



Enriching Life Through Communication

Huawei Corporate Responsibility Report 2008



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About Huawei

Huawei is a leading global telecommunications solutions provider with long-term partnerships with operators around the world. Our passionate employees and unmatched R&D capabilities enable us to react swiftly and effectively to meet our customers' needs with a comprehensive and customized set of end-to-end solutions and products. Working with our customers, we are committed to enriching people's lives through communication.

Today, Huawei's products and solutions are deployed in over 100 countries and serve 36 of the world's top 50 operators.





Message from Huawei Executive Management Team

The invention of the telephone more than 100 years ago ended the eras of pigeon carriers, horse back messengers and the telegraph. Telecommunications is now one of the key driving forces that improve communications, enable a better quality of living, and increase efficiency. In a world well-connected, everyone can create, acquire, use and share information, thereby enabling us to realize our full potential and to drive progress in our societies. Communication is a basic human need and fulfilling this need by expanding and enhancing telecommunications networks and services around the globe, has become the top priority for our industry. As the world's leading provider of telecommunications network solutions, Huawei's vision is to enrich life through communication. It is with this vision that we leverage our experience in telecommunications to help people become a part of the information society regardless of their geographic origin and, by bridging the digital divide, to deliver social, economic and environmental benefits to the communities in which we operate around the world.

Environmental protection is a top CSR (Corporate Social Responsibility) priority for Huawei. We have established a team of professionals specializing in energy conservation and emission reductions to ensure that measures are incorporated throughout the entire lifecycle of our products, including the planning, design, research, development, delivery and service stages. Our innovative energy-efficient solutions reduce carbon emissions by minimizing the need for activities such as the flow of goods and business trips. We continue to improve the energy efficiency of our products and promote the application of sustainable energy solutions that help operators achieve their environmental and OPEX goals.

Our global commitment to helping communities in need was reflected in our rapid response to natural disasters which struck in many parts of the world last year from unprecedented snowstorms in Southern China to the destruction caused by the Sichuan earthquake, to the suffering created by floods in

Algeria. In each case, Huawei played a key role in restoring vital telecommunications services and supporting other major relief efforts. In addition to the provision of telecommunications services to communities in crisis, Huawei donates educational equipment and scholarships in Africa and Asia that enhance local technological capabilities and boost economic growth in these regions.

As a member of the United Nations Global Compact, we have incorporated the Compact's principles into our corporate culture and our business activities. Our Huawei Employee Business Conduct Guidelines require all of our employees to demonstrate the utmost integrity in everything they do. In addition, we have engaged our supply chain partners in our CSR commitment through their participation in our Social Accountability Management System. As part of our efforts to be a responsible employer, we created the position of Chief Staff Health and Safety Officer and further enhanced the social security and occupational health programs for our employees.

We believe sustainable business growth is the foundation for carrying out greater corporate social responsibilities. 2008 was a strong year of growth for Huawei and also a year of significant expansion of our global CSR activities. We commenced a series of new CSR campaigns across the world in 2008 and this report provides an overview of these initiatives and, in particular, our recent efforts in eliminating the digital divide and protecting our environment. By working closely with our valued partners, we look forward to even greater contributions and to further enriching people's lives through communication.

Huawei Executive Management Team
(Huawei EMT)

Focus 2008

Throughout 2008, Huawei launched a series of CSR initiatives, fulfilling our commitment to act as a responsible corporate citizen and to do so in a practical and effective way.

Earthquake Relief Efforts

Following the devastating earthquake that hit Sichuan, China on 12 May 2008, Huawei responded immediately to restore vital communications networks and offer other disaster relief. In addition to reconnecting the people of Sichuan to the outside world, the company and Huawei employees donated CNY26.3 million in cash and the company donated telecommunications equipment valued at CNY58 million as part of our efforts to support Sichuan in its time of need. (Read more on Page 19)

"Telecom Seed for the Future"

In 2008, we initiated the "Telecom Seed for the Future" campaign that has so far covered more than 10 countries including the United Kingdom, the United Arab Emirates, Thailand and Morocco. As part of this program, Huawei worked with local educational institutions on a range of activities to equip students with a better understanding of the new technologies and trends in the telecommunications industry. (Read more on Page 10)

Huawei Scholarship Programs

In 2008, Huawei established scholarship programs in a number of countries, including Vietnam, India and South Africa, to motivate outstanding engineering students in telecommunications disciplines to further their college studies. (Read more on Page 9)

Adoption of New Alternative Energy Sources

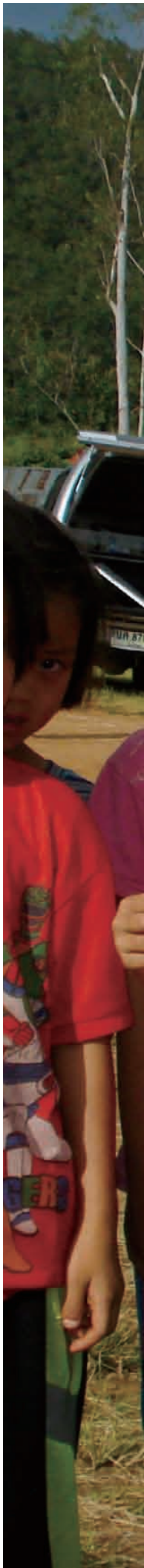
Huawei has been actively introducing alternative energy sources as part of our energy-saving commitment to the telecommunications industry. Our New Energy Solution, which puts this commitment into practice, was widely employed for base station construction projects in China, Africa and the Middle East. In addition, more than 200 solar-powered sites were deployed by Huawei in the African continent in 2008. (Read more on Page 15)

Proudly Supporting the Beijing Olympics

During the Beijing Olympic Games, Huawei provided a quality network and tailored services that enabled the successful implementation of China Netcom's Broadband Olympics program and China Mobile's deployment of base stations standing at 5,200m and 6,500m above sea level on Mt. Qomolangma to support the Olympic torch relay. In addition, Huawei worked together with the Beijing municipal government to put in place communications guarantee for emergency situations. Huawei further ensured smooth communications to support power supply and transportation needs in the city.

Impetus for African Information Society

We have also created innovative solutions to help African operators extend their network reach (read more on Page 7), and we have endowed data communication, education networks and other related equipment to African nations such as Ghana. These projects have expanded access to the information society for people in these countries and strengthened Africa's connection with the rest of the world.









Bridging the Digital Divide

Over the past few years, while the rapid evolution of the telecommunications industry has contributed significantly to global economic growth, people in many developing countries—with limited access to telecommunications services—have seen only a widening of the digital gap between the developed and developing world.

With our expertise and experience in telecommunications, we are committed to addressing this economic and geographic imbalance by doing whatever we can to bridge the digital divide. We are creating competitive and customized telecommunications solutions to give people the opportunity to join the information society regardless of their income or geographic origin. In order to make this progress ongoing and sustainable, we provide support to train telecommunications experts, enhance the technological maturity of the industry, and drive telecommunications penetration in all of the countries in which we operate.

Extending Telecommunications Services to Remote Areas

In some underdeveloped regions, telecommunications operators face major challenges in their efforts to establish and run networks because of poor infrastructure and low ARPU (Average Revenue Per User) rates. Our tailor-made Low-ARPU Solution is helping to ensure commercial success for operators and bring telecommunications services to remote regions of the world. Through the joint effort of Huawei and our telecommunications operator customers, the technological benefits of the modern world are reaching remote villages across the globe. People's lives are changing for the better as they take advantage of their new access to a full range of telecommunications services.



A Solar Solution for Rural Pakistan

For many years, the people of the remote southern Pakistan village of Theri Mirwah suffered from poor telecommunications network quality for the low coverage density which was a result of its remote location. The cost of maintaining traditional base stations in the region was prohibitively high.

Huawei's "Village Connection Solution" addressed this challenge. In 2008, leveraging the abundant sunlight in the area, Huawei developed a tailored solution adopting solar base stations for the village. Within two months and in spite of significant challenges, including stifling daytime temperatures of 60°C—the country's first solar-powered base station was built. This solar solution meant reduced operating costs and improved network coverage in Theri Mirwah.



"Thanks to the network you built we can now connect to our relatives in the cities."

Ali and Faisal (above right and middle) live in the village of Theri Mirwah. They brought Huawei employees back to an elementary school near Huawei's base station, turned on the fan, and drew water from a well to treat the guests. They were delighted to thank Huawei employees personally for the technology that has changed their lives. "Thanks to the network you built we can now connect to our relatives in the cities," said Ali and Faisal.



Affordable Internet for Mali Families

Only a few years ago, Mali had just 0.4% Internet penetration. For little girl Hita and the vast majority, the Internet was a luxury beyond their reach. Hita's parents were deeply concerned about their daughter's desire for Internet access, but there was nothing they could do because the cost of the service was beyond their means.

"Now even our family can enjoy everything the Internet has to offer given the affordable price. The Internet has opened Hita's eyes to the world," said Hita's delighted father while watching her typing on her keyboard.

Huawei's mature ADSL technologies with low TCO (Total Cost of Ownership) has helped the operator in Mali expand Internet access services—and win accolades—by bringing over 6,000 previously un-served families into the network.

Communication Services in Côte d'Ivoire

Côte d'Ivoire is located on the Gulf of Guinea. The resource-rich country is the trade, financial and shipping center of Western Africa.

However, the vast territory, sparse population and complex landscape in its rural areas meant a huge investment would be required to install traditional landline connections. It was for this reason that Huawei developed a CDMA WLL wireless access solution with high reliability, large capacity and low operating cost to support the government-proposed universal service program and bring easier communications to local villagers.

So far, the solution has extended telecommunications services to almost two million users in rural areas, bringing with it significant positive developments for the local economy. In addition, Huawei has established 100 multimedia centers close to major villages to offer telephone, fax and Internet browsing services. These centers bring villagers closer to the outside world by providing faster access to the latest information, and ultimately improving their lives.

“

Looking at these boys and their joyful and surprised faces when talking with the outside world for the very first time through our equipment, we were filled with enormous pride and delight.

”

— A Huawei employee



Elevating Local Telecommunications Expertise



As part of our goal to enhance the levels of telecommunications locally, Huawei has set up 29 training centers globally that have produced a large number of technical experts for local communities and societies around the world. In addition, Huawei has also endowed education networks and provided equipment to projects in Ghana, Venezuela and many other countries globally, to educate and open up the world to local teenagers through Internet access.

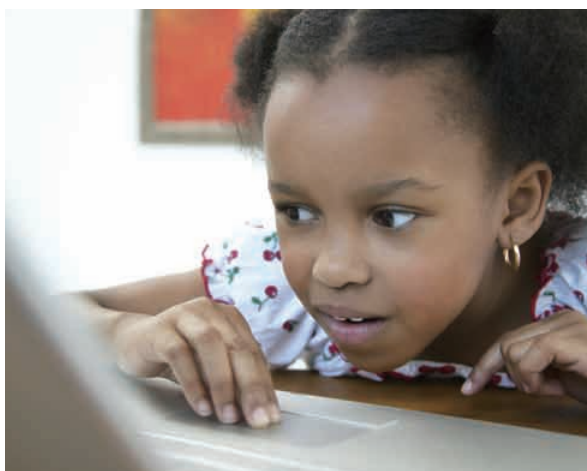
Scholarship Programs for Emerging Markets

In Vietnam, Huawei has provided USD150,000 in scholarships as part of our CSR activities. The scholarship program was established in conjunction with Vietnam's Ministry of Information and Communications, and is aimed at encouraging and providing support to telecommunications students from poor families.

In India, the "Huawei Scholarship of Excellence", launched

jointly with the Indian Institute of Information Technology in Bangalore, inspires students to keep learning and pursuing new knowledge in telecommunications.

In South Africa, students are being trained in telecommunications technologies at a talent development and training center jointly established by the Ministry of Communications, Telkom SA and Huawei. Outstanding students are provided with scholarships sponsored by Huawei.



Computer Donation to Schools in Cameroon

For 10-year-old Lilian, her first experience with a computer was simply fascinating. The clicking of fingers typing on the keyboard amazes her as it brings new and exciting images to the screen. Via her first Internet experience, Lilian is not only able to return to the Waza National Park she recently visited, but she can also look at images and information on Disneyland in the United States, Japan, and many other parts of the world. This is made possible with the computers and other electronic teaching equipment donated by Huawei to Lilian's school.

"Telecom Seed for the Future"

In 2008, Huawei initiated the "Telecom Seed for the Future" program which has significantly increased the knowledge of new technologies and industry trends among college students interested in telecommunications in more than 10 countries in Europe, Asia and Africa.

Technology Update for Moroccan Students

Students interested in new technologies at the Institut National des Postes et Telecommunications Maroc in Morocco heard a presentation on future industry trends as part of the annual "Huawei Day" at the institution.



Olympic Technology Lesson for UK Students

Huawei demonstrated the application of new technology related to Beijing Olympic Games and imparted telecommunications knowledge to 11 to 16-year-olds at a school in Basingstoke, England while the students watched the Games online.

Invitation of Dubai Trainees to Shenzhen

Huawei received and provided training for 20 students from several colleges of the Higher Colleges of Technology in the United Arab Emirates at Huawei University in Shenzhen. Sheikh Nahyan bin Mubarak Al Nahyan, Minister of Higher Education in the United Arab Emirates said that as a renowned global technology company, Huawei has achieved rapid development in recent years, but it is the company's strong support for communities and its strong sense of corporate social responsibility which has left a deep impression.



Lectures on Telecommunications Trends in Thailand

Technicians from Huawei explained 2G/3G migration and 4G technologies to students at Chulalongkorn University in Thailand.

Equipment Donation for the Post-graduation Program

Huawei donated optical equipments for the post-graduation program of Electrical Engineering of Polytechnic in Sao Paulo, Brazil.



Wireless Communication Lab Established in Bangladesh

Huawei Technologies (Bangladesh) Ltd. and the Department of Electrical and Electronic Engineering (EEE) at the Bangladesh University of Engineering and Technology (BUET) have signed an agreement that they will create a wireless communications laboratory for training research and development. As part of the agreement, Huawei will provide modern wireless equipment valued at USD3 million dollars.

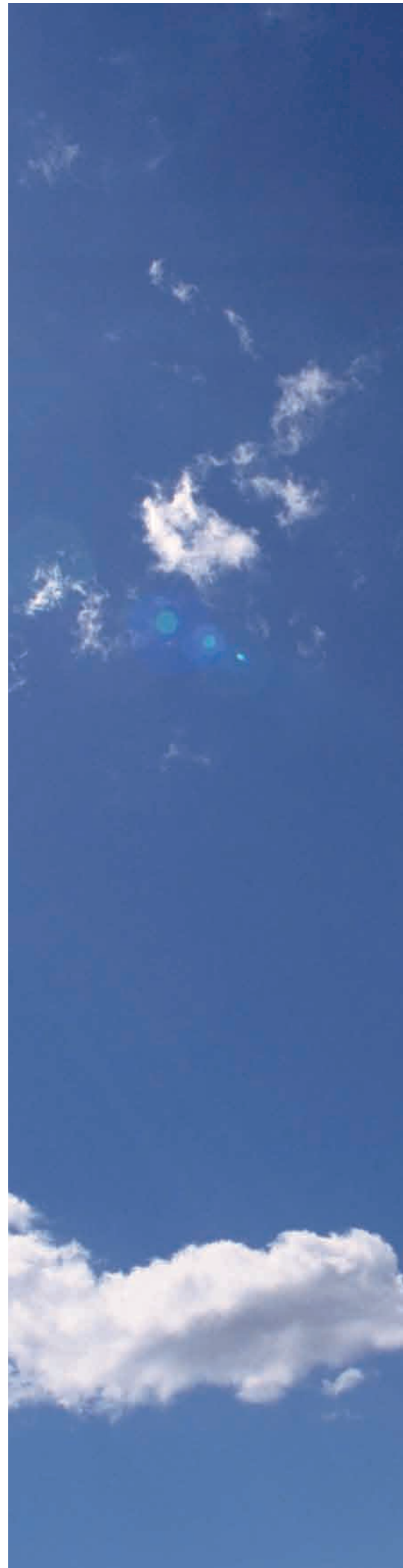
Environmental Protection, Energy Savings and Emission Reduction

Environmental deterioration and accelerated global warming have become global critical issues for mankind. While evolving telecommunications technologies have made their contributions to reduced energy consumption and CO₂ emissions—notably from telephone calls and teleconferences eliminating non-essential travel to the use of mobile phones and the Internet reducing printed media needed for communications, the fact remains that energy savings and environmental protection for the telecommunications industry itself cannot be neglected. Statistics show that the annual CO₂ emission from global ICT (information and communication technology) equipment has grown to 860 million tons, equals to that of the aviation industry. As a result, energy efficiency and environmental protection are inevitable responsibilities of the entire telecommunications industry.

Our analysis of the environmental impact of business activities and the evaluation of the energy use and emissions during the lifecycle of telecommunications products, leads to the following key measures to promote environmental protection:

- Proactively developing new energy solutions and driving the use of reusable energy sources to reduce carbon emissions;
- Launching more convenient telecommunications services to reduce travel and streamline logistics for businesses;
- Mitigating the environmental impact of equipment manufacturing and logistics by implementing closed-looped management in sections of the supply chain;
- Rolling out energy-saving and emission reduction campaigns within the company to drive down per-capita energy use and our own carbon footprint.

Through these ongoing initiatives, we hope to achieve our goal of "Green Huawei, Green Communications, Green World".





Energy Efficient Products and Solutions

Product Lifecycle Assessment (LCA)

Huawei's LCA activities cover every phase of the lifecycle of our products with a focus on the offerings most extensively used by operators such as radio base stations for mobile networks and broadband access products for fixed networks. An important finding from the LCA is that, for a typical base station, about 60% of carbon emissions occur in its operating phase.

By analyzing the live network data of multiple customers, Huawei found that electric power was the major contributing factor to energy consumption by operators. We further discovered that the bulk of electric power—more than 70% for mobile networks and more than 40% for fixed networks—was used at the access layer, including radio base stations and broadband/narrowband access nodes.

Based on the LCA findings, we optimized the energy use and emission indicators for end-to-end network products, with a focus on the access layer. Today all our products can achieve more than 30% energy savings compared to traditional solutions in the industry.

Heat Management at Central Offices

The cooling power consumption of a central office or data center can be as high as 45% to 50% of the total power consumption, and thus the application of heat management for improved cooling efficiency at central offices becomes crucial for energy savings.

Our Heat Management Solution for central offices includes:

Zoning

Equipment layout is optimized based on a respective temperature range, and ambient temperature is raised to reduce power consumption.

Smart fan system

Cool air is allocated based on the power consumption of different equipment. This is easily implemented and applicable to a wide range of equipment with up to 20% energy savings.

Precise return air

The heating path is separated from the cooling path to avoid mixing of the two flows.

Direct ventilation

Processed outdoor fresh air is pumped in to reduce the need for air conditioning.

Through close cooperation with a leading Italian operator on the issue of central office heat management, our use of direct ventilation, plus precise return air, enabled fresh air cooling that led to a 20% to 40% energy savings.



Underground Cooling Cabinet

Cooling is a fundamental issue for highly distributed access equipment. Thousands of air conditioners are putting both emission and power consumption pressure on operators. For new access nodes, the ideal way to cool is to use a natural direct ventilation system. For example, an outdoor directly-ventilated cabinet with such a free cooling solution can save almost all the energy used in traditional cooling, provided the air quality and temperature are desirable.

Underground cooling is another example of a direct natural ventilation solution. Based on tests conducted in a customer's network, the coefficient of performance (COP) of the underground cooling cabinet was 108. It showed underground cooling as an effective way of providing cooling. The effect is better than the direct ventilation method which had a COP = 60 as a comparison.





Energy Savings for Access Network

Reduced energy consumption for base station equipment

Significant reduction in energy use and emissions is achieved through a range of innovations, e.g. improved power amplifier efficiency, intelligent shutdown, increased working temperatures of base stations to cancel the use of air conditioning, and deploying more distributed base stations and integrated shelters, among other initiatives.

Reduction of wireless networks and sites

Huawei's SingleRAN Solution enables true convergence of networks. It is the industry's first commercialized solution that saves energy through network convergence and simplified energy-consuming nodes. The solution reduces not only the number of sites, but also the number of wireless networks, leading to at least 60% lower emissions.

Energy savings in fixed access nodes

With the three-fold green design of low heat emission, thermal dissipation and heat resistance, a Huawei million-node green broadband network can save more than 200 million kWh power per year, equivalent to the all-year power consumption of about 250,000 households in China.

Global Sustainability Initiative (GeSI)

In 2008, Huawei joined the GeSI (Global e-Sustainability Initiative), the most influential environmental protection organization in the global ICT industry. As the only GeSI member from Asia, Huawei is working to play a strategic role in driving environmental protection strategies, implementation measures, technical standards, and public policies that may affect the development of the global ICT industry with its peers in the telecommunications industry.



GeSI
GLOBAL e-SUSTAINABILITY
INITIATIVE

Energy Savings for Core Network

Less network nodes and central office equipment

Energy savings are enabled through, among others, All-IP architecture, MSC (Mobile Switching Center) server pools and HLR (Home Location Register) distributed data centers. Statistics show that by using All-IP architecture, the operating cost can be cut down by 20% as compared to traditional TDM (Time Division Multiplexing) architecture, and 20% of that savings is accomplished through the reduction of energy consumption (electricity).

Reduced energy use for equipment

A key measure for energy-savings in the central offices should be the replacement of traditional servers with blade servers. This achieves a significant reduction in hardware energy consumption. A practical application reveals that a service platform based on blade servers can reduce total power consumption by 40% and the footprint by 50% while enhancing the performance by 40%.

Energy Savings for Transport Network

Less network nodes and central office equipment

After the introduction of ASON (Automatically Switched Optical Network), by changing the network topology and with a reasonable allocation service load, the effective utilization rate of bandwidth can be lifted from about 33.6% to 75%. As a result, energy efficiency is significantly increased.

Reduced energy use for equipment

Eco-friendly components are created by our innovative designs such as the ASIC (Application-Specific Integrated Circuit) basic process evolution, high integration of chips, energy-saving software control switches, dynamic power management, and voltage/electric current/frequency optimization, etc. In addition, further energy savings for systems are achieved by enhanced temperature adaptability and the decreased need for air conditioning central offices.

Use of Renewable Energy

The most immediate way to reduce CO₂ emissions in the telecommunications sector is by introducing renewable energy sources such as solar, wind and biofuels. These emission-free or low-emission energies represent effective choices for telecommunications operators to reduce carbon emissions.



The substantial decreases in the power consumption of telecommunications equipment have made it possible to adopt new energy sources as power supplies in our industry. Huawei's new energy solutions focus on the need for energy savings and emission reduction. It incorporates the green concept and the request for reduced OPEX into the design of site products, and it has the flexibility to customize equipment and networks to fit our customers' individual requirements and the local climatic factors where the network will operate.

Renewable Energy Solutions

Huawei's renewable energy solutions have been widely used in China and the Middle East. In 2008, Huawei was granted commercial contracts by a number of operators in Africa that included the delivery of 200 solar-powered sites, making us one of the wireless solution providers with the most solar base station sites for the year.



Solar solution

As a mature technology, solar energy has little negative impact on the environment, low maintenance requirements and high reliability.

Wind/solar solution

Solar energy complemented by wind energy to accommodate different scenarios, such as daytime versus night and sunshine versus rain, protects the power supply and improves system reliability.

Solar/diesel solution

A solar/diesel solution, which complements the solar solution with a diesel generator as backup, is able to supply power regardless of cloudy or rainy days or volatile sunshine peaks in different months.



"Wind/solar" solution at Green Qinghai

Located on the northeast of the Qinghai-Tibetan Plateau, China's Qinghai province boasts abundant sunlight and rich resources. With such a favored climate, and Huawei's low-energy-consumption access equipment, China Mobile Qinghai successfully deployed the "wind/solar" hybrid solution. The solution leverages renewable energy sources including solar energy and wind energy, saving a significant amount of electric power, and is almost maintenance-free within the service life of solar components and wind turbines.

Reduced Consumption of Packaging and Transportation

In the transport of telecommunications equipment, packaging consumes a large amount of timber. In order to reduce the consumption of timber, we extensively use renewable packaging materials and recycle such resources. At the same time, we utilize lightweight materials and smaller packages to minimize over-packaging, continue to focus on the use of appropriate packaging and extend the lifecycle of packaging materials through an effective recovery system. These can be best summarized in our 6R concept, which focuses on: Right design, Reduce supplies, Returnable, Reusable, Recoverable and Recyclable.

The "Transportation Cabinet + Transparent Package" is a typical solution that supports reusable packaging and transport solutions. Using recyclable wood substitute materials, the solution leverages visualized packaging and introduces modular, standardized and moderate design. This, combined with a common logistics platform, has reduced the consumption of wood and other natural resources, and supports the sustainable development of a resource-saving and environmentally-friendly packaging and logistics industry.

By working in partnership with our customers on their network implementation we have shown that, compared to the existing timber and paper packaging, the "Transportation Cabinet" solution can save more than 90% of the timber previously used, reduce 22% of the packaging weight and raise operational efficiency by about 82%.

According to Huawei's shipment statistics, with this solution and our continued improvement on key technologies, 11,140 cubic meters of timber, 76,869 kWh of power, and 2,090,000 tons of CO₂ emissions will be saved or reduced each year.

Traditional cardboard packaging



Visualized green packaging of circulation rack



"Visualized green packaging of circulation rack" solution: illustration of reuse



Storage



Transport



Site Arrival



Recovery

Social Contributions

Huawei places a priority on giving back to the countries and regions in which we are involved by contributing to all aspects of development including the local economy, technology, sanitation, and disaster relief. The latter commitment was reflected in the telecommunications restoration work we carried out in 2008 following the snow storm in Southern China, the Sichuan earthquake, the Myanmar hurricane and the Algerian flood. Elsewhere our social programs saw us conduct activities in Europe, Africa and Asia aiming to help improve local educational and technological levels and aid vulnerable groups. We are committed to contributing to communities on a local level as well as fulfilling our responsibility as a good corporate citizen on a global scale.





Relief and Restoration

Committed to Earthquake Relief and Restoration of Telecommunications Networks

The devastating earthquake which struck Wenchuan in China's Sichuan province on 12 May 2008 took tens of thousands of lives and left millions homeless. Telecommunications networks in the disaster areas were destroyed, cutting off quake victims from their families and the outside world. In this life-and-death situation, the swift reinstallation of telecommunications networks became essential.

Time equals lives in a disaster. After the quake, relief operations and telecommunications restoration became Huawei's top priority. All our staff members were fully committed to making this happen.

Hundreds of Huawei telecommunications experts from all over the country teamed up and promptly headed to the affected areas. By restoring telecommunications Huawei created a lifeline that helped ease the shock for many quake victims.

In the face of aftershocks and landslides, fearless and caring Huawei people in the field worked day and night in spite of foul weather, destroyed roads, rugged land and other damages to rapidly restore services and reestablish hope by enabling quake victims to make the first "I'm safe" calls.

In addition, the company and Huawei employees donated CNY26.3 million in cash to earthquake relief for rebuilding the homes of the quake victims. Huawei also donated emergency telecommunications equipment valued at CNY58 million. What's more, overseas branches of Huawei made their donations through embassies and local charity organizations.

12 hours

12 hours of unimaginable difficulties, Huawei engineer Luo Tao managed to help China Mobile set up the first emergency base station at Wenchuan.

3,000 cubic meters

By 20 May, Huawei manufactured, assembled and delivered to quake-hit areas approximately 3,000 cubic meters (720 tons) of equipment.

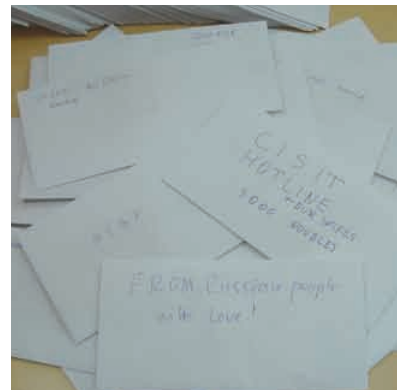
900 units

By the end of May, Huawei engineers restored or newly built nearly 900 base stations and a large number of other telecommunications equipment.

6 times

At Ziping Dam and the Longchi Town of Dujiangyan City, Huawei employees made six round-trips in the leaking tunnel despite the danger of collapse.





- 01 Working around the clock for the much-needed telecom equipment
- 02 Delivering urgently needed equipment to the disaster areas
- 03 Restoring the telecom lifeline
- 04 Steaming hot food from local people
- 05 Calling to report her safety
- 06 Sympathy and support from Huawei Russian employees

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Battling Against Natural Disasters



Endowed Equipment Donations to Areas Hit by Disasters in Myanmar

In May 2008, Huawei donated telecommunications equipment worth USD3 million to areas in Myanmar hit by Hurricane Nargis. This donation helped the country's government and its people recover from the disaster and saved thousands of lives.

Network Restoration in Disaster Areas in Southern China

In early 2008 when Southern China was ravaged by an unprecedented snow storm, Huawei was among the first to help with the restoration of telecommunications networks in affected areas. In addition, our company provided CNY3 million in donations to affected areas of this disaster.

Endowed Telecommunications Equipment to Flood-hit Areas in Vietnam

In December 2007, Huawei donated USD100,000 dollars worth of telecommunications equipment to flood-hit areas in Central Vietnam. The equipment included computers, data cards, and upgrade network equipment.



Actively Involved in Disaster Relief in Algeria

In October 2008, when Ghardaia, Ain Torki in Algeria was flooded and severely damaged, Huawei provided emergency communications vehicles, temporary base stations and other equipment to affected areas immediately after the disaster. That support helped rescue thousands of people in need.



Social Donations

Medical and Health Donations



In 2008, donated food supplies to Kenya's Red Cross to help the homeless refugees.

In 2008, joined the Beacon of Hope program to help women infected with AIDS.

In 2008, endowed food and materials to needy children in Kenya to celebrate an abundant Christmas.

In 2007, donated Guinea and Komodo with medical supplies and medicines.

In 2007, donated to the foundation initiated by Zambia's First Lady.



Ambulance Donation to the Italian Red Cross

We are very pleased that Huawei has chosen to make this donation. This new vehicle will be invaluable to us as (we) assist those who need it most with transport to routine check-ins and treatment appointments. I do hope that more companies will follow Huawei's example and bring further benefits to our society.

— Luca Bottero, President of CRI (Italian Red Cross Association) Milan

Continued Support for Australia's Nelune and HeartKids Foundations

Since 2007, Huawei has been supporting the Nelune Foundation in Australia, together with local operator Optus, to assist and care for cancer patients in the community.

Meanwhile, we also made contributions to the HeartKids Foundation whose purpose is to offer support, encouragement and hope to families of children with heart disease.

Charity Association

Through multiple channels, Huawei employees are contributing towards sustainability and environmental protection. Charity Association was established to encourage employees to participate in community services during their spare time.

Educational Donations

Huawei provided hearing-aid equipment to help hearing-impaired pupils at the Westwood Farm Infant School in the United Kingdom, and sponsored fundraising activities by local organizations, where proceeds were donated to local charities.

Participation in the United Kingdom's Challenge 500 Program

Huawei took part in the Challenge 500 program, initiated by The Prince's Trust in the United Kingdom, in which employees planned and implemented fundraising activities in support of the Trust.

The Prince's Trust is the United Kingdom's leading youth charity, and aims to help young people overcome barriers. Through practical support including training, mentoring and financial assistance, the Trust helps 14-30 year-olds realize their potential, and sometimes completely transform their lives.

Support for the "One School, One Computer Laboratory (OSOL) Program" in Indonesia

The OSOL Program is a joint program by Indonesia's Ministry of Communications and Information Technology, Ministry of National Education and Ministry of Religious Affairs. Its objective is to provide computer laboratories for all schools in Indonesia. The program also seeks to socialize the usage of computers at school in rural areas. Huawei donated 60 million rupiah for the program, as part of its CSR program for Indonesia.



From 2006-2008, Huawei sponsored Safaricom Lewa Marathon in Kenya for three consecutive years as part of our effort to raise awareness for education of children in remote areas and for protection of wild animals.



Huawei donated 19 desktop computers, two laptops and other equipment, including printers, to an all-girl's school, St. Alphonsus, in Kenya, in an initiative to elevate the technical levels of its computer labs.



Huawei provided support to a number of Hope middle schools and primary schools in China's Shannxi and Gansu provinces to provide poor children with access to education.



Huawei India Established CSR Fund

In August 2008, Huawei announced a new CSR initiative in India. Huawei India has also established a program to support various CSR activities in the country.

The first project launched under the initiative is a Rs10 lakhs sponsorship for Deepalaya, an organization helping the development of children with disabilities. The project aims to create large-scale awareness about disabilities, including causes and prevention. It also helps prepare children for a life of dignity, and to bring out their latent talents and creativity by providing vocational training and life skills training.

“Huawei understands the needs of special children and the need to help them become individuals who can be self-sufficient.”
— Mr. T. K. Mathews,
one of the founders of Deepalaya



A Local Player

Huawei firmly believes in localizing its global operations, with local management, local hiring, local partners and local R&D. As part of this approach, we have set up 22 regional headquarters and more than 100 branch offices worldwide. Also, we have established 14 R&D centers around the world in locations including the United States, India, Sweden, Russia and China.

Internationally, we have achieved a local hiring rate of 57% of employees. In Europe, Huawei has established branch offices in most countries, with more than 2,000 employees throughout the region. Local employees are increasingly taking on key technical and executive roles, including senior management positions.

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I want to say that when you join the Huawei family, each staff member can be your tutor and teach you many new, interesting and useful things no matter which department or product line they work in. Anyone in the team is ready to give you a hand and share their experience. That's why we call Huawei 'our family'.

”

— Nadejda Nikulina, HR Specialist

"Best Chinese Investors"

Huawei was awarded the title of "Best Chinese Investors" by the United Kingdom's 48 Group Club, an independent business network committed to promoting positive relations with China.

"Development Achievement Award"

In 2008, Huawei received the "Development Achievement Award" from the Chinese embassy in the United Kingdom in recognition of the company's local CSR contributions.



Huawei Italy



Huawei Germany





Investing in Africa, Serving Africa

"Investing in Africa, Serving Africa" has been the overarching principle for our operations in the continent. Huawei has established branch offices in more than 40 African countries, and has invested locally to build sales and service offices, training centers, technical support centers and

manufacturing facilities, creating a significant number of jobs for the local community. Today, some 60% of the total number of employees in that region are local. Such a strategy helps deepen our understanding of the local market, and drives local employment and economic growth.



Training Center of Huawei West and North Africa





Code of Business Conduct

Huawei became a member of the United Nations Global Compact in 2004, and has since incorporated the basic principles it advocates into the company's culture and business activities. In conducting business, Huawei firmly abides by the principle of integrity and strictly obeys the laws of the countries and regions in which we operate. We also require all our employees to adhere to those laws and our own ethical standards in their daily actions.

Huawei Employee Business Conduct Guidelines

Adherence to laws and ethical standards by each Huawei employee is one of the fundamentals that ensure our company's long-term and sound development. In 2008, Huawei issued the Huawei Employee Business Conduct Guidelines (BCGs), a mandatory regulation that requires the entire workforce to demonstrate integrity as they carry out their duties.

The guidelines require that each employee should: 1. Be honest and reliable when dealing with all business activities and relationships of the company; 2. Comply with laws and regulations that are applicable to Huawei's business activities; 3. Protect and appropriately use Huawei's assets, and respect the intellectual property rights of others; 4. Protect Huawei's interests, and appropriately deal with conflicts between corporate and individual interests; 5. Treat with respect and impartiality the differences in culture, religion and belief of customers, suppliers, business partners, and employees. The guidelines further elaborate the company's requirements of its employees in 18 areas, including internal business conduct, respecting the intellectual property rights of others, gifts and amenities, compliance with laws, conflicts of interests, and personal conduct.

Compliance with the National and International Export Control Regulations

Full compliance with all national and international export control laws and regulations is a fundamental policy of Huawei.

The company has established an internal control program (ICP) on exports that is in line with industry standards. We have also published the Statement of Compliance with Export Control Regulations signed by our CEO, and we have formed a Trade Compliance Committee and a Trade Compliance Office under the supervision of our Chief Legal Officer. In addition, a globally consistent process on export audits has been defined and implemented, in which all projects involving export controls are required to undergo an export control audit that includes a thorough investigation on the customer, the end-user of the product, and other issues such as risk factors. These multi-fold arrangements on policy, organization, process and execution, ensure maximum legal and regulatory compliance on all projects.

People

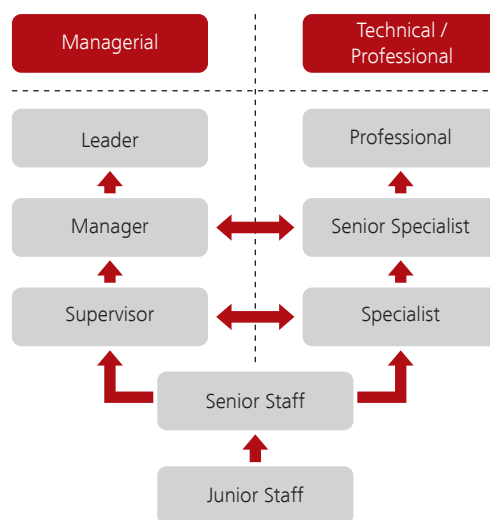
Dedicated and passionate employees are Huawei's most valuable asset. In recognition of their contributions, Huawei has established policies to ensure that dedicated employees are given meaningful benefits in areas such as growth opportunities and remuneration, among others. With a Dual Career Path and abundant in-service training, Huawei employees are able to choose an appropriate career goal for their development, both from a management and professional perspective. In addition, our complete Employee Health Security System is focused on a harmonious employee relationship and a favorable organizational climate in which staff recognition is facilitated and employees personal growth is realized along with Huawei's success.





Career Path

Huawei offers a Dual Career Path that comprises managerial and technical/professional ladders for its entire workforce, allowing employees to focus their development on either executive and management posts or professional skills as specialists. This ensures maximum growth opportunities for every individual.



Training

Training is an essential element of employee development at Huawei. Our holistic management and technical training programs were developed with the professional growth of every employee in mind.

To help ease newcomers into their roles, Huawei University delivers a New Employee Orientation Program covering a wide range of topics, including corporate culture, product knowledge and sales and marketing skills. New employees are also assigned experienced mentors who provide useful knowledge and advice, including an introduction to the living environment around the company, and help newcomers overcome any initial challenges in their new roles.



Employee Health Security System

Huawei has put in place a complete employee security system, which includes accident and commercial insurance packages that exceed the mandatory coverage, for our staff. In addition, we have developed a complete set of documentation, such as Regulation on Employee Security, and Regulation on Employee Health Security, and established a preventive healthcare system that includes an annual health check and round-the-clock medical and mental health counseling services.

In 2008, we established the position of Chief Staff Health and Safety Officer to spearhead our commitment to employee health and security welfare.

87,502

Huawei has 87,502 employees, of whom 43% are dedicated to R&D.

CNY1.44 billion

Huawei spent CNY1.44 billion on employee benefits in 2008.

Environment, Health and Safety (EHS)

In terms of the health and safety of our people, we are fully compliant with the international EHS (Environment, Health and Safety) management system and OHSAS18001:2007. Our EHS system covers workplace environment management, special equipment management, occupational health management, accident management, emergency and response management, publicity and training, management review and continuous improvement. Through these measures, we aim to minimize injury, accidents and contamination, thereby ensuring the health and safety of our employees.

A Health Coaching Center has been set up to define health and disease prevention criteria for food, water and the office environment, as well as to provide health/psychological counseling hotline services.

Open Communication Channels

A wide range of both official and non-official channels have been established to ensure that employees feel a strong connection with the company.

Our people development initiatives include new hire assemblies, new hire symposiums, performance coaching and feedback sessions, salary reviews, competence and qualification communication among other areas.

In pursuit of managerial improvement, we hold open days, workouts and other social activities outside of work. We cultivate our employee community with events such as family days, year-end celebrations and other social programs.

Vibrant Employee Health and Leisure Activities

Huawei has allocated dedicated resources for employee sporting and leisure activities and encourages staff to initiate activities that benefit their body and mind. Employees have organized teams and tournaments in basketball, badminton, football and other sports, as well as classes for painting, calligraphy, dance and photography. Under the slogan "Make a Friend, Do a Sport, Foster a Hobby", the company encourages a healthy and happy lifestyle for all employees outside of work.



2008 Huawei Health Report

Huawei published the 2008 Huawei Health Report based on its employees' health check results during the year. The report summarizes the most frequently seen illnesses at Huawei, with details on their causes and consequences, as well as ways to prevent and treat these ailments, in the hope of leading employees towards a healthy body and a healthy life.

14 years

Over the past 14 years, every employee on their birthday has received a gift from the company and birthday greetings from their peers.





CSR in the Supply Chain

Huawei has long stressed the social responsibility standing of its global suppliers and partners. Purchasing with integrity and CSR management in the supply chain has been a consistent commitment supporting two strategic aspirations:

- Improving CSR awareness and the capability of Huawei and its supply chain to achieve sustainable development;
- Establishing close ties with our suppliers to strengthen CSR management so as to gain our customers' confidence, and enable us to take appropriate actions to ensure CSR compliance.

Sourcing with Social Accountability ("SWSA") Guide

In the area of international guidelines on energy efficiency and environmental protection, Huawei has focused on SA8000, ISO14001, OHSAS18001 and new green concepts to engage our suppliers in terms of strategy, organization, procedure and skills for execution, so as to help them be socially responsible. We have also published the SWSA Guide, which clearly states that Huawei will terminate cooperation with suppliers who fail to meet SWSA requirements within a pre-defined period.

CSR System and Process in the Supply Chain

Since 2003, we have revised the supplier certification process by incorporating CSR requirements into our criteria for choosing, certifying and managing suppliers. To facilitate this, we have put into place the supporting regulations, processes and templates.

Over the past six years, we have had extensive dialogues with leading operators around the world, such as British Telecom and Vodafone, as well as other industry players, and have fully utilized our customers' feedback and industry best practices to optimize our supply chain CSR management system.

In 2007, we established a supplier CSR Risk Assessment System and implemented risk-based hierarchical supplier management into our CSR engagements.

CSR Certification and Management in the Supply Chain

In recent years we have implemented a CSR audit and promotion program with our key suppliers. In 2008, 77 of our suppliers improved their CSR management and reduced their CSR risks as a result of Huawei's SCAR tracking management system in 2008.

In a Joint Improvement Program on Supplier CSR Management together with Vodafone between 2007 and 2008, we evaluated, with the support of CSR risk assessment tools, the CSR risks of 300 suppliers and identified the 10 suppliers with the highest CSR risks. Following which, a joint audit and improvement tracking exercise was conducted, and ultimately achieved 190 corrections out of a total of 200 non-compliant items, and an improvement rate of 95%. While thoroughly mitigating the CSR exposure of all 10 CSR-risk suppliers, our capabilities for the CSR audit and risk management have also improved significantly.

In 2008, Huawei was among the first enterprises to sign an Agreement on Green Corporate Purchasing with the Environmental Protection Bureau of the Shenzhen Municipality. As part of this agreement, we are striving to influence and drive more companies to work towards a greener world through Huawei's achievements in green purchasing.

CSR Training

From 2004 to 2008, Huawei conducted six training sessions for our CSR auditors. Currently, 140 Huawei engineers have qualified as internal CSR auditors, with 12 of them qualifying as senior CSR auditors. This has significantly improved our capacity to certify and manage our suppliers.

417 key suppliers

Between 2004 and 2008, our CSR audit and improvement program has covered 417 key suppliers.

83 suppliers

In 2008, we focused on CSR audit and improvement tracking for 83 suppliers, including CSR checks and issue tracking and solving for 48 suppliers and new CSR certification for the other 35 suppliers.

77 suppliers


Under Huawei's influence and inspiration, we saw CSR improvements in 77 suppliers in 2008 through our SCAR Tracking & Management system, leading to significantly reduced CSR risks.



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