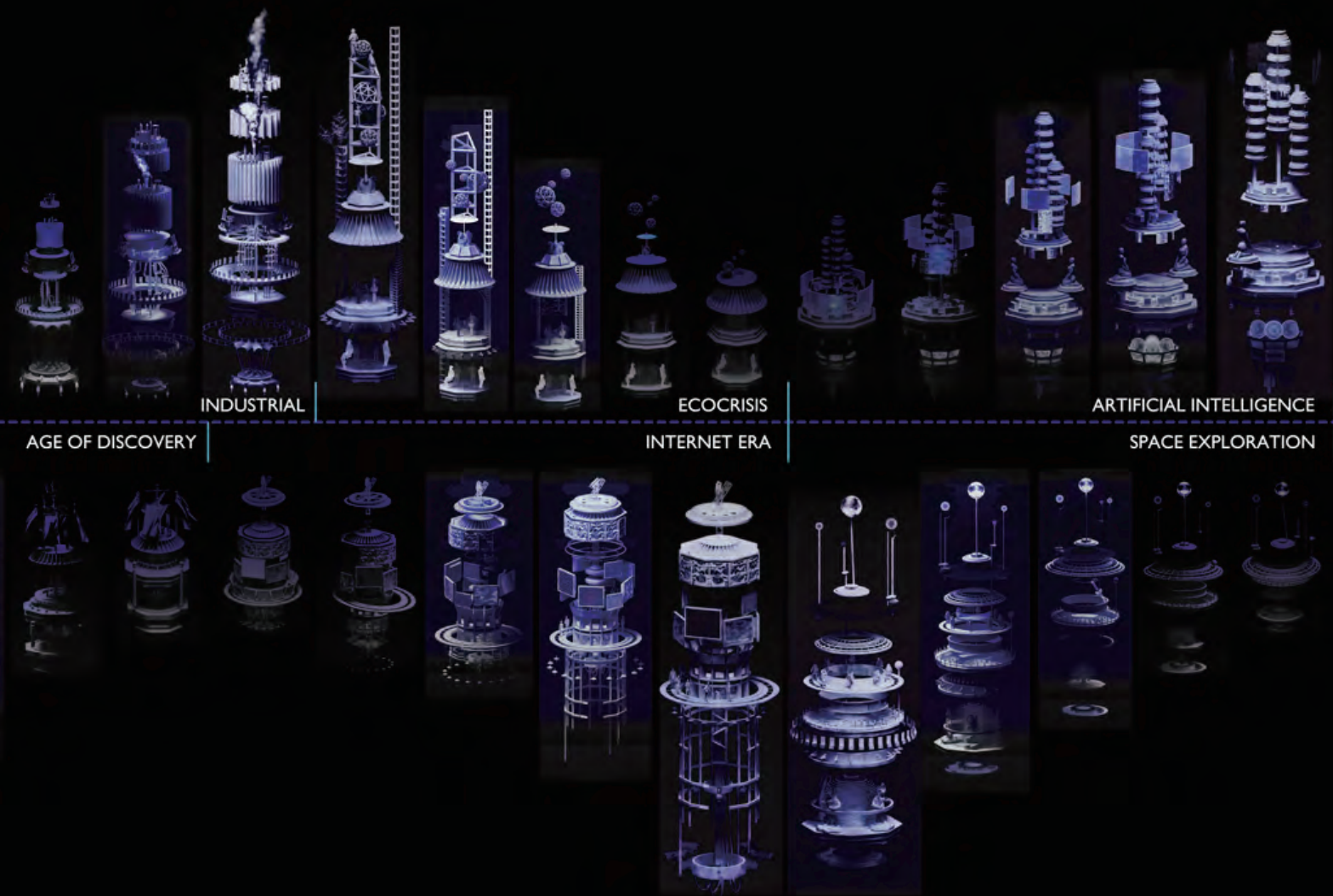
《What' s Going On in the Stone》 Shi Yuan | HONOR Talents Global Design Awards 2023 Global Champion

Inspired by the Han Dynasty' s stone relief, this work embodies the optimism and imagination of people in the Han Dynasty. The designer depicts a grand banquet in a Han Dynasty restaurant. The viewer uses a flashlight to find out what' s going on inside the building, thus starting a dialog going beyond time and space. This work is a nice blend of traditional culture and modern technology.



《Exploration》 Tang Min | the winner of 2023 Best New Talent Award of HONOR Talents Global Design Awards

Tang Min is an art creator with a disability. Her paintings are brightly colored and full of vitality. As shown in Exploration, the girls amidst a sea of flowers are either dreaming soundly, listening intently, or trying to look farther out to see a bigger world. It took a long time for Tang Min to come to terms with her disability. On a journey of exploration, she gradually finds her inner peace and recognizes her own value from the bottom of her heart. Now, she presents these inspirations in the form of paintings. Efforts are accumulated to contribute to a burst of inspirations, enlightening every "explorer" who ever experienced depression.



《OVERTURE》Liu Xiaoyu | Champion of HONOR Talents Global Design Awards 2023 Art & Technology Design

Prelude blends human history and technological progress into an oriental pagoda, bringing visitors an enlightening journey of "art + technology". With the help of interactive multimedia, visitors can not only learn about human history, but also explore the internal mechanism of human progress, thus expanding their thinking and horizons. By placing their hands on the small physical pagoda model, visitors can trigger an animation that represents the technological progress of an era in the large digital pagoda on the quad screen in an explosive way.

With youth works as the content and diversified activity platforms as the carrier, the youth works were promoted and displayed in diverse forms. In 2023, HONOR exhibited outstanding HONOR Talents works at international exhibitions such as the first WWD FASHION LAB exhibition, the first Shanghai International Digital Art Fair, 2023 Milan Design Week, World Design Capital Conference, and Internationale Funkausstellung Berlin. Such works have demonstrated the creativity of youth and the power of originality, and have been widely recognized by professionals and visitors worldwide. At the same time, HONOR displayed outstanding HONOR Talents award-winning works in different stores during global brand activities. These various forms of activities were reported by famous media at home and abroad and loved by global consumers.

■ Innovation empowers Latin America, providing a broader youth art platform

In 2023, HONOR Talents Global Design Awards competition was opened up in Latin America for the first time, with a panel of judges including David Romero, professor at the Technology De Monterrey, Julio Frias Peña, co-founder of Diseña México, Yunuene, global judge of HONOR Talents, and Edward Venero, Peruvian artist. They select the top 10 winners and the winner of the Special Contribution Award in Latin America.

In addition, HONOR launched an innovative HONOR Talents campus tour exhibition in cooperation with many universities in Latin America, including 5 campuses of the University of the Valley of Mexico (UVM) and the Pontifical Catholic University of Peru. With an expectation to inspire youth's artistic creativity, HONOR takes advantage of this art tour to provide young people with more opportunities for technological and artistic exchanges and innovations by encouraging them to actively participate in the HONOR Talents Global Design Awards competition.

HONOR Talents Global Design Awards competition in Latin America received many beautiful design works from students and designers from Mexican and Peruvian universities. Themed on "Renewal of Life · Return", "Cultural Prosperity · Celebration", and "Genesis · The Future", these works revealed unique perspectives of art, cross-culture and technology. The HONOR Talents Global Design Awards competition in Latin America provides a broader international stage for more creative young people.



△ HONOR Talents Tour Exhibition at 5 campuses of UVM.

Join hands with WWD to hold the first FASHION LAB exhibition, delivering technological aesthetics with cultural characteristics

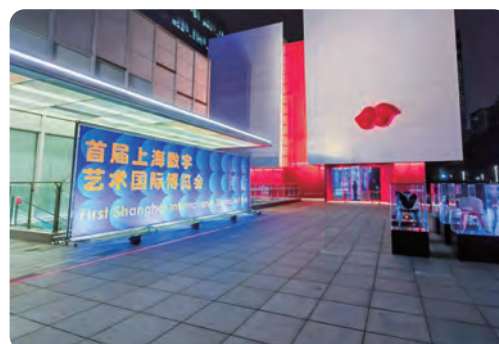
On January 6, 2023, HONOR and Women's Wear Daily (hereinafter referred to as WWD) jointly held the first FASHION LAB exhibition – “Techno-Aesthetics and Forms of Imagination”, which was officially opened in Shanghai. Award-winning works from the HONOR Talents Global Design Awards were displayed at the exhibition. These new media artworks offered innovative interpretations of traditional culture and sustainable development through the lens of humanities and technology.



HONOR presents cultural and technological works at the first Shanghai International Digital Art Fair

On February 12, 2023, the first Shanghai International Digital Art Fair (hereinafter referred to as “Digital Art Fair”) kicked off at Xiao Hui Wang Art Museum, displaying hundreds of artworks by artists from different fields around the world. As the first cross-industry and cross-media international digital art fair based in Shanghai, this event was Shanghai’s first digital art carnival in 2023. Thanks to the excellent works from the HONOR Talents Global Design Awards, the Digital Art Fair presented an art carnival with unique cultural and technological characteristics.

This time, HONOR brought many outstanding youth artworks to the first Shanghai International Digital Art Fair, breathing new life into the development of Shanghai’s digital art industry. In the future, HONOR will give full play to the advantages of this platform to explore the infinite possibilities of digital art with more talented art designers worldwide.



■ Inspire the future. Ambassadors to China visit the HONOR Talents Art Exhibition

On March 21, 2023, the HONOR Talents Global Design Awards Art Exhibition, co-hosted by the United Nations Industrial Development Organization (UNIDO) Investment and Technology Promotion Office (ITPO) (Beijing, China) and HONOR, kicked off in Beijing. The art salon welcomed guests such as Siddharth Chatterjee, the United Nations Coordinator in China, Sanmugan Subramaniam, the Minister of Malaysia to China, and Wu Yabin, the Director of UNIDO ITPO (Beijing, China), to jointly explore the innovative beauty of “Tech Meets Art” with HONOR.

As a diversified stage for young people to showcase their talents, this tour exhibition expresses HONOR’ s exploration of technological innovation, discovery of the diverse beauty in nature and respect for culture. The 54 outstanding works on display are created by young designers from more than 10 countries, including China, Malaysia, France, Germany, the United Kingdom, and Italy.



■ Lectures at Academy of Arts & Design of Tsinghua University and Sichuan University

HONOR Talents campus lectures were held at many universities. For instance, HONOR experts gave lectures at the Academy of Arts & Design of Tsinghua University and the College of Arts of Sichuan University, to share cutting-edge industry information and introduce the schedule of HONOR Talents Global Design Awards and HONOR Youth Empowerment Program. Besides, the lecturers also explained how the design aesthetics of HONOR themes are applied from theory to practice in its entirety.



Technology lights up art, HONOR Talents Art Exhibition

On December 14, 2023, the annual HONOR Talents art exhibition was opened besides the Canton Tower, co-organized with the InterCulture and Intellisla Institute. Mr. Valerio De Parolis, Consul General of Italy in Guangzhou, Ms. Suraya Binti Ahmad Pauzi, Consul General of Malaysia in Guangzhou, and Dr. Jasmin Gong, Co-Founder of InterCulture, delivered speeches at the opening ceremony. Ambassadors of more than 10 countries such as the United Arab Emirates, Peru, Colombia, Poland, and Thailand and more than a hundred representatives from politics, business, academia and art sectors attended the event to witness the beauty of synergy between art and technology. Some winner representatives from Malaysia, Italy and China were invited to the event to receive the awards, whose family members or friends were also present to celebrate.

On October 19, 2023, the HONOR Talents Outstanding Works Exhibition, co-hosted by HONOR and Shenzhen Airport, was officially opened at Shenzhen Bao'an International Airport. The exhibition displayed outstanding youth design works from 40+ countries, including China, Malaysia, France, Germany, the Czech Republic, Egypt, and Peru. The works on display present HONOR's and young art pioneers' exploration of technological innovation, their discovery of the diverse beauty in nature and their respect for the traditional culture of different countries. Held at Shenzhen Airport, the "global reception hall", this exhibition would witness the beauty of youth artworks with global travelers and provide the most valuable stage for young people to display their design works.

On November 30, 2023, HONOR worked with the Mexican Business Council for Foreign Trade (COMCE) and the National Design Contest Diseña México, supported by United Nations Educational, Scientific and Cultural Organization (UNESCO) and various Mexican universities, to co-host the annual HONOR Talents Art Exhibition at the Museo de Arte Moderno in Mexico.

This event featured the work of over 50 young designers from Mexico, Peru, China, Japan, Europe, and beyond. Attendees included Mexican representatives from the art, culture, tourism, and education sectors, along with international organizations, partners, universities, and some competitors. During the event, we awarded official HONOR Talents certificates and prizes to the winning young designers from the Latin American region and invited their friends and family to share this significant moment.

The HONOR Talents Global Design Awards launched its Latin American section for the first time in 2023, which drew an impressive array of stunning art pieces from young designers at Mexican and Peruvian universities, offering unique insights into the fusion of cross-cultural technology and creativity.



HONOR Talents Developer Awards

HONOR Talents Developer Awards is open to all developers to call for attractive and original works with innovation and uniqueness. We expect that developers can develop more well-made high-quality services for scenarios such as convenient life, efficient tools, entertainment, sports and health, education and learning, business and office. These works are required to be presented as service cards in a lightweight way.

With the theme of “Spark Inspiration and Present Imagination”, the first HONOR Talents Developer Awards in 2023 encourages young developers to inject innovation and imagination into their designs. This year, the competition attracted 1,000+ developers to participate, of which more than 80% were young people. The competition received about 100 card entries. After evaluation by a professional organizing committee composed of senior experts from HONOR, 52 entries were finally awarded with 7 prizes. Notably, the winner of the Grand Prize received a bonus of RMB 100,000. We encourage developers to unleash their creativity and introduce novel interactive experiences, and convenient and efficient applications for more market segments, so that consumers can enjoy the best technology and innovation experience with each touch.

The competition attracted more

than **1,000** developers

More than **80%**
of participants were young
developers

Top widgets, won the Grand Prize of 2023 HONOR Talents Developer Awards

Inspired by the global energy conservation campaign – Earth Hour, “Top widgets” is a unique and interesting service card, which can be connected to control the illumination function of the clock card. Users can make personalized adjustments to the switch color for a refreshing and relaxing experience with sound and dynamic effects. By advocating energy conservation and low carbon, the developer designs the card style as a switch to remind users to turn off lights in time. Such design prompts users to think about climate change and environmental issues and inspires their sense of responsibility for protecting the earth.



HONOR is always concerned about the growth and career development of student developers. This year, technical experts of HONOR were invited to provide professional guidance for the competition to protect developers' works. For outstanding award-winning works, the competition provides high-exposure resources for recommendation and HONOR's smart services marketing resources for advertisement. Moreover, the HONOR Talents Developer Awards provides interview PASS cards for student developers. With this PASS card, excellent student developers can pass HONOR's general interview in campus recruitment and are more easily able to get offers. HONOR expects to join hands with young developers to grow together and witness the glorious moment of the innovative force.

Specialized training empowers developers to pursue win-win results

HONOR Talents Developer Awards is uniting developers to provide consumers with more unique and original service cards. To help developers unleash their creativity, HONOR has launched a series of open courses, including card design specifications, the use of HONOR low-code platform, service configuration guidance and scenario-based product design and operation. HONOR provides young developers with professional guidance on design, development, access configuration and scenario-based operation in the context of HONOR's smart service business.



Upholding the philosophy of "youth empowerment" and considering user needs, scenario-based capabilities and current hotspots, HONOR strives to provide a platform for young developers to present their imaginations. We hope that young developers can foster a sense of innovation by participating in the HONOR Talents Developer Awards and better incorporate their user-friendly design concepts into products. In the future, HONOR will continue to work with developers to grow up together. By providing abundant and diversified development resources and technical support, HONOR will empower developers to jointly explore new opportunities, new modes, and new forms of business. With these efforts, we can provide user-friendly smart scenario-based services for the public, thus creating a new smart lifestyle.

HONOR Tech Innovation Awards

2023 HONOR Tech Innovation Awards was completely upgraded. The competition encourages participants to wield creativity in dimensions such as product function development, technological function creation, and technological scenario display based on the functions and features of HONOR MagicOS ecosystem, HONOR phones and full-scenario products. In addition, the competition provides students with opportunities to improve their knowledge and skills so that they can create the future together.

There are 4 topics in this competition, from which participants can choose one to create their works. To help participants learn and understand the competition topics and provide more targeted professional guidance, HONOR Tech Innovation Awards offers 4 courses for them to learn independently. After a fierce competition among 5,300+ young students from 150+ colleges and universities across China, 12 teams advanced to the semi-finals, of which 4 teams reached the finals. HONOR arranged one-on-one R&D mentors for the 4 teams, to help students improve their works and compete for the first, second and third places.

We hope to deliver our technological vitality to more young people through this HONOR Tech Innovation Awards, and enable them to learn to apply their skills and improve their personal career plans. In addition to material incentives, the winner will be supported by an HONOR Talent Program including a PASS 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.

■ Campus Technology Sharing Session

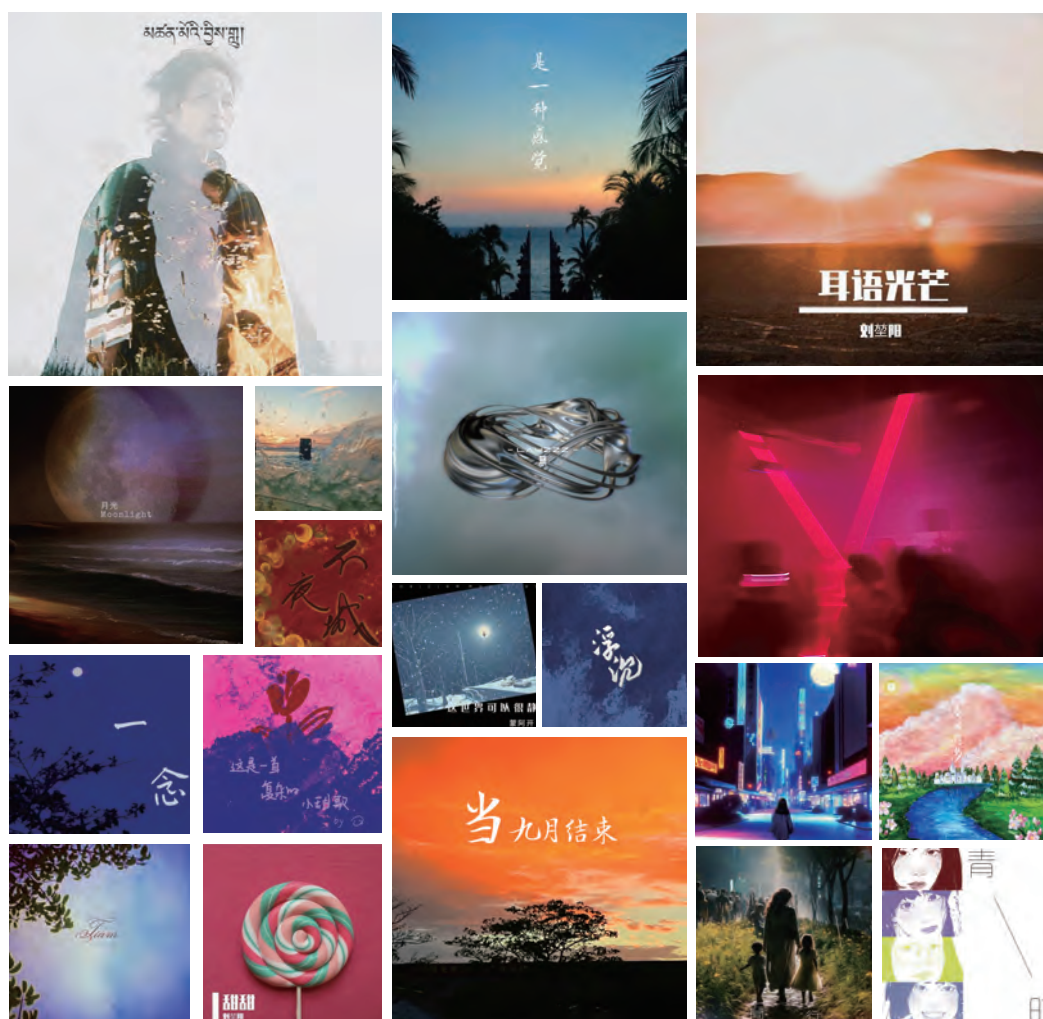
2023 HONOR Tech Innovation Awards carried out campus technology sharing sessions at 10 universities, including Southwest Jiaotong University, Xi'an Jiaotong University, Xidian University, University of Science and Technology Beijing, Harbin Institute of Technology, and Nanjing University. On the sessions, we introduced our 4 root technologies, namely Magic Ring, Magic Live, TurboX, and Magic Guard, facilitating students to better understand the development of the technology industry.



HONOR Talents Original Music Awards

HONOR Talents Original Music Awards is mainly open to music creators from universities and society. HONOR hopes to support, empower and incubate more original music creation forces by mobilizing the rich resources of HONOR brand. In this way, HONOR strives to create the most influential youth empowerment platform in the technology industry. Placing a high premium on music copyright protection, HONOR Talents Original Music Awards endeavors to protect the legitimate rights and interests of original music creators and foster a favorable environment for creators.

In 2023, the first competition called for original songs, which must have positive content and conform to mainstream aesthetics. To be specific, the songs need to have an appropriate style, and a delicate and impressive musical expression. This year's competition, in collaboration with MUSICACOUSTICA-HANGZHOU and NetEase Cloud Music, invited 25 experts and distinguished guests from the global music industry to form a panel of judges. The competition received a total of 219 entries in different styles, which fully demonstrated the unlimited creativity and passion of contemporary creators. The competition set up a number of individual awards, such as HONOR Originality Future Star, User Favorite Award, and Expert Judge Award, which received great attention and support from the academia and the industry. The competition fully revealed the unlimited creativity and passion of contemporary creators.



Sweet Dreams in Springtime, created by Chen Guanyu, the First Prize winner of Expert Judge Award

"In the prime of spring, the breeze is caressing and the flowers are blossoming. Green grass is reflecting in the water, people and birds are outing together. I date her, watching a sunrise brimming with rosy clouds in the morning, going for a city walk in the afternoon, and having a long talk in the evening. Looking for my loved one everywhere, suddenly I realize that she is right here."

All sounds in this work are vocals with no music instrument sound sources. The drumline uses Beatbox and electronically processed body percussion, the Bass is the thick voice of the bass, and the harmonies are provided by the soprano, alto, tenor and baritone. All of the vocal harmonies add up to 17 parts, and the recording takes up nearly 90 tracks. This is an innovative attempt in both arrangement and recording & mixing.

Loving Rain, created by Ding Haofu, the First Prize winner of User Favorite Award

This work is mainly composed of the 4 pop elements, i.e., guitar, bass, drums and keyboard harmonies and rhythms, mixed with percussions of accordion, rattles, sand hammers, triangles, and whistles. Trumpet is used as the main instrument in the interlude SOLO passage, designed to add some jazz style. The sound mix is relatively simple, bringing a sense of lightness and freedom.

Creator's perception: "The pursuit of a music creator is to bring to the listener works that can touch and impress them. As long as you insist on pursuing progress and excellence in an area, there will be a day of success."

Explore musical ideas and enjoy the beauty of music. HONOT Talents Original Music Awards also provides participants with multi-channel exposure and opportunities for face-to-face communication with international masters and HONORed guests. At the competition site, we can listen to music works created by musicians of different nationalities, fields and backgrounds. The competition not only provides an excellent sharing and learning platform for creators, but also makes it possible to explore music in an all-round manner. We always uphold the principles of innovation, diversity and openness when organizing the competition. While supporting the young emerging forces in the music field to showcase their works and talents, we hope to join hands with them to explore a more innovative future for music together.



Diversified cultural exchanges

In addition to various global competitions, HONOR also launched a wide range of youth activities in 2023, with the intent to encourage youth to get to know and learn from each other, and promote and carry forward their cultures.

Cooperation with the Mexican Ministry of Culture – Festival Internacional Cervantino

The Festival Internacional Cervantino is a grand art festival held in Guanajuato, Mexico. In 2023, over 300 thousand people participated in the festival, most of whom are young people aged 24–34.

By inviting young Chinese artists to perform in Mexico, HONOR has built a cross-cultural bridge, which gives Mexican youth an opportunity to gain a deeper understanding and appreciation of Chinese culture. This not only enhances mutual understanding and respect between the two cultures, but also provides a platform for young people to develop an international outlook. Moreover, taking advantage of our international platform, we are also committed to promoting Mexican culture on the international stage. The international display of culture makes Mexican youth prouder of their culture and inspires them to protect and carry forward it.

During the Festival Internacional Cervantino, we supported the festival operation with our smart devices. In addition to presenting the harmonious fusion of technology and culture, this action made it easier for youth to participate in and enjoy the festival. The Mexican Ministry of Culture also worked with HONOR during the event to promote the cross-cultural exchange between the youth of the two countries.



UNESCO “World Conference on Cultural Policies and Sustainable Development” – MONDIACULT

Invited by the Mexican Ministry of Culture, HONOR participated in and sponsored the MONDIACULT event, which not only demonstrated the international influence of HONOR brand, but also provided a platform for HONOR to learn about cultural policies and sustainable development issues in countries worldwide.

HONOR Talents, Magic Moments, and Travel in Mexico works were displayed at the cultural exhibition held at the National Palace of Mexico. This exhibition facilitated ministers of culture from 135 countries to learn more about Mexican culture. The exhibition was also open to the public. By inviting prominent Latin American media and public figures to visit the exhibition, HONOR increased exposure and public engagement in cultural events, raised public interest in cultural events, and promoted cultural exchange and resonance among youth. With these efforts, HONOR enables more young people to directly participate in cultural events and experience different cultures.



Dedicated Employees as Foundation and Create the Future Together



SDGs in this chapter:



Employee Development

Highlights

MostIn Most Attractive Employers Award

HONOR won several awards such as “2023 MostIn Most Attractive Employers Award”

14,600

We provided more than 14,600 learning and training courses for employees

51

In 2023, the average employee training time exceeded 51 hours

10

We offered employees the opportunity to change professions among 10 talent areas and for job allocation worldwide

30,000

We organized 150+ cultural and sports activities, attracting 30,000+ people to participate in

500

In 2023, 500+ HONOR employees joined as first aid volunteers

300

We conducted 300+ sessions of EHS training for R&D laboratories across China

0

We achieved EHS targets, such as no serious injuries and fatal workplace accidents, no occupational diseases, and no environmental pollution accidents

100%

We created a workplace emergency response system of “100% qualification of workplace security guards, 100% coverage of automated external defibrillators (AEDs) in the workplace, and 100% implementation of monthly first aid drills”

Diversified and fair development opportunities to attract more talents

Employment

HONOR adheres to the “employee-oriented” principle and attaches great importance to our employees’ work experience. We care about every career development milestone and key personal growth milestone of our employees. In the areas of talent recruitment, employee development, remuneration and incentive, and employee care, we have comprehensive human resources management policies, aiming to support HONOR strivers and seek common development.

HONOR follows the philosophy of compliant employment. HONOR upholds the recruitment principles of inclusion, equality, and respect, and incorporates bottom-line principles such as prohibition of child labor, anti-discrimination, anti-harassment, anti-forced labor into the HONOR Code of Conduct. All employees are required to learn the Code of Conduct every year, aiming to create a simple and efficient workplace that is open to innovation and respectful for each other. Moreover, HONOR adopts a fair and reasonable employee evaluation mechanism. We insist on equal pay for equal work, protect the legitimate rights and interests of our employees, and do not discriminate against any employee due to differences in race, gender, belief or physical condition. All employees are encouraged to play their roles in right positions.

We recruit a wide range of talents by multiple recruitment channels. Whether you are a member of the society or a student, you can apply to join HONOR by channels of the HONOR Recruitment website, official account, and offline recruitment fairs. In 2023, HONOR provided more than 110 job opportunities in ten areas such as R&D, marketing, process IT and finance & economics for outstanding talents at home and abroad. HONOR provided 1,700+ new jobs in total. When recruiting talents, HONOR also provides the most suitable development opportunities for them. As HONOR’s globalization continues to accelerate, graduates will also have the opportunity to be dispatched globally to fully realize their unlimited potential. By upholding the philosophy of “attracting excellent talents worldwide”, in 2023, we won awards such as “2023 Most In Most Attractive Employers Award”, “2023 Employer of Choice” and “2023 NFUTURE Most Preferred Employer for Fresh Technology Graduates”. In the future, we expect to explore a bigger world with more ambitious people.

In 2023,

HONOR has added a total of

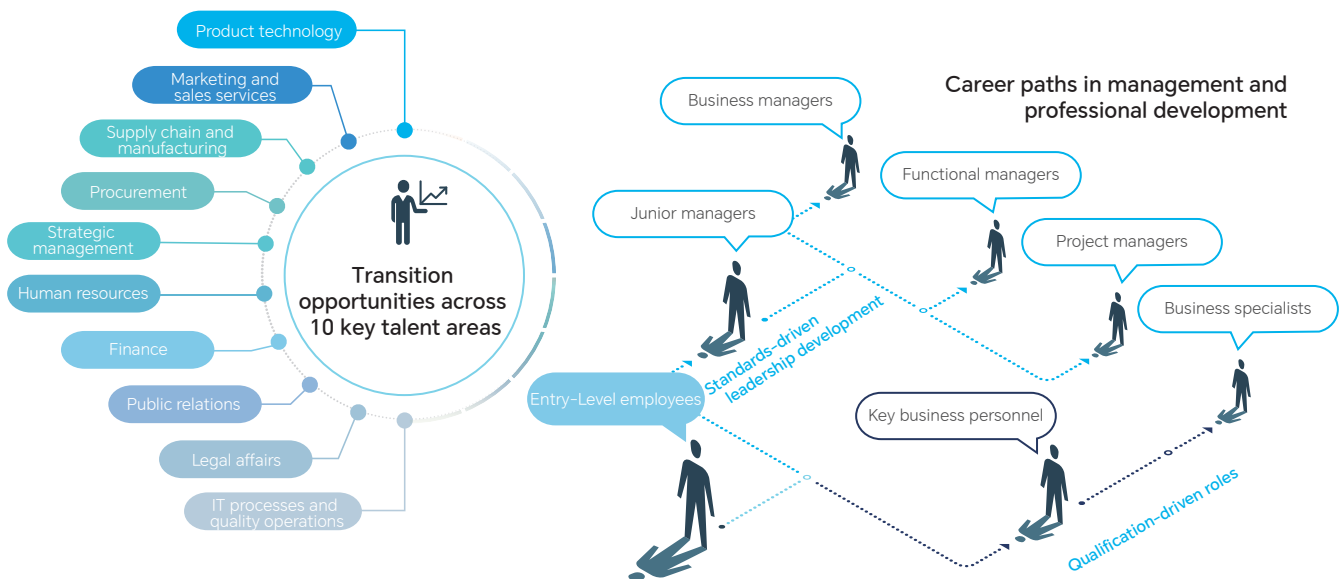
1,700+ jobs worldwide



Diversified incentives

HONOR places high value on the career development of our employees. We insist on responsibility and result orientation, and offer promotion opportunities based on business contribution. We select and cultivate talents by combining training and practice. We provide two development paths towards “management” and “technical expertise” respectively for our employees, who can choose the appropriate promotion path according to their own development needs. To continuously tap into and create more possibilities for talents, we insist on developing talents in practice, training talents with opportunities, and establishing a multi-dimensional and open stage for development. We provide employees with the opportunity to change profession among 10 talent areas and reshuffle worldwide, aiming to meet different employees’ personal development needs and unleash the power of talent development.

Clear pathways for promotion and diverse opportunities for development



We value the talents, contribution, and ideas of our employees. We implement diverse employee incentives to attract, motivate and retain more talents. Based on the core values of customer focus and dedicated employees as our foundation, we have formulated and improved the incentive policy of “reward for contribution” and provide competitive remuneration and welfare in the industry. Meanwhile, we continue to improve the non-material incentive system, focusing on recognizing individuals and teams with outstanding performance in business breakthroughs, management innovation and cultural practices 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 key to our long-term development. With a people-oriented philosophy, we focus on the overall improvement of the professional ability and quality of our staff. We 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.

We constantly improve the diversified training system. We have established the “HONOR Academy” training platform to offer employees diversified training courses. Besides, we continue to improve the “Five Star Plan” employee growth training system. We focus 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.

Employee growth training system, cultivating “generals” in practice



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. In addition, we also put emphasis on the actual effect of training. After each training session, we conduct timely survey to obtain feedback from employees to continuously improve the quality of the courses. With these efforts, we strive to efficiently facilitate employee growth.

By 2023, our employee learning platform had offered 14,600+ training courses with an average of 51 hours of employee training.

Our employee learning platform had offered more than

14,600 training courses

With an average of

51 hours of employee training

Cultivate experts and foster leading figures

To give full play to the advantages of doctoral employees with academic pursuit and broad vision, we fully mobilize internal and external resources, and cooperate with laboratories and technological projects in continuous exploration of new areas. By encouraging interdisciplinary exchanges, we try to drive large-scale innovations. Considering the growth characteristics of doctoral employees, we continue to provide abundant resources and targeted support to develop their potential. We also consistently care about their growth and endeavor to cultivate them into leading figures.

Facilitate new employees to grow quickly

To help new employees quickly fit in and grow more competitiveness, we have launched course programs such as "Workplace Accelerator" and "Cheer-on Station". We strive to improve the vocational and professional abilities of new employees by means of offline and online training and experience sharing. In addition, considering factors such as training progress and job assignment, we develop a multi-dimensional training plan, equipped with career coaches, covering empowerment, assessment, and communication. This plan facilitates a deeper understanding of our business for new employees, thus enabling them to fit into the team more quickly.



HONOR TALK

Adhering to the principle of promoting the common growth of all HONOR staff with the "power of ideas", HONOR TALK aims to disseminate valuable insights for the business. Outstanding experts in various business areas are invited to give a 15-minute public lecture to share their remarkable insights conducive to the Company's business development that can provide food for thought and motivate action.



Voice of Leadership, cultivating employees' leadership skills

We have launched the "Voice of Leadership" special column, aiming to share management experience, discuss management difficulties and cultivate more management wisdom. We select topics for the program based on the corporate management circumstances and current management trends. We invite managers to share their management experience and views via interviews. At present, we have developed many courses such as Performance Management, Cross-cultural Management, and Interviews with Gen Z. These courses enable more employees to understand leadership and enhance their leadership skills by learning from practical experience, and ultimately create more value with their elevated leadership.

Diverse care, living a colorful life at HONOR

HONOR provides a career life with unrestrained and far-ranging exploration. HONOR insists on strivers-oriented concept and caring about employees, and is committed to creating a simple, efficient, and caring working environment for employees. With a focus on employees' special needs, HONOR has built platforms such as HONOR Vitality, HONOR Fitness, HONOR Guardian, and HONOR Communication. We endeavor to create a colorful life for HONOR employees and safeguard every HONOR striver with dreams by means of cultural and sports activities, physical and mental health care and diverse communication channels.



HONOR Fitness

HONOR strives to provide adequate health protection for employees. In 2023, HONOR upgraded the “HONOR Fitness” employee health management system under the theme of “striving for a better future together”. In addition to basic social insurance, critical illness insurance, accident insurance, business travel insurance and free medical checkup, we also provide our employees and their relatives with 24/7 free one-on-one professional psychological counseling services to help employees relieve their mental stress. We have established a 7x24 emergency response mechanism worldwide to deal with all kinds of emergencies in a timely and effective manner. In addition, we continue to build health houses – “HONOR medical rooms” in various regions across China.

HONOR continues to carry out diversified “HONOR Fitness” activities. The HONOR Fitness activities take place in April every year, continue to provide a wide range of health care activities based on employees' needs. We continue to convey the “HONOR Fitness” life concept in the context of advocating a healthy life. To this end, we have carried out various activities, such as the “Team Seeding Program” that cultivates minds and unites teams, the “HONOR Readers” activity to read good books together, the “HONOR Skipping” activity, and the classic tug-of-war. In 2023, we provided more than 10 health management lectures for all employees in the “HONOR Fitness” activity. Besides, we invited various professional medical institutions to conduct traditional Chinese medicine consultations, cupping, neck and shoulder massage, vision/hearing tests, ECG monitoring, and interpretation of physical examination reports, serving more than 3,000 people in total. Meanwhile, we continue activities such as fat loss and weight loss camps. We have conducted over 50 sessions of health promotion campaign online, and established a comprehensive system for cultivating health awareness among all employees with “health campaign, health experience and health education” as the core, aiming to help employees work healthily and live safely.



△“HONOR Fitness”-
A unified team of HONOR achievers



△“HONOR Fitness”-
A plant-filled office corner



△“HONOR Fitness”-
Jump rope activity

HONOR Vitality

HONOR encourages employees to show their talents after work. In HONOR, employees can spontaneously form sports and cultural clubs, and all employees can join these clubs and participate in club activities. In 2023, HONOR's cultural and sports clubs continued to develop. With 8 company-wide cultural and sports clubs as the core, 30+ cultural and sports clubs work together to hold more than 150 cultural and sports activities, attracting more than 30,000 participants. All HONOR employees work together to create a better world with a shared future in a cross-departmental, cross-organizational, cross-regional, and cross-cultural manner.

Meanwhile, overseas cultural and sports clubs are also developing rapidly, and these club activities have witnessed harmony and exchange of overseas HONOR staff. In 2023, cultural and sports clubs actively “went global” and showed the perseverance of HONOR staff on many occasions. At every event, from the 2023 China Masters to the biannual HONOR · Shenzhen Marathon and “Everyone is HONOR Ambassador” campaign, HONOR employees charted wonderful HONOR stories with unswerving passion.





Shenzhen Marathon: HONOR's running club members showcasing their ultimate passion

Loafer and Xiao Yi, engineers of HONOR Health APP, joined the running club. In the HONOR · 2023 Shenzhen Marathon, both of them completed the 42.195 km course. Loafer remarkably finished the race in 2 hours and 49 minutes. With their steadfast enthusiasm, they composed a motivating sports tale of HONOR employees. Their sports story was reported by the official account "Personage", with more than 100 thousand of views.



△ Loafer and Xiao Yi in the competition

Everyone serving as a brand ambassador: "The Most Beautiful HONOR People" campaign in full swing

HONOR people strive to be a brand ambassador. The photography club recruits photographers within or outside the Company. They take images using HONOR 90 series and HONOR V Purse phones for all HONOR employees, aiming to show the sophistication of HONOR products and the charm of HONOR people.



△ "HONOR Ambassador" images

HONOR Guardian

HONOR provides employees with various convenient supporting facilities, which greatly facilitate their daily work and life. We strive to enrich the daily lives of our employees by providing them with an open and bright workplace, a staff canteen with rich tastes, a well-equipped gym, a convenient shuttle bus, daily refreshment station, safe and comfortable nursing room, and other facilities.



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



HONOR always cares for our female employees and has designed nursing rooms in all workplaces to provide a safe place for female employees who are breastfeeding. Moreover, on March 8, Mother's Day, and other women-only holidays, we invited hospitals or institutions with professional qualifications to carry out special health checkups such as breast cancer screening and thyroid screening for female employees to guard their physical and mental health.

To strengthen our emergency response ability, we continue to optimize our emergency response mechanism. We exert great efforts to create a system of “100% qualification of workplace security guards, 100% coverage of automated external defibrillators (AEDs) in the workplace, and 100% implementation of monthly first aid drills” . Our workplace is equipped with resources such as AED first aid equipment and emergency medical kits. We arrange resident corporate doctors in the workplace to provide medical service for employees. We also have a professional Emergency Response Team (ERT), all of whom were trained in First Aid, CPR and AED by international rescue organizations or the local Red Cross, and conduct monthly first aid drills. In 2023, more than 500 employees joined as first aid volunteers. We launched the “one-click first aid” function to protect employee health and safety.

■ Emergency response drills: protecting employee health and safety

In 2023, we carried out an electric shock emergency drill for the operation and maintenance staff of the HONOR Engineering Department, security staff and health house medical staff at the HONOR Phase I project site in Pingshan, Shenzhen. In this way, we strengthened employees' awareness of electricity safety and improved their emergency response ability. During the drill, the emergency team responded quickly and acted efficiently. The on-site medical staff arrived at the scene within 5 minutes and the 120 ambulance staff arrived at the scene within 20 minutes. This drill satisfied the Company's “13520” first aid requirements, thus effectively and efficiently protecting employee health and safety. In 2023, Shenzhen Honor Smart Machine Co., Ltd. won the title of “Healthy Enterprise”.



Open communication, actively listening to the voices of employees

“Open innovation” is not only a value embraced by HONOR but also an essential way to HONOR’s dynamic development. HONOR attaches great importance to communication with employees and continues to improve the employee communication and feedback mechanism. HONOR has also established diversified communication channels to listen to the truest voices of employees.

The Chairman and CEO regularly conduct “Executive Face-to-Face” and “CEO Talk” communication activities with employees every six months to closely communicate various issues with them in an open-minded manner. In addition, the Company’s business lines are also constantly diversifying employee communication channels. We have organized various communication activities such as “CEO Face-to-Face”, “Leader Roundtable”, “Sailing Lighthouse”, “Senior Talk”, and “HR Relativity”. In this way, we have created a two-way communication channel which fosters trust and understanding between our leaders and employees, thereby allowing us to actively listen to the voices of all employees.



Furthermore, we continue to improve the internal online forum. “HONOR Home” has become the most important platform for employees to express their opinions freely. In 2023, in addition to issue feedback, there were also valuable voices of HONOR people about mutual care and constructive suggestions for business development in the “HONOR Home” forum.

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 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.

Employee-centered philanthropy, opening a window to the soul

In 2023, HONOR promoted employee engagement in philanthropic activities to extend our care and goodwill.

- The “Act for Public Welfare – Charitable Steps Donation Program” activity carried out during the “HONOR Fitness” activity month attracted more than 700 HONOR employees. Forming 125 teams, our employees donated 110 million steps in total, contributing their part to the running track construction in a rural primary school.
- We and the Communist Youth League Committee of Futian District in Shenzhen jointly launched the “Light Up Your Dreams” book donation program. HONOR’s book donations lit up the dreams of children in rural areas. More than 1,000 HONOR employees donated 1,928 books to a primary school in Zhongshan County, Hezhou City, Guangxi Zhuang Autonomous Region.
- We actively cooperate with local blood centers to carry out employee blood donation activities, and cooperate with volunteer service organizations in volunteer service activities.



Employee health and safety, safeguarding employees at all times

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 our employees (EHS). We have obtained ISO45001 and ISO14001 certifications and established an EHS management system in strict accordance with the requirements of ISO45001 and ISO14001 standards. We have also formulated the HONOR EHS Management System Guidelines, in a continuous effort to regulate our EHS management.

We also continue to promote the systematic and refined management of EHS work according to the “Seven Ones” management requirements for EHS work. Moreover, we assess the maturity of EHS work in various fields in accordance with the EHS System Maturity Assessment Form, aiming to effectively identify the Company’ s potential EHS management risks. In addition, in order to consolidate the management of EHS work, we have set safety management indicators for employees at all levels in all departments and conducted monthly assessments.

EHS Management Framework



“Seven Ones” requirements for HONOR EHS management

-
- One report to management every quarter
 - One EHS review meeting every quarter
 - One EHS commitment letter every year
 - One review on EHS policies and documents every year
 - One EHS training to all every year
 - One health check to hazardous exposure employees every year
 - One emergency drill every year

EHS risk prevention and control

HONOR has always managed its EHS works in a prudent manner. We regularly invite 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. We have an EHS officer to oversee the handling of the problems found and continuously optimize the office and production environment. With these efforts, we can systematically identify and evaluate the potential impacts of the working conditions on employee health and safety. 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. Moreover, we regularly conduct targeted hazard inspections and adopt management measures of assessment combined with reward and punishment mechanisms. By implementing the EHS management responsibility, we comprehensively improve our EHS management performance.

In 2023, we invited professional third-party EHS agencies to conduct annual supervision and audit on HONOR' s dual EHS systems in Xi'an, Beijing, and Shenzhen (Pingshan and Futian). We also invited professional third-party EHS consultants to conduct in-depth and comprehensive work safety inspections on HONOR' s 22 different types of premises. We followed up on the handling of issues found through the Company' s "e-process for closed-loop tracking of audit issues" , with a closure rate of 100%.

In 2023, to improve the EHS management efficiency in the R&D field, we launched the electronic information system of hidden hazard investigation and management. The system has such functions as laboratory EHS hidden hazard submission, pushing, rectification, acceptance and inquiry. We realized the whole-process closed-loop investigation and management of EHS hidden hazards via the system.

In 2023, we further improved the laboratory EHS management document system. We formulated and improved 14 management documents, covering 9 aspects such as 8S management, protective equipment, hidden hazard inspection, and comprehensive EHS management. We integrated the document requirements with the assessment, reward and punishment mechanisms to reinforce the document and policy implementation.

In 2023, we identified a total of 1,024 potential risks during EHS inspections, which were then

100%eliminated

In HONOR Intelligent Manufacturing Industrial Park, we develop a safety culture with “safety-inspired leadership and full participation” as the core, continue the safety process index monitoring, safety incentives, and other mechanisms, and continuously improve the work safety responsibility system for all staff. Following the ISO45001 standard, we identify the potential EHS risks during the manufacturing process by annual job safety analysis (JSA), “four new” access safety reviews, safety improvement of risky operations, and other actions. We provide safety equipment and facilities and personal protective equipment. We also implement multi-level safety inspection mechanisms such as special/comprehensive inspection by safety management staff and daily inspection by part-time fire safety officers. In this way, we manage potential safety risks effectively.

In 2023, we further improved our manufacturing safety management system, developed an intelligent safety risk management platform, and launched a manufacturing safety technology project. With these efforts, we achieved the goal of zero safety accident in the workplace.

- Safety management system: In addition to the existing ISO45001 safety management system, we have introduced the work safety standardization and industry-renowned safety management theories. Furthermore, we established the on-site safety management model of “hazard source management + hidden hazards investigation + emergency response management” . These measures strengthen the on-site implementation of the safety management system.
- Park safety risk management platform: We have developed a safety risk management platform covering HONOR Intelligent Manufacturing Industrial Park. We achieve real-time monitoring and elimination of safety risks by integrating online hazard sources management, on-site monitoring of high-risk zones, hidden hazard management system, and four-color distribution map of safety risks. We also utilize the park’ s emergency response systems such as CCTV monitoring and fire management system to improve the emergency response efficiency.
- Safety technology project: Considering the main safety risks of manufacturing, we have conducted an insightful study on the safety technologies involved. Based on our on-site implementation experience, we have formulated and updated 10+ safety technology specifications.

EHS culture development and promotion

HONOR highly values the improvement of employees' health and safety awareness. We continue to enhance EHS for employees by developing EHS culture and various safety culture activities, including regular promotion on the safety culture platform, EHS seminars, third-level safety training for new employees, special EHS training, EHS training for key positions, and work safety month activities. HONOR implements the EHS concept to fully enhance employees' EHS awareness.

In 2023, we urged local branches to conduct regular EHS seminars for employee representatives for positive EHS communication.

We conducted monthly training for laboratory managers nationwide, covering EHS basics, fire safety, electricity safety, hazardous chemicals, and X-ray radiation. In 2023, we organized more than 300 EHS training sessions for R&D laboratories nationwide, with more than 10,000 participants and the completion rate of 100%.

We invited professional third-party agencies to conduct special EHS training, aiming to enhance the EHS awareness, knowledge, and skills of key personnel. In 2023, we conducted Safety Leadership training for EHS managers, with more than 60 participants. For full-time and part-time EHS staff, we conducted training on 9 topics, including Hazard Source Identification, Evaluation and Control and EHS Laws & Regulations and Compliance Evaluation. Such training effectively improved the professionalism and risk identification ability of front-line EHS managers.

In 2023, we planned and organized six activities themed upon "everyone prioritizes safety and knows how to respond to emergencies" in the work safety month, aiming to improve health and safety management in all aspects.



Safety video

We posted the “EHS Instruction” Employee Safety Manual and videos on health and safety management in the “HONOR Home” forum for employees and collected their responses regarding thoughts and suggestions on work safety.

Safety quiz

We launched the EHS learning quiz activity on the “HONOR Academy” platform, and 1,251 employees participated in the quizzes.

Safety debate

We held a debate on employee health and safety. Participants engaged in an exciting debate on the importance of safety policies and safety awareness. Such debate fully enhanced their knowledge and understanding of safety management.

Safety responsibility letter signing

Everyone is directly responsible for their own safety. The responsibility of safety is the top priority. We organized all employees to sign the Work Safety Responsibility Letter to clarify safety responsibilities and strengthen the safety responsibility management, with a signing rate of 98%.

Safety drill

We insisted on the implementation of safety management requirements and organized fire emergency drills at each office site every year to improve employees' response and escape abilities. These drills fully strengthened emergency and safety management.

Safety hazard reporting

In 2023, we have issued and implemented the Hidden EHS Hazard Prevention and Control Incentive Policy. We encourage all employees to report hidden safety hazards identified to the email address (ehs_complain@honor.com). In 2023, a total of 199 hidden safety hazards were identified by employees, with a correction rate of 100%. We fully mobilized employees to actively participate in the supervision of EHS hazards and created an atmosphere of full participation in the safety culture.

荣耀员工

EHS “一指禅”

为响应“人人讲安全，个个会应急”的安全生产月主题，本期安全宣传册特向大家展示公司相关场景适用的安全知识，供大家参考学习。



In 2023, HONOR successfully reached the EHS goals of no serious injuries and fatal workplace accidents, no occupational diseases, no environmental pollution accidents, no fires, and no EHS-related government administrative penalties.

Harmony Industry Development Build a Harmonious Ecosystem

SDGs in this chapter:



Harmony Industry Development

Highlights

300

The supply chain survey covered over 300 smelters and refiners. We shared the results of mineral supply chain due diligence management with stakeholders

100%

We conducted risk assessment of 100% of major suppliers

450

Over 450 supply chain employees participated in empowerment training

260,000

On-site assessment covered over 260,000 industry chain employees

100

The greenhouse gas survey covered over 100 suppliers

Green supply chain

Protect the environment as our responsibility, improve the environmental awareness of suppliers, and promote green development across the supply chain

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 onboarding, evaluation, and performance management. We encourage suppliers to establish, improve and ensure effective CSR management systems. We also help suppliers identify various risks and set up specific targets and quantitative indicators, in order to enhance the management and operation of sustainable supply chains.

In line with relevant regulations, customer requirements, international standards such as ISO14001, ISO45001 and ISO26000, industry standards and industry best practices, we have developed the Supplier CSR Code of Conduct to specify the standards for supplier management in areas such as labor rights, health and safety, environmental protection, business ethics, and management systems. We require suppliers to sign the Supplier CSR Agreement to ensure their compliance with these requirements and improve their sustainable development management.



Parts of sustainable development issues covered by the Supplier CSR Code of Conduct

1. Labor rights: Free choice of employment, prohibition of child labor, wages and benefits, anti-discrimination and freedom of association.
2. Health and safety: Occupational health and safety, emergency preparation, work injury and illnesses.
3. Environmental protection: Hazardous substance management, emission management, energy consumption and greenhouse gas emissions, and water resource management.
4. Business ethics: Intellectual property rights, responsible purchase of minerals, and privacy protection.
5. Management systems: Corporate commitments, management responsibilities, risk assessment and management, review and assessment, and other issues related to internal management.

Supplier onboarding

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

In addition to requiring new suppliers to meet the qualification requirements, 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. Meanwhile, we implement one-vote veto mechanism for suppliers with CSR issues, and suppliers who fail the certification cannot become HONOR suppliers.

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

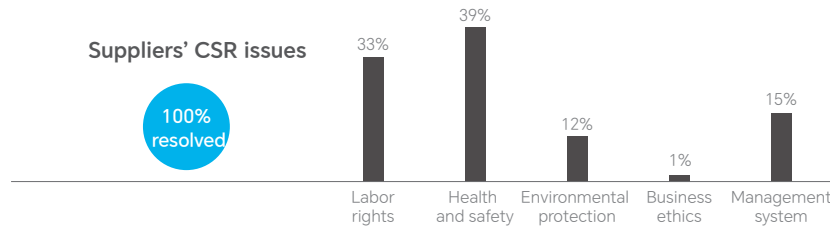


Supplier assessment

HONOR conducts supplier CSR risk assessment in accordance with laws and regulations, customer requirements, material category, processes (including chemicals), use of labor and performance evaluation results in previous years. The assessment results will be classified as high, medium and low risk.

We formulate on-site audit plans based on the risk assessment results, and engage international certification agencies with public credibility to conduct on-site visits to assess suppliers in terms of labor rights, health and safety, environmental protection, business ethics and management systems, and form a supplier CSR audit report to summarize and evaluate the audit results, and propose recommendations and improvement requirements, so to help suppliers address CSR issues, and control potential CSR risks in the supply chain.

We also use online searches to review supplier CSR performance to help suppliers make continuous improvements. We provide CSR risk warnings based on the dynamics of industry chain and promote self-correction and prevention by suppliers. In 2023, HONOR conducted risk assessment for 100% of major suppliers. From 2021 to 2023, over 80% of suppliers of key CSR product categories received on-site audits, and all identified issues were resolved. To date, there have been no significant adverse events among HONOR suppliers.



Supplier training

To further improve supplier management, HONOR arranges personnel to be present at the supplier site. 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 and implement targeted corrective and preventive measures.

To enhance suppliers' CSR management capability, HONOR routinely organizes face-to-face CSR presentations. We convey HONOR's CSR philosophy, requirements, and management methods to more than 750 of our suppliers' management and CSR personnel to promote CSR leadership at the top level of suppliers. In addition, we regularly conduct empowerment training, covering areas such as CSR knowledge, auditing skills, product environmental protection knowledge, EHS laws and regulations, compliance assessment, ISO28000 supply chain security management system, and QC080000 internal auditor training. In 2023, over 280 procurement TQC team members participated in these sessions in 2023, achieving 100% engagement across relevant personnel.

In October 2023, we invited over 100 key suppliers to the Compliant CSR Management Seminar, where we shared HONOR's compliance requirements, and CSR methods and requirements with them, and underscored a zero-tolerance stance on critical CSR issues to help suppliers improve compliance and CSR management capabilities.

Supplier performance evaluation

HONOR annually assesses the CSR performance of suppliers, including CSR management status, on-site assessment results, and continuous improvement. The CSR performance of suppliers is divided into four grades, which are excellent, good, qualified, and unqualified. The performance assessment results are then integrated into HONOR's project selection, bidding, and supplier portfolio management. Suppliers that demonstrate superior performance are given precedence in receiving business collaboration opportunities. Conversely, suppliers whose performance falls short may see a reduction in their purchase shares or business collaboration chances, or we may even decide to cease our partnership with them.

Protect the legitimate rights of workers

HONOR pays attention to protecting the legitimate rights of workers and strictly prohibits the use of child labor, forced labor, and other forms of inhumane treatment. We have set high CSR labor standards and requirements according to domestic and international standards, customer requirements and excellent industry practices. In addition, we actively engage third-party authoritative auditors to evaluate our suppliers' labor right practices and work together with suppliers to protect the legitimate rights of workers, so as to effectively fulfill our labor protection obligations. Our aim is to enable everyone in the industry chain to work decently, thereby improving the sustainable development in the supply chain.

HONOR values the work experience of entry-level workers at suppliers. We learn about workers' actual working experiences through on-site assessments, face-to-face interviews, group interviews and random sampling interviews. We also comprehensively evaluate voluntary employment, fair treatment, freedom of association and communication, compensation and benefits, working hours and wages, and working environment. In 2023, over 450 employees participated in the on-site interviews. More than 260,000 industry chain employees have been covered. We require suppliers to organize regular satisfaction surveys covering entry-level employees and follow up on and resolve problems identified so as to improve employee satisfaction. Suppliers are also required to analyze reasons of resignation to better understand employees' demands and expectations, thereby reducing employee turnover.

450 employees were covered
by interviews in 2023

260,000
industry chain employees have
been covered

Strictly manage health and safety in the workplace

HONOR prohibits any operational conditions and factors that seriously endanger the life and safety or health of workers. We are committed to effectively improving the working environment. We enhance the health and safety management of our suppliers through empowerment training and regular audits and help conduct relevant audits to effectively handle the issues identified.

We implement targeted control measures for high-risk operations, including the processing of magnesium-aluminum alloys. We actively review the control measures for these high-risk processes and engage professional agencies to carry out on-site audits and provide guidance for resolving any issues identified. We also conduct the chemical hazard evaluation to identify chemicals with high risks and place chemicals including benzene, methyl alcohol and n-hexane, based on product categories such as structural components, on our prohibited list. Besides, we have developed the chemical management requirements in our manufacturing process to safeguard workers' health and safety.

HONOR upholds the concept of "safety and prevention first", encourages suppliers to continuously identify safety hazards in the workplace to ensure safety in accordance with the control methods of "elimination, substitution, engineering control, management control, and personal protective equipment". We invite professional agencies to counsel suppliers to identify and eliminate safety hazards in the workplace. In addition, we encourage suppliers to invite independent agencies to conduct health and safety management assessments of factories. These assessments include but not limited to evaluation of current safety situation, current occupational disease hazards, fire safety, electrical safety inspection, fire safety detection and lightning protection detection. All are aimed at continuously improving the 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 encourages its suppliers to improve environmental performance and jointly build a green and sustainable supply chain. HONOR requires 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 emission standards. In addition to effective control of pollutants in their factories, suppliers need to supervise the environmental status of upstream factories in the supply chain, especially those involving environmental high-risk processes, such as electroplating, painting, and etching, to ensure that they operate with compliance.

In addition, we invite third-party professional agencies to conduct environmental assessments of suppliers to help them understand the impact of their operations on the environment and encourage them to set carbon reduction targets, conduct carbon inventories, save energy, and reduce emissions. In 2023, we encouraged over 100 suppliers to complete the HONOR Greenhouse Gas Questionnaire, and required them to conduct inventories for the Scope 1, Scope 2 and Scope 3 greenhouse gas emissions of their factories. Under our guidance, suppliers take proactive steps to pass international standard certification, such as ISO14064, green factory certification and ISO50001, so as to improve their green environmental protection management. They also promote the green transition and sustainable development of the supply chain by purchasing green power/green certificates, building wind power plants, developing photovoltaic power generation projects, and setting up the energy and carbon management platform.

Since 2022, we have invited over 100 suppliers annually to the "HONOR Supply Chain Carbon Management Seminar" to share our dual carbon management requirements and to encourage them to establish carbon reduction targets and take concrete actions. In October 2023, in cooperation with professional agencies, we organized the HONOR Supply Chain Dual-Carbon Management Empowerment Seminar. Over 270 participants jointly discussed topics such as global dual-carbon policies, industry best practice, the use of carbon inventory tools, and green factory management. In the future, we look forward to exploring practical carbon reduction measures and action plans with suppliers and ushering in the new chapter of low-carbon development together.

■ Improve environmental performance with industry chain partners

Sunwoda Electronic Co., Ltd., a supplier of HONOR, recently released its operational goals to achieve carbon peaking by 2029 and carbon neutrality by 2050. The company takes various measures to reduce supply chain emissions, obtain product carbon footprint certification, and build zero-carbon industrial parks. As a key business partner of HONOR, the Sunwoda team actively communicates with us to discuss progress and plans for carbon emission reduction and share the achievements and concept of green development.

- Renovate the exhaust system of the pad printing oil room and the tilting-pan machine: Before renovation, the power of the exhaust fan was 11 kW. After Sunwoda optimized the pipeline layout of the exhaust fan system and installed the tubular workshop exhaust fan, the power was decreased to 320 W. Sunwoda also shut down the 11 kW exhaust fan on the roof while retaining only the active carbon filter function, which reduced energy consumption by nearly 10 kW.
- Optimize lighting in the pad printing workshop: Before optimization, the lighting rate on the manual line and material storage area was high due to layout in the pad printing workshop. After optimization, 40 lamps were reduced on the manual line, and the lighting control was improved for 160 lamps in the material storage area.
- Upgrade the vacuum process used by mechanical arm to get batteries: Before improvement, the mechanical arm got batteries with the vacuum created through the switch to compressed air by the vacuum generator, with the electromagnetic valve controlling the entry of compressed air, which led to significant air leakage of the vacuum generator. After improvement, the vacuum generator was removed, with vacuum being directly provided by the vacuum pump. Only the electromagnetic valve is needed to control the entry of vacuum air source, thereby avoiding leakage of compressed air.
- Optimize lighting control in the park area: Before improvement, the park used 5,600 double-barreled LED lights, each rated at 18 W. After improvement, 1,450 lamps were removed, reducing total lighting power by 26 kW and saving 75,900 kWh of electricity in the whole year.

In 2023, the Sunwoda park where the HONOR production line operated implemented multiple energy saving and carbon reduction measures, including optimizing exhaust system, upgrading operation process of the mechanical arm, and improving lighting system in the park and workshop areas, which reduced 213.5 tonnes of greenhouse gas emissions.

Responsible raw material management

In accordance with domestic and international regulations and industry best practices, HONOR has formulated the Statement on Responsible Mineral Supply Chain Due Diligence Management. We responsibly purchase metal minerals used in our products, such as tin, tantalum, tungsten, and gold. We strictly investigate the smelters and actively share the results of our responsible mineral management with customers and other stakeholders, aiming to encourage the whole industrial chain to fulfill corporate social responsibilities.

With reference to the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidelines for Responsible Supply Chains of Minerals, HONOR has established and continuously improved the supply chain responsible mineral management system. We require suppliers to conduct source tracing and due diligence for the minerals 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, 300+ smelters and refineries.

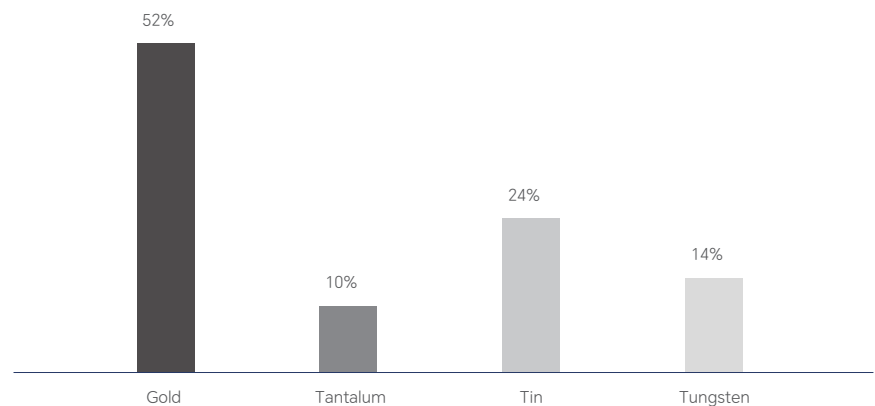
The supply chain mineral due diligence covers **100%**

of production suppliers and

300+

smelters and refineries

Percentage of metals in HONOR's supply chain due diligence in 2023



Win-win cooperation

Based on open innovation, HONOR aims for synergy and mutual assistance by leveraging its own strengths along with global advantages and complementary industry chain resources. Without the capacity of technological innovation to promote the coordinated development across the supply chain, companies risk falling into low-level competition and undermining brand value.

"Business cooperation is not a one-way street. It requires co-creation of common value through shared strategic vision and mutually compatible directions. Past experience of HONOR shows that at the heart of our approach lies in the business partnership featuring win-win cooperation".

— George Zhao, CEO of Honor Device Co., Ltd.

In addition to continuous improvement in key technologies such as photography, operation system optimization, privacy security protection, battery technology and communication technology, we also leverage our own patent technologies to maintain our brand quality and advantages. Meanwhile, we integrate our own unique technologies, such as GPU Turbo X and Link Turbo, with Qualcomm chips to exploit excellent resources and elements.

HONOR's intelligent manufacturing experience and infrastructure extend beyond our own factories, influencing and empowering the entire industry chain through close collaboration between HONOR and upstream and downstream business partners. This not only helps improve manufacturing quality and efficiency, but also promotes the digital transformation of the upstream and downstream industry chain. For upstream production and material suppliers, HONOR enables quality monitoring and warning for their materials, processing and manufacturing processes with data by integrating advanced equipment and testing tools. For downstream factories of mass production, HONOR provides production equipment and dispatches engineer teams to offer on-site technological support. We have also established a dedicated service team to manage suppliers' quality, technology and automation. Besides, we also set up joint project teams to share our experience in site management, quality management and engineering technology with business partners.

In addition, in terms of digitalization, the underlying layer of intelligent manufacturing, HONOR also strives to extend the data monitoring scope to the upstream and downstream industry chain. Installing equipment and sending designated teams to the factories also facilitate data connection and sharing. At present, our digital control rate of key equipment is 100% and networking rate of key equipment is 95% in our Intelligent Manufacturing Industrial Park. Our Big Data Quality Warning System for Global Testing has realized end-to-end quality warning for suppliers' materials, processing and manufacturing processes. The quality warning coverage extends from manufacturing to upstream R&D, procurement/industry chain, and market/customer, driving the transition of quality management from post-event interception to pre-event forecasting and prevention.

HONOR is dedicated to developing the industry ecosystem and promoting the development of digital economy. 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 technological ecosystem together.



We have established strategic cooperation with Amap for a deep partnership in smart traveling service, smart living service, indoor navigation and wearable device navigation. We aim to jointly build a new smart service ecosystem and enhance personalized experience.



We have announced with Youku to establish a joint laboratory to develop comprehensive solutions from video production to transfer, distribution and consumption. Based on HDR, high resolution, high frame rate, surround sound effect and other technologies under Zreal's ultra-high-definition solution, we conduct deep cooperation to enhance audio and visual quality, thereby pushing the boundaries of video experiences in high-end models. We also constantly optimize video algorithms with high performance and low power consumption by leveraging our open computing power technology, so as to improve the immersive video viewing experience.



We have set up a joint laboratory with NetEase Cloud Music to explore all-scenario and comprehensive music solutions. We work together to enhance sound effects and music playing experience, AI-based music composition, scenario-based music recommendation, and cross-device continuation of music. As a personalized all-scenario operation system empowered by AI, HONOR MagicOS has created a powerful integrated central business platform based on four technologies, enabling us to conduct extensive cooperation with partners in the application ecosystem at the upper level. We combine our unique fine-tuning technology of software and hardware equipment with the advanced algorithms of NetEase Cloud Music to improve comprehensive sound effect and offer better music experience to users.



We have set up the HONOR Innovative OpenLab with business partners, aiming to fully enhance user experience and promote continuous business growth by sharing our core capabilities. The HONOR Innovative OpenLab will provide one-stop developer services and all-link big data services to help business partners reduce costs and improve efficiency during development and verification. We will create value and share results with business partners by focusing on basic service optimization, scenario breakpoint resolution, and exploring new opportunities throughout the whole journey.

In June 2023, HONOR formally joined the China ESG Alliance, which was established by several well-known leading companies with the purpose of pooling at pool resources from various sectors and experts. Through collaborative projects, the alliance strives to assist companies in improving their ESG governance to help pursue green, sustainable, and high-quality development based on their needs for development.

In December 2023, HONOR became one of the founding members of the Coalition for Open Digital Ecosystem (CODE), which seeks to foster cooperation among consumers, businesses, policymakers, academia, and startups. CODE is committed to promoting and implementing principles of openness to expand consumer choices, stimulate continuous innovation, and break down technological barriers. Under the leadership of industry leaders, CODE is setting out to establish digital ecosystems through cross-industry collaboration, thereby fostering seamless interaction between different operating systems. This ensures that consumers can effortlessly select any device and service, while enjoying digital services with high-quality experience, function, security, and privacy. Launched by companies such as Google, Qualcomm, and Meta, CODE represents a joint effort within the ecosystem aimed at providing innovative, safe, and reliable products for consumers and businesses alike.

Responsible Governance Compliance is the cornerstone of business operations



SDGs in this chapter:



Responsible Governance

Highlights

Compliance management system

We established a top-down compliance management system, covering key business areas and regions.

9,700

Over 9,700 patents were granted worldwide

21,000

We applied over 21,000 patents worldwide

13

We provided 13 compliance campaigns for employees

Compliance management system construction

To achieve efficient compliance management, HONOR has established a top-down compliance management structure covering key business areas and regions. 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 is responsible for formulating compliance management strategy and operating mechanism, serving as the decision-making body for daily compliance management and being accountable for the outcomes of the Company' s efforts. The Chief Compliance Officer, acting as the director of the Committee, is responsible for leading the daily management work of the Committee and guiding 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 the Company' s compliance system, and fulfill the responsibility of daily compliance management implementation.

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. By integrating the key compliance control measures in the current processes and business, the Company efficiently facilitates online, visualized, and systematic operation of compliance management work, effectively controlling and preventing compliance risks.

Best practices of HONOR compliance management

Based on all applicable laws and regulations, commitments, and business scenarios involved, HONOR conducts a wide range of compliance practices in such areas as trade compliance, business secrets protection, privacy protection, anti-bribery, financial compliance, competition law, cyber security, and employment. We provide a reporting email bcgcomplain@hihonor.com for all employees and partners. The Ethics Compliance Committee is responsible for tracking report progress. The reporters' information is strictly protected. Any employee who retaliates against reporters will be disciplined, and those with severe circumstances will be dismissed. In 2023, HONOR received no compliance reports or complaints.

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, fostering an honest and responsible corporate image worldwide and creating a mutually beneficial and trusting commercial ecosystem with our partners.

HONOR integrates trade compliance into its daily operations and sets up management requirements in each business sector to conduct business in compliance with laws and regulations. We support our management team and departments such as procurement, sales, R&D, supply chain in identifying trade compliance risks. Through the establishment of a trade compliance screening system, creation of export control assessment mechanisms, and provision of compliance empowerment and training, along with regular compliance inspections, we effectively institute a trade compliance control mechanism, guaranteeing strict adherence to trade compliance management standards.

Anti-bribery and anti-corruption

HONOR reinforces its integrity compliance system by adopting a "zero tolerance" policy towards any form of commercial bribery and corruption.

Based on the anti-corruption and anti-bribery laws of each country, we have formulated and revised the Compliance Regulations on Anti-Bribery and Anti-Corruption Requirements for Partners. These policies clearly define the Company's general principles, management mechanisms, and expense standards for gift receiving, social interactions, and external donations to effectively prevent the Company's commercial bribery behavior. In 2023, we provided 7 training sessions on anti-corruption in key business areas to raise employees' awareness of anti-corruption. In addition, we organized compliance training for all employees, covering more than 13,000 employees and representing a coverage rate of 100%.

Business secrets protection

Respecting and protecting the business secrets of others is a fundamental business principle at HONOR. To standardize the rules for business secrets protection and discipline employees' behaviors, we have established a compliance management mechanism and formulated and revised 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. Additionally, 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 /Anti-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 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 and assessing 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 tool chains, we conduct threat analysis, security design, security coding, and security testing during the entire process to ensure product safety and quality. In addition, 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 ensure equal pay for equal work, protect the rights and interests of female employees, and encourage women to give full play to their expertise and specialties in key positions. For employees with physical disabilities, we provide a barrier-free office environment for them and assist in applying for allowances to make their lives more convenient.

Intellectual property

HONOR attaches great importance to the protection of intellectual property. We continue to strengthen our own intellectual property reserves and invest in R&D, ranking sixth nationally in R&D investment intensity. For example, the monthly average number of new patent applications by HONOR in China is more than 300, of which invention patents account for more than 90%. As of 2023, HONOR has applied more than 21,000 patents worldwide, and more than 9,700 patents have been granted.



Number of patents applied worldwide as of 2023

21,000+



Number of patents granted worldwide as of 2023

9,700+

Compliance capability building

HONOR attaches importance to the cultivation of professional talents in compliance. Following the legal, honest, and ethical business principles, we continue to invest resources and organize organized employee training and massive campaigns to promote compliance culture.

Employee training

In 2023, HONOR conducted a comprehensive and multi-level compliance training program for all employees:

Compliance training for new employees

HONOR has provided 35-hour new employee orientation (NEO) training, focusing on compliance case studies to help enhance new employees' awareness and improve their ability to identify compliance risks.

Training for compliance practitioners

To enhance the professionalism of compliance practitioners, the Company adopts both online and offline approaches for their certification training, facilitating interaction with external experts for an exchange of industry best practices. This ensures that they have acquired expertise in key compliance areas. In addition, the Company invited experts from the British Standards Institution (BSI) to provide practical training on compliance management systems for compliance practitioners. In 2023, nearly 30 employees were certified as Compliance Officers by BSI.

Compliance training for management team

We also emphasize the training for management personnel who shoulder the responsibilities as role models at HONOR. In 2023, we conducted 15 sessions of compliance training for them to underline the importance of compliance.

Compliance culture promotion

We continue to improve the company-wide awareness of compliance and the ability to identify risk scenarios. In 2023, we completed the structural design of the compliance knowledge map, established and launched a compliance knowledge community, and conducted 13 compliance publicity activities for employees through the compliance official account to create a compliance learning atmosphere..

Looking Forward

HONOR fulfills its responsibility as a corporate citizen. Looking back to 2023, we steadfastly pursued the path of sustainable development, achieving notable progress in seven strategic areas, including environmental, tech for good, youth empowerment and employee development. Looking forward to 2024, HONOR will continue to practice the concept of sustainable development and make concrete efforts to advance technological innovation, thus bringing our products and services to more people. Together, we will create a new intelligent world for everyone.

We will bring consumers technological experience through innovation while minimizing the environmental impacts. To achieve this, we will reduce resource consumption from the outset by making product design and packaging greener. We make better use of energy and materials by optimizing product durability and reliability and actively contribute to the development of the circular economy through responsible product recycling and disposal methods. Meanwhile, we will encourage more industrial partners to promote green production, encourage eco-friendly practices among employees in their daily work, and guide consumers towards sustainable shopping habits. And we will work with our business partners towards a green future, thus revitalizing the Earth with sustainable actions.

With tech for good in mind, we are delving deeper into information accessibility and promoting the sound development of the field. Embracing continuous technological innovation, we will deliver more convenient and heart-warming services to people in need, so that everyone can equally enjoy the benefits of technological progress. This can accelerate the journey towards digital inclusion. What's more, we will bring the convenience of the digital world to more people by delivering better products and service experiences and help users lead healthier and better lives.

We will empower the youth around the world and leverage the extensive resources of our brand to support and foster originality. We will organize more cultural exchange activities to facilitate creative communication and the pursuit of dreams, thus stimulating the pioneering spirit of youth across the globe to create a more imaginative future.

HONOR will always attract and cultivate talents with an open, equal and inclusive approach. We will optimize the compensation and welfare system for employees, listen to their voices, and establish a platform for all HONOR partners with dreams, so as to unleash their potential. We, together with our partners, will also adhere to high standards of environmental protection and business ethics and build a sustainable and harmonious industrial chain to share the fruits of HONOR's development.

We will adhere to business ethics, actively participate in the development of the industry's privacy and security ecosystem and provide reliable products and services. We will continuously protect user privacy in an all-round way. HONOR will devote itself to building a robust compliance management system, consolidating trade compliance, financial compliance, cybersecurity, labour employment, which are the cornerstones of our operations, and enhancing internal ESG governance, so as to ensure the stable operation of HONOR.

ESG is our roadmap to sustainability. We will stay on this path going forward!

Appendix



About this Report

Overview

As the second 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 for 2023, 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 Reporting Standards (hereinafter "GRI Standards"), 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", "the 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. The electronic version of this report can be obtained through the HONOR ESG official website. For printing, we recommend using recycled paper and eco-friendly inks.

Awards and Accreditations

Winners	Award	Awarding institution
Honor Device Co., Ltd.	National Excellent Quality Management Team	China Association for Quality, All-China Federation of Trade Unions All-China Women's Federation, China Association for Science and Technology
Honor Device Co., Ltd.	Collaboration Award of 2023 CSR Awards	AmCham Shanghai
Honor Device Co., Ltd.	Annual Cooperation Award of 2023 Bloomberg Green ESG 50 List	Bloomberg Green
Honor Device Co., Ltd.	Awarded the "Best Action Award for Enterprise Green Financing" in the "Excellent Cases of High-Quality Association Development of Green Finance in 2023"	Shenzhen Green Finance Association
Honor Device Co., Ltd.	Annual Jury Prize / Dingge Award	Awarded by China's Harvard Business Review, SAP and the Global Business Research Institute of Tsinghua University
Honor Device Co., Ltd.	2023 MostIn Global Talent Magnet Employer	Beijing LinkedIn Information Technology Co., Ltd.
Honor Device Co., Ltd.	2023 Employers Worth Working for	Beijing Taoyou Tianxia Technology Development Co., Ltd. ("Maimai")
Honor Device Co., Ltd.	2023 NFuture Most Popular Employers for Technical Graduates	Beijing Nowcoder Technology Co.,Ltd. ("Nowcoder")
Honor Device Co., Ltd.	2023 Favorite Employer of Shixiseng	Chengdu Mshare Technology Co., Ltd. ("Shixiseng")
Honor Device Co., Ltd.	2023 Employer Brand Business Model Award	Shanghai Dayee Cloud Computing Co., Ltd. ("Dayee")
Honor Device Co., Ltd.	2023 Top Intelligent Innovation Employers	Beijing Lagou Network Technology Co., Ltd. ("Lagou")
Honor Device Co., Ltd.	The 9 th Guangdong Patent Gold Award	Guangdong Administration for Market Regulation
Honor Device Co., Ltd.	2022 Shenzhen Science and Technology Patent Award	Shenzhen Administration for Market Regulation
Honor Device Co., Ltd.	The Excellence Award of the 24 th Chinese Outstanding Patented Invention	China National Intellectual Property Administration
Honor Device Co., Ltd.	2023 Shenzhen Science and Technology Patent Award	Shenzhen Administration for Market Regulation
Honor Device Co., Ltd.	Approved as "Shenzhen Intellectual Property Advantage Enterprise"	Shenzhen Administration for Market Regulation
Honor Device Co., Ltd.	Approved as a "National Intellectual Property Advantage Enterprise"	China National Intellectual Property Administration
Honor Device Co., Ltd.	Fortune China Best Design List	Fortune China

Winners	Award	Awarding institution
Honor Device Co., Ltd.	Outstanding Defence Enterprise	Shenzhen Futian District Government Cyberspace Affairs Commission
Honor Device Co., Ltd.	The Third Prize of the National Final of the Fifth Industrial Internet Competition for Strong and Stable Chain Solutions	Jointly organized by the Ministry of Industry and Information Technology, State-owned Assets Supervision and Administration Commission of the State Council, All-China Federation of Industry and Commerce, and the People's Government of Zhejiang Province.
Honor Device Co., Ltd.	Continuously ranked first in the "Most Promising Brand Growth Potential"	2023 BrandGrow China Emerging Brand Growth Forum
Magic V Purse	Time -Best Inventions of 2023	TIME
Honor Device Co., Ltd.	New Quality Productivity Demonstration Award	Nanfang Daily
Honor Device Co., Ltd.	The Brand with Most Growing Potential in Shenzhen in 2023	Shenzhen News
Honor Device Co., Ltd.	2023 JRJ "GoldenWis" Special Award for Consumer Industry Consumer Trusted Products	JRJ
HONOR MagicPad 13	2023 User Recommended Intelligent Technology Innovation Products	Beijing Business Today
HONOR Magic V2	2023 Smartphone Influence Ranking Best Foldable Screen Phone of the Year"	Chengdu Daily Chengdu Daily Digital@Chengdu 2023 Annual General List
HONOR Magic V2	Consumer Recommendations for Mobile Phone Brands in 2023	Beijing Business Daily
HONOR Magic V2	2023 Technology Summit "Popular Innovative Technology Product of the Year"	Caijing
HONOR X50	Best Quality Mobile Phone	Gfan Technology List
HONOR Magic V2	2023 Excellent Lightweight Foldable Screen Phone	Pchome 2023
Magic V Purse	2023 Excellent Lightweight Foldable Screen Phone	Pchome 2023
HONOR Magic V2 Pro+	China Mobile Competition (CMC) Design Award	Communications Weekly The 11 th China Mobile Design Competition in 2023
HONOR Magic V2	2023 Design Innovation Award	MicroComputer
Honor Device Co., Ltd.	The Most Influential Brand of the Year	Popular Consumption Annual Brand List of Douyin
Shenzhen Honor Intelligent Machine Co., Ltd.	Green Factory	Ministry of Industry and Information Technology
Shenzhen Honor Intelligent Machine Co., Ltd.	Voluntary Clean Production Enterprises	Industry and Information Technology Bureau of Shenzhen Municipality

ESG Key Data

Index	Unit	2021	2022	2023
Gas consumption during the Reporting Period	m ³	179,109.88	546,341.52	369,633.02
Electricity consumption during the Reporting Period(location-based)	kWh	53,463,958.24	105,558,064.71	129,311,656.5
Electricity consumption during the Reporting Period(market-based)	kWh	/	/	119,311,656.5
Water consumption during the Reporting Period	m ³	/	/	488,078.94
Refrigerant leakage during the Reporting Period	kg	1,004.93	1,567	31,121.22
Volatile organic compounds (VOC) during the Reporting Period	Tonne	1.87	1.49	0.79
Greenhouse gas (GHG) emissions during the Reporting Period (Scope 1)	tCO ₂ e	2,217.51	3,921.95	4,493.88
Greenhouse gas (GHG) emissions during the Reporting Period (Scope 2,location-based)	tCO ₂ e	37,994.74	64,116.06	76,934.08
Greenhouse gas (GHG) emissions during the Reporting Period (Scope 2,market-based)	tCO ₂ e	/	/	71231.08
Greenhouse gas (GHG) emissions during the Reporting Period (Scope 3)	tCO ₂ e	126,213.44	2,453,614.3	3,563,551.15
Weight of harmful chemicals removed	Tonne	/	3,861	4,440
Weight of electronic waste recycled	Tonne	/	1,785	2,185
Number of products certified through environmental product certification (e.g. CQC)	Number	/	104	128
Total number of substantiated complaints concerning breaches of customer privacy during the Reporting Period	Case(s)	0	0	0
Total number of confirmed incidents of leakage, theft, or loss of customer data	Case(s)	0	0	0
Passing rate for the company-wide privacy protection exam	%	100%	100%	100%
Number of elderly-friendly projects implemented	Item(s)	/	17	26
Annual beneficiaries of ScreenReader	Person(s)	/	2,900,000	3,400,000
Annual beneficiaries of AI Subtitles	Person(s)	/	700,000	800,000
Annual beneficiaries of Call Subtitles	Person(s)	The feature is not online yet	The feature is not online yet	140,000
Annual beneficiaries of Magic Text service	Person(s)	/	4,000,000	14,900,000
Annual beneficiaries of Magnification	Person(s)	/	140,000	470,000

"/" in the table indicates that the data has not been collected

Index	Unit	2021	2022	2023
Number of face-to-face communication involving individuals with disabilities	Person(s)	/	/	520
Cumulative number of submissions for the HONOR Talents Global Design	Number	/	13,000	25,000
Number of countries covered by the HONOR Talents Global Design	Number	/	40	40
Number of universities participating in the HONOR Tech Innovation Awards	Number	/	800	150
Number of students participating in the HONOR Tech Innovation Awards	Person(s)	/	7500	5300
Number of submissions for the HONOR Magic Moments in China	Number	210,000	230,000	370,000
Number of submissions for the HONOR Magic Moments outside China	Number	0	70,000	140,000
Number of employees by gender	Male	/	/	10,306
	Female	/	/	3,495
Number of employees by region	China (including Hong Kong, Macao and Taiwan)	/	/	13,255
	Outside China	/	/	546
Number of employees by age group	30 years old and below	/	/	5,912
	31 to 50 years old	/	/	7,808
	Over 50 years old	/	/	81
Total number of workers directly controlled by the company but not employed by it	Onshore cooperative personnel	/	/	11,210
	Offshore cooperative personnel	/	/	11,753
	Intern	/	/	246
Number of people empowered by HONOR Academy	Person-time	/	160,000	1,170,000
Average training hours per employee	Hour(s)	24.2	28	51
Percentage of employees assessed for performance and career development, categorized by gender	Male	/	/	74.7%
	Female	/	/	25.3%
Incidents of child labor occurred during the Reporting Period	Case(s)	0	0	0
Involuntary labor incidents occurred during the Reporting Period	Case(s)	0	0	0

"/" in the table indicates that the data has not been collected

Index	Unit	2021	2022	2023
Number of discrimination incidents during the Reporting Period	Case(s)	0	0	0
Number of amateur activity associations organized by employees	Number	/	30	30
Annual employee participation in recreational activities	Person-time	/	15,000	30,000
Number of fatalities due to work injury	Person(s)	0	0	0
Number of lost days due to work injury	Day(s)	/	0	0
Number of severe work injuries	Person-time	/	0	0
Number of recorded work injuries	Person-time	/	0	1
Rate of recorded work-related injuries (in 1,000,000 working hours)	/	/	/	0.035
Working hours (all employees)	Hour(s)	/	/	28,305,024
Training for EHS full-time and part-time personnel	Person-time	/	800	1,580
Coverage rate of basic EHS training	%	/	100%	100%
Percentage of members of the Board of Directors by gender	Male	/	/	85.7%
	Female	/	/	14.3%
Percentage of members of the Board of Directors by age group	30 years old and below	/	/	0%
	31-50 years old	/	/	28.6%
	Over 50 years old	/	/	71.4%
Percentage of members of the Board of Directors by ethnic minorities	%	/	/	14.3%
Number of ethnic minority employees	Person(s)	/	/	345
Total number of production suppliers more than	Number	/	/	300
Cumulative number of CSR on-site audits	Time(s)	/	/	160
Cumulative number of issues identified during CSR on-site audits	Number	/	/	1,810
Proportion of high-risk issues identified during CSR on-site audits	%	/	/	0
Proportion of medium-risk issues identified during CSR on-site audits	%	/	/	60%

"/" in the table indicates that the data has not been collected

Index	Unit	2021	2022	2023
Proportion of low-risk issues identified during CSR on-site audits	%	/	/	40%
Closure rate of issues identified during CSR on-site audits	%	/	/	100%
Number of supply chain workers empowered	Person(s)	/	/	450
Number of smelters/refiners covered by mineral surveys	Number	/	/	329
Number of suppliers covered by carbon inventory projects	Number	/	50	144
Cumulative audit rate of sustainable development for key category suppliers	%	/	/	80%
The cumulative number of industry chain employees covered by the on-site assessment exceeds	Person(s)	/	210,000	260,000
Percentage of senior executives participating in anti-corruption training	%	/	100%	100%
Percentage of employees participating in anti-corruption training	%	/	100%	100%
Cumulative number of global patent applications	Number	8,500	14,000	21,000
Cumulative number of patents granted worldwide	Number	4,200	6,200	9,700

"/" in the table indicates that the data has not been collected

GHG Emission Data



BUREAU VERITAS
Certification

Greenhouse Gases Verification Statement

is awarded to
HONOR DEVICE CO., LTD.

Bureau Veritas Certification (Beijing) Co., Ltd. (hereinafter referred to as BVC) was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by Honor Device Co., Ltd. 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 Device Co., Ltd. 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 covered by the verification:

- Site name: Honor Device Co., Ltd.
- Registered address: Suit 3401, Unit A, Building 6, Shum Yip Sky Park, No. 8089, Hongli West Road, Xiangmihu Street, Futian District, Shenzhen, Guangdong, P. R. China
- Reporting period covered: 01/01/2023 to 31/12/2023

Organizational boundaries: Activities and facilities of Honor Device Co., Ltd. under operational or financial control approach. 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., Shanghai Honor Intelligent Technology Development Co., Ltd, main domestic offices and overseas subsidiaries.

Reporting boundaries: Direct GHG emissions generated in related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 4493.88 tonnes of CO₂e
- Category 2: Indirect GHG emissions from imported energy: 76934.08 tonnes of CO₂e (location-based)
- Category 2: Indirect GHG emissions from imported energy: 71231.08 tonnes of CO₂e (market-based)
- Category 3: Indirect GHG emissions from transportation: 19210.25 tonnes of CO₂e
- Category 4: Indirect GHG emissions from products used by organization: 2820728.00 tonnes of CO₂e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: 723612.89 tonnes of CO₂e
- Category 6: Indirect GHG emissions from other sources: Non-significant indirect emissions and not quantified

Total quantified emissions: 3644979.11 tonnes of CO₂e (location-based)
Total quantified emissions: 3639276.11 tonnes of CO₂e (market-based)

Limitations and exclusions: Excluding other non-significant indirect GHG emissions

GHG reporting protocol 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

Certification body address: 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
Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.
To check this statement validity please call: +86 10 59683888 or +86 20 83073800
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GHG Emission Data

BUREAU VERITAS

Certification



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 assurance

GHG verification methodology:

- Interviews with relevant personnel;
- Review of documentary evidence;
- Review of data and information systems and methodology for GHG emissions data collection, aggregation, analysis, and review of information used to determine GHG emissions;
- Sample verification of data to determine GHG emissions.

Assurance opinion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from Honor Device Co., Ltd. is in conformance with ISO 14064-1:2018.

Statement of independence, impartiality, and competence

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 Device Co., Ltd. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

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

Statment No.: EMI15087019GZ-02

Version No.: NO.1

Verification date: February 26 - March 18, 2024

Issue date: March 25, 2024



Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.



Certification body address: 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

Further clarifications regarding the verification scope of this statement may be obtained by consulting the organization.

To check this statement validity please call: +86 10 59683888 or +86 20 83073800

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Contribute to UN Sustainable Development Goals

SDGs	Chapters	Our Contributions and Achievements
 Goal 1 No Poverty	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.
 Goal 3 Good Health and Well-being	Tech for Good Employee Development Harmony Industry Development	- Delivered smart wearable devices that help monitor and improve user's physical and mental health, and provide exercise guidance as well; - Provided employees with a wide range of cultural and sports activities and welfare care and established a comprehensive occupational health and safety management system, to ensure their health and safety in the workplace; - Conducted empowerment training and periodic reviews to enhance the health and safety management of supplier partners.
 Goal 4 Quality Education	Tech For Good Youth Empowerment Employee Development	- Established the "Five Star Program" training system and provided learning platforms such as "HONOR Academy" and "HONOR Talk" to provide diversified and customized vocational training for all staff; - Hosted series of competitions such as HONOR Talents to explore the potential of youth and empower their growth.
 Goal 5 Gender Equality	Employee Development	- Adhered to equal and diversified employment policies, and protect the legal rights and interests of employment; - Cared for female employees and provide multiple welfare measures to protect the legal rights and interests of female employment.
 Goal 6 Clean Water and Sanitation	Environmental	- Advocated green operations and water conservation for employees; - Strictly controlled sewage treatment and discharge to ensure sewage is discharged in a suitable manner.

SDGs	Chapters	Our Contributions and Achievements
 Goal 7 Affordable and Clean Energy	Environmental	- Set a 5-year clean energy usage target and promised to use 100% renewable energy by 2045; - Installed a distributed photovoltaic power plant at the Pingshan plant in Shenzhen, which is expected to provide the plant with 700 thousand kWh of clean electricity annually; - Purchased international green power certificates to support the development of clean energy.
 Goal 8 Decent Work and Economic Growth	Youth Empowerment Employee Development Harmony Industry Development	- Provided diverse internship opportunities for outstanding young people in various fields; - Improved the supplier code of conduct in order to create a responsible supply chain.
 Goal 9 Industry, Innovation, and Infrastructure	Environmental Privacy and Security Tech For Good Youth Empowerment Harmony Industry Development	- Independently developed and implemented innovative and environmentally friendly product solutions using new technologies such as Qinghai Lake battery; - Drove collaborative development of the industry chain through product innovation.
 Goal 10 Reduced Inequality	Tech For Good Employee Development	- Set up an accessibility task force, independently developed and introduced a variety of accessibility and elderly-friendly features, and worked together with industry partners to promote accessibility construction; - Established diverse communication channels for employees and improved employee complaint handling procedure to create an equal and inclusive workplace environment.
 Goal 11 Sustainable Cities and Communities	Environmental Harmony Industry Development	- Promoted low-carbon transportation by optimizing transportation routes to reduce greenhouse gas emissions; - Promoted paperless services in stores to reduce paper used in the service process; - Chose eco-friendly buildings as office locations to enhance energy efficiency; - Actively cooperated with industry chain partners to promote coordinated development.

SDGs	Chapters	Our Contributions and Achievements
 Goal 12 Responsible Consumption and Production	Environmental	- Promoted de-plasticization in packaging and implemented the use of biodegradable and eco-friendly materials; - Created green products and continuously produce more durable, energy efficient, repairable, recyclable products; - HONOR intelligent manufacturing factory adopted advanced automation technology and equipment to achieve efficient and green production.
 Goal 13 Climate Action	Environmental Harmony Industry Development	- Promised to achieve carbon neutrality by 2045 and contributed to climate action through four action pillars; - Developed a green sustainable development financial framework and achieved sustainable loan cooperation; - Established a green supply chain, organizing supply chain carbon management seminars to drive suppliers to set carbon reduction targets and take corresponding actions.
 Goal 16 Peace, Justice, and Strong Institutions	Privacy and Security Employee Development Harmony Industry Development Responsible Governance	- Continuously improved 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.
 Goal 17 Partnerships for the Goals	Privacy and Security Tech for good Youth empowerment Harmony Industry Development Responsible Governance	- Assisted industry and regulatory agencies in formulating standards to contribute to the healthy development of the industry; - Cooperated with multiple institutions to empower young designers; - Joined a variety of sustainability associations and initiatives and worked with partners to promote fair cooperation.

Port Metrics Index

GRI Standard		Chapter in this report	
Category	Disclosure#	Disclosure items	
GRI 2: The organization and its reporting practices 2021	GRI 2-1	Organizational details	About HONOR
	GRI 2-2	Entities included in the organization's sustainability reporting	About this Report
	GRI 2-3	Reporting period, frequency and contact point	About this Report
	GRI 2-4	Restatements of information	About this Report
GRI 2: Activities and workers 2021	GRI 2-6	Activities, value chain and other business relationships	About HONOR
	GRI 2-7	Employees	ESG Key Performance Indicators
	GRI 2-8	Workers who are not employees	ESG Key Performance Indicators
GRI 2: Governance 2021	GRI 2-9	Governance structure and composition	ESG Governance
	GRI 2-10	Nomination and selection of the highest governance body	/
	GRI 2-11	Chair of the highest governance body	ESG Governance
	GRI 2-21	Annual total compensation ratio	/
GRI 2: Strategy, policies and practices 2021	GRI 2-22	Statement on sustainable development strategy	ESG Governance
	GRI 2-27	Compliance with laws and regulations	Best practices of HONOR compliance management
	GRI 2-28	Membership associations	2023 ESG Key Achievement and HONOR Moment Green partners, build a green business ecosystem Build privacy and security ecosystem with stakeholders Industrial cooperation for common progress
GRI 2: Strategy, policies and practices 2021	GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement and Communication
GRI 3: Disclosures on material topics	GRI 3-1	Process to determine material topics	Stakeholder Engagement and Communication
	GRI 3-2	List of material topics	Material Issues
	GRI 3-3	Management of material topics	Material Issues

GRI Standard		Chapter in this report	
Category	Disclosure#	Disclosure items	
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed	/
	GRI 201-2	Financial implications and other risks and opportunities due to climate change	Our climate action
	GRI 201-3	Defined benefit plan obligations and other retirement plans	Diversified and fair development opportunities to attract more talents
	GRI 201-4	Financial assistance received from government	/
GRI 205: Anti-corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	Best practices of HONOR compliance management
	GRI 205-2	Communication and training about anti-corruption policies and procedures	Compliance capability building
	GRI 205-3	Confirmed incidents of corruption and actions taken	Best practices of HONOR compliance management
GRI 206: Anti-competitive Behavior 2016	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Best practices of HONOR compliance management
GRI 301: Materials 2016	GRI 301-1	Materials used by weight or volume	Innovation in green products
	GRI 301-2	Recycled input materials used	Innovation in green products
	GRI 301-3	Reclaimed products and their packaging materials	Innovation in green products
GRI 302: Energy 2016	GRI 302-1	Energy consumption inside of the organization	Out Climate Action ESG Key Performance Indicators
	GRI 302-2	Energy consumption outside of the organization	Out Climate Action ESG Key Performance Indicators
	GRI 302-3	Energy intensity	Out Climate Action ESG Key Performance Indicators
	GRI 302-4	Reduction of energy consumption	Out Climate Action ESG Key Performance Indicators
	GRI 302-5	Reductions in energy requirements of products and services	Out Climate Action ESG Key Performance Indicators
GRI 303: Water and Effluents 2018	GRI 303-1	Interactions with water as a shared resource	Innovation for intelligent manufacturing with high standards
	GRI 303-2	Management of water discharge-related impacts	Innovation for intelligent manufacturing with high standards
	GRI 303-3	Water withdrawal	Innovation for intelligent manufacturing with high standards
	GRI 303-4	Water discharge	Innovation for intelligent manufacturing with high standards
	GRI 303-5	Water consumption	Innovation for intelligent manufacturing with high standards

GRI Standard		Chapter in this report	
Category	Disclosure#	Disclosure items	
GRI 304: Biodiversity 2016	GRI 304-2	Significant impacts of activities, products and services on biodiversity	Innovation in green products
	GRI 304-3	Habitats protected or restored	/
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	ESG Key Performance Indicators
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	ESG Key Performance Indicators
	GRI 305-3	Other indirect (Scope 3) GHG emissions	ESG Key Performance Indicators
	GRI 305-4	GHG emission intensity	ESG Key Performance Indicators
	GRI 305-5	Reduction of GHG emissions	ESG Key Performance Indicators
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	Innovation for intelligent manufacturing with high standards
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESG Key Performance Indicators
GRI 306: Waste –2020	GRI 306-1	Waste generation and significant waste-related impacts	Innovation for intelligent manufacturing with high standards
	GRI 306-2	Management of significant waste-related impacts	Innovation for intelligent manufacturing with high standards
	GRI 306-3	Waste generated	Innovation for intelligent manufacturing with high standards
	GRI 306-4	Waste diverted from disposal	Innovation for intelligent manufacturing with high standards
	GRI 306-5	Waste diverted from disposal	Innovation for intelligent manufacturing with high standards
GRI: Supplier Environmental Assessment 2016	GRI 308-1	New suppliers that were screened using environmental criteria	Supplier CSR management ESG Key Performance Indicators
	GRI 308-2	Negative social impacts in the supply chain and actions taken	Supplier CSR management ESG Key Performance Indicators
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	ESG Key Performance Indicators
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diverse care, living a colorful life at HONOR
	GRI 401-3	Parental leave	/

GRI Standard	Chapter in this report		
Category	Disclosure#	Disclosure items	
GRI 403: Occupational Health and Safety 2018	GRI 403-1	Occupational health and safety management system	Employee health and safety, safeguarding employees at all times
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Employee health and safety, safeguarding employees at all times
	GRI 403-3	Occupational health services	Employee health and safety, safeguarding employees at all times
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Employee health and safety, safeguarding employees at all times
	GRI 403-5	Worker training on occupational health and safety	Employee health and safety, safeguarding employees at all times
	GRI 403-6	Promotion of worker health	Employee health and safety, safeguarding employees at all times
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee health and safety, safeguarding employees at all times
	GRI 403-8	Workers covered by an occupational health and safety management system	Employee health and safety, safeguarding employees at all times
	GRI 403-9	Work-related injuries	Employee health and safety, safeguarding employees at all times
	GRI 403-10	Work-related ill health	Employee health and safety, safeguarding employees at all times
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee	ESG Key Performance Indicators
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	/
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	ESG Key Performance Indicators
GRI 405: Diversity and equal opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	ESG Key Performance Indicators
	GRI 405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016	GRI 406-1	Incidents of discrimination and corrective actions taken	Diversified and fair development opportunities to attract more talents
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	/
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Incidents of discrimination and corrective actions taken	Innovation for intelligent manufacturing with high standards
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria	Supplier CSR management ESG Key Performance Indicators
	GRI 414-2	Negative social impacts in the supply chain and actions taken	Supplier CSR management ESG Key Performance Indicators

GRI Standard			Chapter in this report
Category	Disclosure#	Disclosure items	
GRI 416: Customer Health and Safety 2016	GRI 416-1	Assessment of the health and safety impacts of product and service categories	Innovation in green products Technology, leads a healthier life
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Innovation in green products Technology, leads a healthier life
GRI 418: Customer Privacy 2016	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Key Performance Indicators

Honor Device Co., Ltd.