

Huawei Technologies Co., Ltd.  
2009 Corporate Social Responsibility Report

## Enriching Life Through Communication



## About this Report

This 2009 Corporate Social Responsibility (CSR) report is the second annual CSR report released by Huawei Technologies Co., Ltd. (hereinafter referred to as Huawei, the Company, or We). The aim of this report is to strengthen the mutual understanding and communication between stakeholders and Huawei and provides information about Huawei's socially responsible initiatives and activities with regard to environmental protection, bridging the digital divide, supply chain, our people, and social contributions.

The Global Reporting Initiative (GRI) G3 guidelines were used in compiling this report to analyze key issues that relate to sustained development in business operations, and to identify major stakeholders. In the future, we will continue to pay close attention to these key issues to further improve Huawei's social responsibility performance. A list of GRI indices are included in Appendix II.

Unless otherwise stated, this report includes activities undertaken during the period from January 1, 2009 to December 31, 2009. The report provides information on the economic, environmental, and social activities of Huawei headquarters and its subsidiaries. Unless otherwise stated, the financial data in this report is in CNY.

The 2009 CSR report can be obtained at <http://www.huawei.com/csr2009> and is available for download.

As Huawei's commitment to CSR evolves, we will continuously optimize and improve the level of disclosure in each annual CSR report.

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## Message from Huawei Executive Management Team

In the last decade, the rapid development of information technology around the world was the primary factor that led to the broadening and convergence of world societies and economies, making the concept of “a global village” a reality. Universal access to telecom services has grown beyond all expectations and is greatly improving people’s lives.

At the same time, the continuously deteriorating natural environment and climate, and the unbalanced social and economic development of the world, pose severe challenges. Thus, sustainable development has now become a common concern across the globe.

As a member of the UN Global Compact, we have integrated the basic principles advocated by the Global Compact into our corporate culture and business activities. Despite the challenging economic environment in 2009, we continued to fulfill our social responsibilities and join hands with our partners to contribute to the sustainable development of our society, the economy, and the environment.

### Environmental Protection

Energy conservation and building a low carbon economy are key to sustainable development. The telecom sector plays an important role in this regard. Through innovative telecom solutions and technologies, Huawei worked with our customers to reduce energy consumption and carbon emissions, while improving communication among people and increasing operating efficiency. At the same time, we have incorporated environmentally friendly concepts into various processes throughout planning, design, R&D, manufacturing, delivery and service of products and developed solutions to reduce carbon emissions of the telecom industry itself. In 2009, the resource consumption ratio of major Huawei products had a year-on-year decrease of over 20%. We actively promote the application of green energy sources in telecom networks. Currently, Huawei has globally deployed over 3,000 sites with alternative energy sources. In addition, Huawei further standardized and specified

green product indices and requirements to optimize our green procurement measures, build a green supply chain, and encourage suppliers to innovate in environmental protection and energy conservation. We also vigorously promoted energy conservation and emissions reduction internally to improve operating efficiency in the future. We hope to eventually achieve our objective of “Green Communications, Green Huawei, and Green World” through continuous efforts.

Huawei’s efforts in this area have been recognized internationally. For example, GSM Association (GSMA) granted Huawei and Telenor the “Green Mobile Award” in 2009, to acknowledge the close collaboration between the two companies in building green networks and reducing carbon emissions, which represented a new benchmark for the industry.

**「In 2009, the resource consumption ratio of major Huawei products had a year-on-year decrease of over 20%.」**

### Bridging the Digital Divide

Communication is a basic human need. Fulfilling this need, by expanding and enhancing telecom networks and services around the world, has become the top priority for our industry. With “enriching people’s lives through communication” as our vision, Huawei uses our professional experience in the telecom domain to promote network coverage and knowledge sharing, help to bridge the digital divide for people in different regions, and maximize social, economic, and environmental benefits. In 2009, we established a software R&D center in South Africa and began constructing an R&D center in Turkey to introduce

advanced telecom R&D technology, and train local talent to promote the long-term development of the ICT industry in less developed countries.

**「Fulfilling people's communication needs, by expanding and enhancing telecom networks and services around the world, has become the top priority for our industry.」**

#### Promoting Healthy Development of Our Supply Chain Partners

Huawei emphasizes CSR fulfillment in our self, our global suppliers as well as our partners. As one of Huawei's key strategies, we adopt responsible purchasing, strengthen CSR management in the supply chain, and ensure that product procurement meets CSR processes and systems requirements. In addition, we are making efforts to improve the CSR awareness and capability of the supply chain through adequate communication to achieve sustained development within the industry. Since 2003, we have established a supplier certification process by incorporating CSR requirements into our criteria for certifying, choosing, and managing suppliers. In 2009, we used the "Supplier CSR Risk Assessment Tools" to globally assess CSR risks for 675 key suppliers, and implemented risk-based supplier management.

#### Corporate Citizen with Steady Growth

We believe sustainable business growth is the foundation for carrying out greater corporate social responsibility. Since our

foundation, we have insisted on steady growth and continued this steady growth in 2009. With the expansion of the scale of our business, our profitability is also continuously increasing, allowing us to play a more significant role in the long-term sustainable development of the telecom industry. This is a core focus for Huawei, as our corporate core values are: Customers First, Dedication, Continuous Improvement, Openness & Initiative, Integrity, and Teamwork.

In addition, we recognize that our employees are Huawei's most treasured asset. In 2009, we further enhanced the social security and occupational health programs for our employees, and started a "talent pool" program and a female manager development program to expand our employees' career paths.

In 2009, Huawei continued to fulfill its social responsibilities globally. This report will introduce these activities in detail, particularly regarding our efforts in environmental protection and bridging the digital divide. We invite you to learn more about our CSR efforts and hope you can provide us with your valuable comments for our future improvement. In the future, we hope to work together to make greater contributions to promote the sustainable development of our society, economy, and environment, and enrich people's lives through communication.

Huawei Executive Management Team (Huawei EMT)

## Corporate Overview

Huawei Technologies Co., Ltd. is a wholly owned subsidiary of Shenzhen Huawei Investment & Holding Co., Ltd. ("Huawei Holding"). Huawei Holding is solely owned by employees of the Company, without any third parties, including the government bodies, holding any of its shares.

Huawei is a leading telecom solutions provider. Our products and solutions have been deployed in over 100 countries and have served 45 of the world's top 50 telecom operators, as well as one third of the world's population.

Driven by customer demands, we gradually build end-to-end integrated advantages across four areas: Telecom Network Infrastructure, Applications and Software, Professional Services, and Devices. We are dedicated to helping operators address their challenges and providing them with a superior value proposition.

### Telecom Network Infrastructure: All-IP Convergence Network

In Telecom Network Infrastructure, Huawei builds advantages in core areas, such as fixed network, mobile network, and datacom IP technology, through years of continuous development. We have become the preferred partner for operators in the age of convergence and we will continue to bring unique value to our customers in the future.

### Applications and Software: Increasing Operating Revenue and Improving Operating Efficiency

In Applications and Software, we dedicate ourselves to providing global telecom operators with an open application environment, an intelligent operating platform and responsive professional services, all of which help operators to increase operating revenue, improve operating efficiency, and, ultimately, achieve business success.

### Professional Services: Collaboration, Agility, Reduction and Enhancement

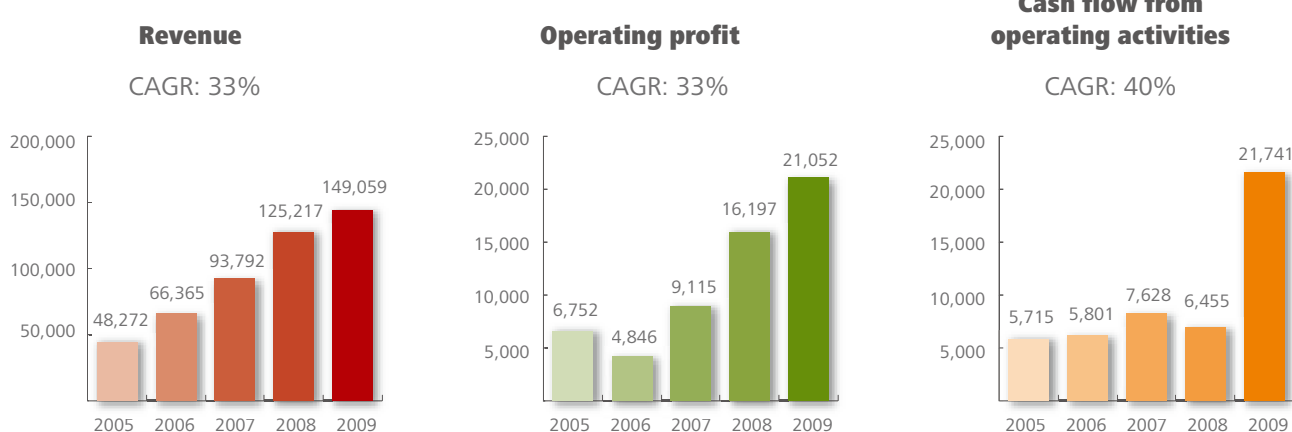
In Professional Services, Huawei helps customers further increase total value of ownership (TVO) through continuously optimized service solutions and improved operational efficiency.

### Devices: Partnership, Customization, and Value

We focus on the operator resale market to help customers meet the diversified device requirements of users and provide consumers with rich and convenient communications experiences through the development of a wide variety of network devices.

In the last few years, Huawei has become a more global company, with 22 overseas regional headquarters and over 100 overseas branches. By staying close to our customers, we are able to learn and respond to their needs quickly. Today, we have 17 research centers in countries including the U.S., Germany, Sweden, Russia, India, and China, where product R&D is leveraging leading global technologies, experience, and talent. In addition, we have 36 training centers around the world, helping to cultivate technological talent for local communities. Our globalized operations allow us to better understand local markets, and, at the same time, to make meaningful contributions to the socioeconomic development of local countries and regions.

(In CNY million)



To learn more about Huawei's financial results, please read our Huawei Annual Report 2009.

## International Recognition

### Received IEEE-SA Corporate Award

Our active contributions towards broadband and mobile network standardization were honored by the IEEE Standards Association (IEEE-SA) with its 2009 Corporate Award. This award confirmed Huawei's leadership in the telecom industry. Recipients of this award from 2002 to 2008 were Mentor Graphics; Intel Corporation; Motorola, Inc.; Hewlett-Packard Company; Sony Electronics, Inc.; Lucent Technologies - Bell Labs; and IBM Corporation.

### Honored with "Green Mobile Award" by the GSMA

Huawei and Grameenphone won the "Green Mobile Award" at the GSMA Mobile Congress 2009. The "Green Mobile Award" was developed to promote "going green" initiatives and to recognize organizations in the mobile industry.

### Recognized by Frost & Sullivan with Three Awards

Huawei was named Asia Pacific's 2009 Wireless Infrastructure Vendor of the Year, Broadband Equipment Vendor of the Year, and Vendor of the Year by Frost & Sullivan for our exceptional business performance in 2008. We are the only company to have received three awards at the 2009 Frost & Sullivan Asia Pacific ICT Awards.

### Won "Oscar of Invention" Award from R&D Magazine

R&D Magazine announced its R&D 100 Awards and recognized Huawei for our Storage Area Network (SAN) transport solution. This award is widely recognized in the technology and innovation fields, and is dubbed the "Oscar of Invention".

### Recognized by Financial Times for "Boldness in Business"

Huawei received the Financial Times' 2009 Arcelor Mittal "Boldness in Business" award for our performance in and contribution to emerging markets. Huawei was recognized for our leadership in providing customized network solutions in the BRIC (Brazil, Russia, India and China) countries and other developing markets. The other two nominees for this award were HSBC and Standard Chartered.

## CSR Highlights in 2009

### Initiated the Green Product Certification Program

Huawei started the Green Product Certification Program in 2009 in order to continuously improve products in terms of their environmental performance, thereby reducing resource consumption, improving energy efficiency, reducing manufacturing and operating costs, and reducing the impact on the environment throughout the products' lifecycle. (P10)

### Deployed Alternative-Energy-Powered Sites

We actively promote the application of green energy sources in telecom networks. In 2009, we deployed over 3,000 sites, powered by alternative energies around the world, to successfully help operators deploy and operate networks with relatively low OPEX in areas that lack basic infrastructure. (P12)

### Launched iTools Project

Huawei started the iTools project, and promoted and implemented a series of tools and solutions, which improved working efficiency, reduced OPEX, as well as greatly reduced the need for business trips. (P11)

### Elevating Local Telecom Expertise

In 2009, we established a new R&D center in South Africa and began construction on a center in Turkey. We also collaborated with King Abdulaziz City for Science and Technology (KACST) and Intel to build a joint WiMAX lab in Saudi Arabia. (P11)

### Expanding Communications Coverage

Huawei collaborated with Vodafone and developed the EasyGSM BTS, which increased the viability of micro-renewable solar and wind energy generation on site and helped bring connectivity to remote areas. (P15)

### Supplier CSR Risk Assessment

We used CSR risk assessment tools to assess the CSR risks of 675 key suppliers worldwide and managed CSR risks with multilayered risk control measures. (P19)

### 2009 Supplier CSR Training Conference

To further boost supplier's CSR awareness and capability, Huawei convened the 2009 supplier CSR training conference. 228 representatives from 173 key suppliers and partners participated. Senior management from Vodafone, Deutsche Telekom, and British Telecom gave keynote speeches on important CSR issues. (P20)

### Supported the Switch-Asia Program

As a member of GeSI, Huawei participated in the Switch-Asia program, together with Deutsche Telekom, to promote harmonious growth of the ICT industry. (P21)

### Enhancing Employees' Social Security and Welfare

In 2009, our employee security system further improved with an additional CNY 1.68 billion in welfare expenditure. (P23)

### Cultivating Female Executives

We established the "Steel Rose Club" in 2009, comprised of female executives and technical experts. The Steel Rose Club offers a strong communication, learning, and development platform for female managers and technical experts. (P24)



## Stakeholder Engagements

Support from our stakeholders is the foundation for our growth and prosperity. We actively communicate with them in order to align our CSR activities with their concerns and requirements. We have identified below the key areas of concern from each of our stakeholder groups regarding sustainability. Huawei is focused on resolving these issues and improving our CSR performance.

Stakeholder Group	Issues of Concern	Communication Channels	Our Response
Customers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Equipment energy efficiency and carbon emissions</li> <li>Facilitate other industry's carbon reduction</li> <li>Risk control (OHS and supply chain management)</li> <li>Bridging digital divide</li> <li>Brand protection</li> </ul>	<ul style="list-style-type: none"> <li>Contracts</li> <li>Meetings and workshops</li> <li>Industry exhibitions and forums</li> <li>Certification and audits</li> <li>Joint innovation centers with customers</li> <li>Customized product development</li> <li>Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce quality assurance system</li> <li>Develop green products and solutions (P12); started the Green Product Certification Program (P10)</li> <li>Started Green Supply Chain Certification Program (Online information); reinforce training and management on the supply chain (P19)</li> <li>Enhance employee welfare and security (P23)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Working environment and OHS</li> <li>Career advancement</li> <li>Sustainable development of the Company and continuous profitability</li> <li>Climate change and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Employment contracts</li> <li>Training and performance coaching</li> <li>Organizational climate survey</li> <li>Internal communication channels, e.g. CEO Mailbox, internal publications, internal BBS</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve employee working (P23) environment and care for occupational health</li> <li>Expand opportunities for employees' learning and career (P23)</li> <li>Started the iTools program which promotes use of online collaboration to reduce travel (P11)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Long-term cooperation</li> <li>Winning industry chain</li> </ul>	<ul style="list-style-type: none"> <li>Certification and audits on suppliers</li> <li>Supplier CSR training conferences</li> <li>Procurement contracts</li> </ul>	<ul style="list-style-type: none"> <li>Expand cooperation fields</li> <li>Improve suppliers' CSR capabilities (P20)</li> </ul>
Governments	<ul style="list-style-type: none"> <li>Impacts of telecom services on sustainable social economic development</li> <li>Bridging the digital divide</li> <li>Climate change and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and workshops</li> </ul>	<ul style="list-style-type: none"> <li>Supported the Switch-Asia Program to promote harmonious growth of the ICT industry (P21)</li> <li>Expanded communications coverage via innovative solutions; promote telecom knowledge and skills of the local communities (P15)</li> <li>Participated in Forums and research on Green, e.g. "Smart 2020 Deutschland" (P9)</li> <li>Promote the establishment and implementation of green standards; continued research on green solutions (P10)</li> </ul>
Analysts	<ul style="list-style-type: none"> <li>Innovative solutions that improve ARPU and reduce operators' TCO</li> <li>Product energy consumption and carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>Annual global analyst conference</li> <li>Interviews</li> <li>Emerging markets mini-site</li> <li>Newsletters</li> </ul>	<ul style="list-style-type: none"> <li>Developed customized low ARPU solutions (P15)</li> <li>Increased investment in the "Green" field (P11)</li> <li>Developed green products and solutions; started the Green Product Certification Program (P10)</li> <li>Started Green Product Certification Program (P10) and Green Supply Chain Certification Program (Online information)</li> </ul>
Industry Peers	<ul style="list-style-type: none"> <li>Industry development and collaboration</li> <li>Bridging the digital divide</li> <li>Climate change and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Industry standards organizations</li> <li>Industry forums</li> <li>"greenhuawei.com" mini-site</li> </ul>	<ul style="list-style-type: none"> <li>Actively participate in industry standards organizations (Online information)</li> <li>Increased investment in the "Green" field (P11)</li> <li>Developed green products and solutions (P12); started the Green Product Certification Program (P10)</li> <li>Continued efforts in extending communications (P15)</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>Convenient and affordable telecom services</li> <li>Climate change and environmental protection</li> <li>Bridging the digital divide</li> <li>Impacts of electromagnetic radiation on health</li> </ul>	<ul style="list-style-type: none"> <li>Consumer research</li> <li>Huawei device website</li> <li>Online information on electromagnetic radiation and safety</li> </ul>	<ul style="list-style-type: none"> <li>Continuously innovate to develop low ARPU solutions (P15)</li> <li>Increased investment and efforts in the "Green" field (P12)</li> <li>Continued efforts in extending communications (P15)</li> <li>Conduct research on electromagnetic radiation and disclose research results on Huawei website (Online information)</li> </ul>

## CSR Strategy and Management

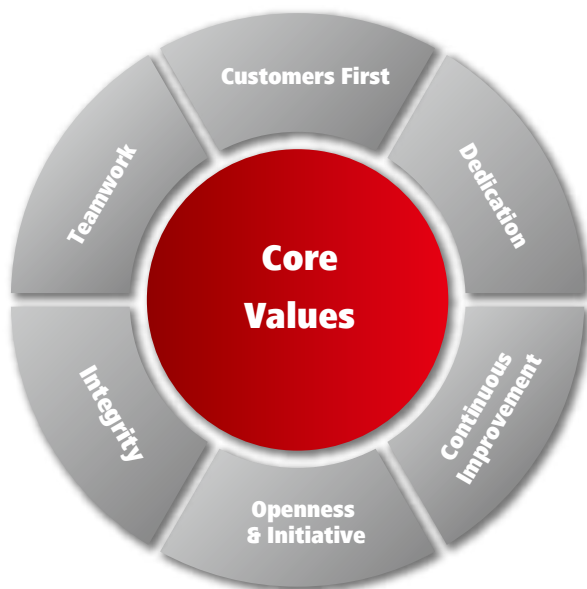
### Vision

To enrich life through communication.

### Mission

To focus on our customers' market challenges and needs by providing excellent communications network solutions and services in order to consistently create maximum value for customers.

### Huawei Core Values



#### Customers First

Huawei exists to serve customers whose demand is the driving force behind our development. We continuously create long term value for customers by being responsive to their needs and requirements. We measure our work against how much value we bring to customers because we can only succeed through our customers' success.

#### Dedication

We win customers' respect and trust primarily through dedication. It includes every effort we make to create value for customers and to improve our capabilities. We value employees' contributions and reward them accordingly.

#### Continuous Improvement

Continuous improvement is required for us to become better partners for our customers, improve our company and grow as individuals. This process requires that we actively listen and learn in order to improve.

#### Openness & Initiative

Driven by customer needs, we passionately pursue customer centric innovations in an open manner. We believe that business success is the ultimate measure of the value of any technology, product, solution or process improvement.

#### Integrity

Integrity is our most valuable asset. It drives us to behave honestly and keep our promises, and, thus, win our customers' trust and respect.

#### Teamwork

We can only succeed through teamwork. By working closely in both good times and bad, we lay the foundation for successful cross-cultural collaboration, streamlined inter-departmental cooperation and efficient processes.

## CSR Strategy

Huawei is dedicated to ensuring that all people can enjoy the basic rights of communications and information services. During our commercial activities, we also attach great importance to the sustainable development of society and the environment by bridging the digital divide and providing people with better work, life, education and opportunities, and continuously enriching people's lives through communication. Huawei continues to fulfill its social responsibilities in this area by taking the following important measures:

- Huawei actively communicates with the world's leading operators on environmental protection and energy conservation reduction. Huawei closely collaborates with enterprises across the value chain to build environmentally friendly networks and promote sustainable development of the industry in order to eventually achieve our objective: "Green Communications, Green Huawei, and Green World".
- Huawei is committed to bridging the digital divide by leveraging our expertise and experience in providing world class telecom solutions. We enable more people to access information by providing customized solutions, and promoting communications by helping underdeveloped regions to nurture talent and form effective education systems in the field of communications.
- Huawei has always supported the countries and communities in which our operations are located by contributing to the local welfare, education, and disaster relief efforts in these locations.
- Huawei continues to foster a culture of dedication, attaches great importance to employee rights and occupational health and safety, and makes every effort to fulfill its commitments to employees.

## CSR Management Structure

Huawei has a well-established governance structure, which comprises of the Board of Directors, Board Committees and the EMT, with clear delegation of authority and accountability. Huawei has also clearly segregated the roles and responsibilities for its functions and units to ensure proper check and balance. In addition, Huawei has established a Business Control Department to assist business functions to improve control processes, with the Internal Audit Department performing independent reviews on a regular basis to assess the internal control effectiveness of all processes.

Huawei continuously works to optimize its CSR governance structure. The Board of Directors and its subordinate Audit Committee, Finance Committee, and Human Resources Committee are responsible for decision-making and management of CSR strategies. The EMT and its subordinate management teams are responsible for implementing decisions made by the Board of Directors, and leading daily CSR activities. Huawei has set up the Environment, Health, and Safety (EHS) Committee, the Energy Saving & Emissions Reduction Management Department, the Procurement Qualification Management Department, and the Health Service Center. Huawei ensures proper staffing for all key management positions in related departments to implement CSR initiatives related to energy saving and environmental protection, supply chain, occupational health and safety, and employee development.

## CSR Management System and Process

Since its inception, Huawei has been dedicated to establishing and optimizing its internal control system and continuously optimizing control processes to improve operating efficiency and reduce risks, ensuring that business activities can be carried out in an efficient manner with proper authorization. For more details, please see the corporate governance section of the Huawei Annual Report 2009.

Huawei has set up an effective CSR management system and related working processes, which covers customer relationship management, energy saving and emissions reduction, supply chain management, EHS management, and human resources management, and closely integrates with the corporate operations of the CSR management system.

## Environmental Protection

Environmental deterioration and accelerated global warming have become critical global issues for mankind. Environmental protection is not only required for CSR fulfillment, but is also effective in reducing operating risks, enhancing business competitiveness and achieving long-term sustainable growth.

In product development and commercial activities, Huawei takes environmental protection requirements into full consideration, strictly observes environmental regulations globally, and aims to create optimal social, economic, and environmental conditions through innovative solutions.

### Green Communications, Green Huawei, and Green World



Telecom services can effectively improve the operating efficiency and reduce the energy consumption and carbon emissions of our entire society. The Smart2020 report released by the Global e-Sustainability Initiative (GeSI) identified savings of 7.8 Gt CO<sub>2</sub>e that could be delivered by ICT solutions by 2020 – five times the sector's footprint. In December 2009, Deutsch Telekom and Huawei jointly carried out research (Smart 2020 Deutschland) which indicated that the German industries can reduce up to 25% of carbon emissions through smart ICT solutions.

In addition, the energy saving and environmental protection of the telecom industry itself shall not be ignored. According to statistics, the current annual carbon emissions of global ICT equipment accounts for 2% of global emissions. In addition, with the further development of the communications industry, the proportion will increase in the future. Therefore, energy saving and emissions reduction are the responsibility of the entire telecom industry.

As a world-leading telecom solutions provider, Huawei plays a significant role

in helping other industries and promoting ICT industry energy savings. In fact, we strictly observe the global rules and regulations with regard to environmental protection, and play an important role in major standards organizations, such as IEC, ISO, ITU, JRC, GeSI, and ETSI. For example, the topic of the first meeting organized by Huawei in ETSI was about energy saving and emissions reduction. We also participated in the Energy Efficiency Inter-operator Collaboration Group (EEIOCG) of GeSI, and the building of the Global Efficiency Standard Mapping with the EEIOCG.

By analyzing the impact of commercial activities on the environment and evaluating the energy consumption and emissions of the telecom product lifecycle, we determined key measures to be taken and implemented them globally. In addition, we vigorously promoted energy conservation and emissions reduction internally to reduce average resource consumption and emissions every year. We hope that through continuous effort, in addition to our own reductions, we can promote energy saving and environmental protection for the entire society to realize our objective

of "Green Communications, Green Huawei, and Green World".

We provide end-to-end green communications solutions to help operators optimize energy efficiency, fulfill social responsibilities, reduce TCO, and improve market competitiveness. In 2009, the resource consumption ratio of major Huawei products had a year-on-year decrease of over 20%. We actively promote the application of green energy sources in telecom networks. Currently, Huawei has globally deployed over 3,000 sites with alternative energy sources to successfully help operators deploy and operate networks with relatively low OPEX in areas that lack infrastructure. Huawei's efforts have been recognized internationally. For example, GSM Association (GSMA) granted Huawei and Telenor the "Green Mobile Award" in 2009, to acknowledge the close collaboration between the two companies in building green networks and reducing carbon emissions, which represented a new benchmark for the industry.



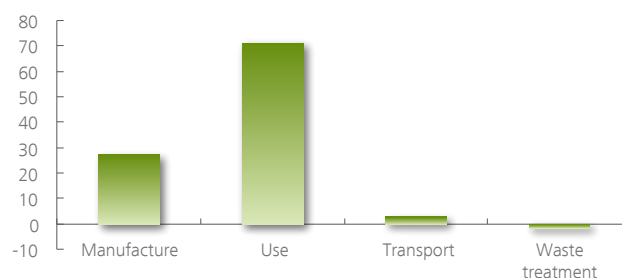
## Product Lifecycle Management

To accurately assess the impact of products on the environment at each phase of their lifecycle, Huawei uses lifecycle assessment (LCA) to evaluate products, including raw material procurement, part and component manufacturing, product processing, transport, use, waste treatment, and recycling. Through this process, products and their lifecycle phases that have a great impact on the environment can be clearly identified, key impact factors can be identified and green solutions can be developed to carry out various activities to reduce their impact on the environment.

Through LCA analysis, the impact of products on the environment with regard to climate change, carcinogens, long-term or non-biodegradable materials, radioactivity, ozone depletion, ecology toxicity, acidification, land occupation, and mineral consumption can be evaluated. Among these issues, climate change is of the most concern. The evaluation results of the index pertain to the total carbon emissions of the product throughout its lifecycle.

By 2009, Huawei finished evaluating the lifecycle of major products. In the future, Huawei will quantify the impact on the environment by products at each phase. As highlighted in the conclusions of the LCA analysis, we will focus on optimizing energy consumption and emissions for key products to reduce the overall impact on the environment by product lifecycle. Through the lifecycle assessment of various types of equipment, we concluded that approximately 70% of carbon emissions occur in the operating phase of communications products.

Carbon emissions ratio throughout the product lifecycle



## Huawei Green Product Certification Program

During product design and manufacturing, Huawei always regards “reducing products’ impact on the environment” as one of the most important indices for product quality evaluation. Reducing the adverse impact that products have on the environment is also Huawei’s social responsibility and commitment.

To evaluate the success of the indices, at the end of 2009, we started the Green Product Certification Program. We finished developing certification standards for “green products”, covering all regulations, directives, standards, and requirements in energy saving, emissions reduction, and environmental protection factors such as energy efficiency, use of renewable energy sources, weight, package, harmful substance, retrieval, noise, and electromagnetic radiation safety. In addition, we evaluated the products’ environmental performance in each phase of product lifecycle, such as raw material, manufacture, transport, use, and waste treatment. The Green Product Certification Program was launched and the standards were adopted through Huawei’s integrated product development (IPD) process. All of Huawei’s new products are required to obtain this green certification before mass production. The programs make Huawei continuously improve products in terms of their environmental performance, thereby reducing resource consumption, improving energy efficiency, reducing manufacturing and operating costs, and reducing the impact on the environment throughout the products’ lifecycle.

Award ceremony for Huawei Green Product Certification Program



## Green Production and Operation

The product manufacturing phase consumes a great deal of materials, natural resources and energy. Huawei is dedicated to reducing resource consumption during the design and manufacturing processes.

Manufacturing and the production of raw materials, such as metal and plastic, requires consumption of vast amounts of natural resources, and this has a significant impact on the environment. Huawei adopts measures to reduce consumption of raw materials. On average, the rate of reduction can be over 10%. For example, we used a diversified weight reduction design to save about 15,000 tons of steel, and reduce carbon emissions by 48,000 tons annually.

Furthermore, Huawei has greatly reduced the consumption of spray materials and energy sources through various optimized measures to reduce or remove spray. Huawei has reduced the consumption of water through design improvements, thus saving 90,000 tons of water annually.

We promote environmental protection measures internally, whereby energy saving and environmental protection are integrated into corporate operations and employee activities. In daily operations, Huawei uses many effective energy saving and emissions reduction measures. For example, air-conditioning power consumption accounts for approximately 40% of total power consumption at Huawei headquarters in Shenzhen. In the Summer, we set the air-conditioning temperature to above 26 Celsius degrees, which saves nearly 4 million kilowatts/hours (kWh) annually. We use efficient new T5 energy-saving lights to replace ordinary daylight lamps, thereby reducing power consumption by over 40%. For outdoor lamps and light sources located near outdoor illumination of the buildings, light control is employed, saving Huawei 1.3 million kWh annually. In addition, recycling of chopsticks is promoted in all employee canteens in China, saving as many as 16,800 trees and reducing carbon emissions by 1,800 tons.

In the second half of 2009, Huawei started the iTools project and promoted and implemented a series of tools and solutions to improve communication across different locations. For example, the unified communication tool and videoconferencing system improves working efficiency, reduces OPEX, and greatly reduces energy consumption and carbon emissions caused by business trips.

Huawei headquarters in Shenzhen consumed 1.7 million tons of water in 2009, and 256.7 million kilowatts (kW) of electricity. In 2010, we plan to reduce water and electricity consumption by 7% and 11%, respectively.

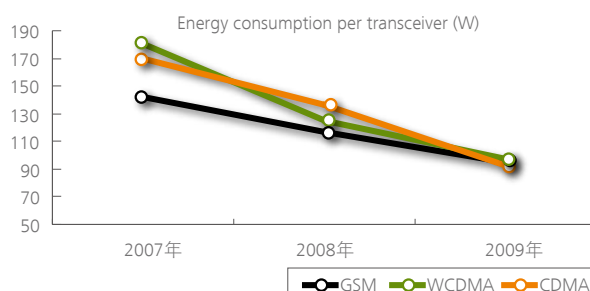
## Energy Saving Design and Application for Green Products

With regard to energy consumption, Huawei has analyzed the energy consumption of the existing network data of multiple customers, and has determined that the major energy source for operators is electric energy. The majority 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.

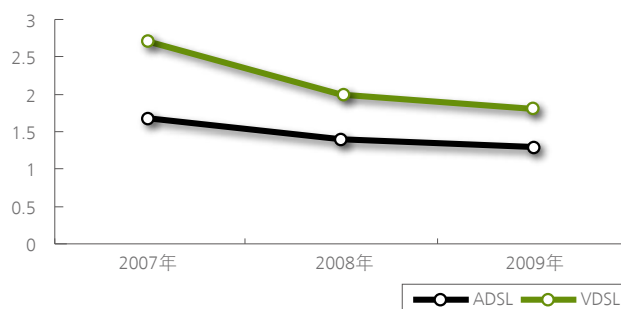
Based on the LCA findings, we optimized the energy use and emissions indicators for end-to-end network products, with a focus on the access layer. Today, all our products can achieve an energy savings of more than 30% compared to traditional solutions in the industry.

Huawei has invested a large amount of effort in energy saving designs, developed and applied various energy saving measures, and achieved good results. The energy efficiency for wireless access equipment and broadband access equipment is continually improving over the years.

Trend for energy consumption of Huawei wireless base stations (unit: watt)



Trend for broadband access equipment (unit: watt)





### Energy Savings for Radio Access Network

Huawei designs green and intelligent base station equipment, which greatly reduces equipment energy consumption and carbon emissions, and improves the energy efficiency of base station equipment by over 20%. A total of 5,700 kWh of electric energy can be saved each year, which is equivalent to the carbon emitted by 1.7 tons of thermal coal.

Integrating our innovative SingleRAN solution, green site solutions, advanced network planning and optimization experience, intelligent operation and maintenance tools, and coverage efficiency improvements, we build environmentally friendly sustainable networks, optimize network structure, lower network complexity, reduce the number of necessary sites, smooth network evolution, reduce investment, and promote healthy development of the industry.

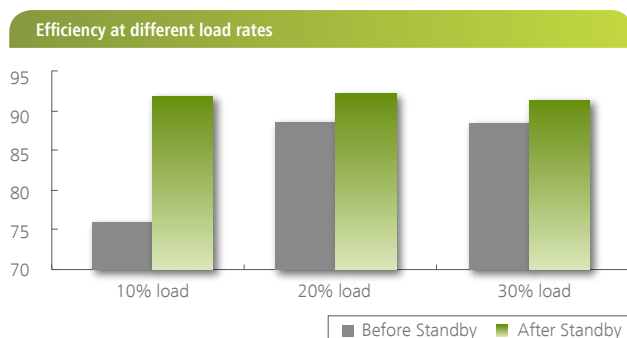
### Energy Savings in Fixed Access Network

With a three-fold green design, featuring low heat emissions, thermal dissipation and heat resistance, a Huawei million node green broadband network can save more than 200 million kWh of power per year, equivalent to the all-year power consumption of roughly 250,000 households in China. In the next three years, the average energy consumption of user ports of Huawei access networks will be reduced by 30%, which is equivalent to saving 700 million kWh from newly added equipment, or 5.9 million tons of carbon emissions.

### Efficient Power Conversion

Today, the working voltage of equipment at communications sites is typically direct current (DC). Therefore, power supply solutions must consider how to effectively and efficiently convert various voltages into the nominal DC equipment voltage. In addition, the solution provider shall also consider how to extend equipment life and reduce customer investment while ensuring energy storage equipment functions meet communications site requirements.

Our efficient power supply system uses a new integration design to increase power intensity and load output capacity, and significantly reduce system space. The power supply module uses new soft-switch technology and a module standby function to boost system efficiency and reliability.



## Alternative Energy Solutions

The most direct way to reduce CO<sub>2</sub> emissions is through the introduction of alternative energy systems, such as solar energy, wind energy, and bio-energy plants. These emission-free or low-emission energies are the most effective choices for companies seeking to reduce carbon footprint.

In addition, with the year over year power rating decline of primary equipment, it makes more sense to use alternative energy power supplies. Huawei has proactively promoted the application of alternative energy sources in telecom networks and developed alternative energy solutions, such as solar energy, wind and solar hybrid power, and solar and diesel hybrid power solutions. With a focus on the demand for energy saving and emissions reduction, these solutions integrate environmentally-friendly thinking and continuous operating cost reduction requirements into the design of base station products. In addition, these solutions are tailored to meet customers' diversified demands and local conditions.

Huawei has extensively deployed alternative energy solutions in base station construction projects. In 2009, Huawei deployed over 3,000 alternative energy sites and became a leading provider of green site solutions.

**Solar Energy Power Solution:** Solar energy is a mature technology that converts sunlight into electrical energy with the minimum environmental impact, low fault rate, close-to-zero maintenance rate, and high reliability. Solar energy can effectively reduce site operating costs.

**Wind and Solar Hybrid Power Solution:** Wind and solar hybrid power supply systems provide stable and reliable power and enhance power supply stability. These energy resources support each other throughout the day and during both sunny and rainy days. This is a pollution-free and reliable solution. In addition, the system can be maintained easily.

**Solar and Diesel Hybrid Power Solution:** In areas with abundant solar energy resources, a diesel generator can be installed as a supplement to deal with potential power supply failures due to rainy days or seasonal factors. Solar and diesel hybrid power supply systems generate very low carbon emissions and ensure high system stability. As a supplement to the solar energy solution, it features minimal environmental impact and low maintenance rates. In addition, it is reliable and easy for customization.

### Success Story: Kenya Going Green with Renewable Energy

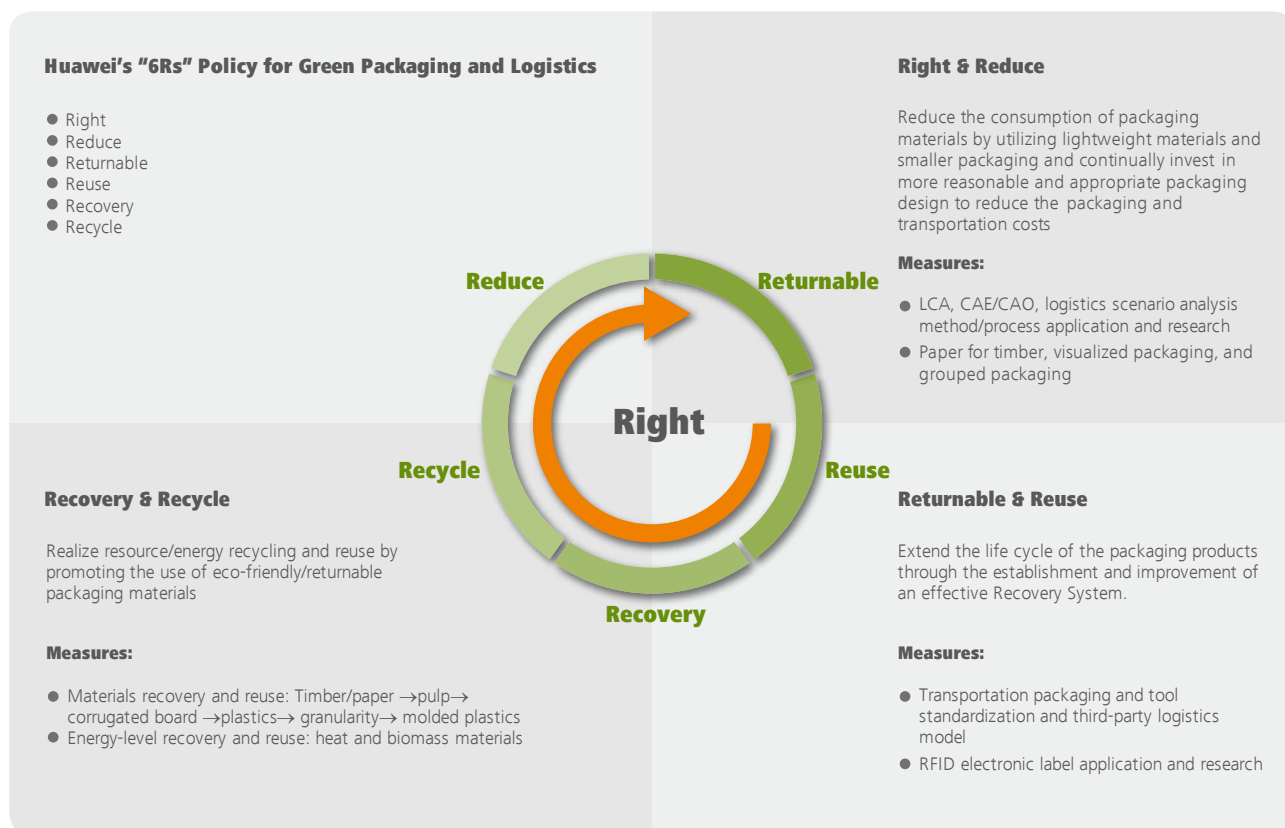
In Kenya, 25% of base stations are powered solely by diesel generators due to very low power grid coverage in some regions. To tackle the issue, Huawei deployed a site energy solution integrating wind/solar energy and diesel generator systems for Safaricom, a leading operator in the country. By making full use of local wind and solar energy resources, the new solution has significantly reduced OPEX and enhanced the environmental nature of mobile networks. With this new solution, test data shows that diesel generators run 1.32 hours per day on average. The solution has reduced network fuel consumption by over 95% and fuel transportation and routine maintenance expenses by over 90%.

## Green Packaging and Logistics

Huawei has effectively saved energy in the area of packaging and logistics under a "6Rs" (Right, Reduce, Returnable, Reuse, Recovery and Recycle") philosophy, and in compliance with the following:

- Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive
- Waste Electrical and Electronic Equipment (WEEE) Directive
- EcoDesign Requirements for Energy Using Products (EuP) Directive
- SA8000 Social Accountability Certification Standards

Huawei has proactively fulfilled its corporate responsibilities and environmental commitments under the "6Rs" policy. We have reduced non-reusable packaging waste by 25% through design optimization.



Under the "6Rs" policy, Huawei developed a "transportation cabinet + visualized packaging" product, in partnership with China Mobile, in order to develop a green industry chain of mobile communications.

The "transportation cabinet + visualized packaging" is a reusable unit with reusable packaging. This solution is based on recycled wood materials, visualized packaging technology, assembly technology, standardization, and appropriate design. Together with a universal logistics platform, it reduces the consumption of natural resources, such as wood from forests, at the packaging and logistics stage, and promotes the sustainable development of resource-saving and environmentally friendly packaging and logistics within the industry. In 2008 and

2009, the "transportation cabinet + visualized packaging" was promoted across 12 provinces in China. In China Mobile's GSM network projects and TD-SCDMA networks, our reusable metal containers were used, further improving the reusability of our products' packaging.

By working in partnership with our customers on their network implementation projects, we have shown that, compared to legacy packaging solutions, this solution can reduce 90% off timber usage, reduce weight of packaging materials by about 22%, and raise operational efficiency by about 82%. According to Huawei shipment statistics, with this solution and our ongoing improvements, 7,674 tons of carbon dioxide emissions were reduced in 2009.



## Recycling and Reuse

Huawei is aware of the importance of recycling waste products into new resources for the sake of environmental protection. As a leading telecom solutions supplier, Huawei takes its responsibility for waste product treatment seriously. Huawei strictly complies with waste electronic equipment management regulations enacted by all countries worldwide and proactively promotes waste reuse and recycling.

The EU Waste Electrical and Electronic Equipment Directive (WEEE Directive) requires producers to establish a recycling and utilization system for waste electrical and electronic equipment and pay the related treatment expenses. Huawei has established a waste electrical and electronic equipment reuse and recycling system to fulfill the extended producer responsibility. In accordance with the WEEE Directive, Huawei has added WEEE recycling logos to the labels of products sold to the EU market, since August 13, 2005. Meanwhile, many countries have enacted laws and regulations placing obligations on producers to recycle and reuse waste packaging materials and waste batteries. Huawei is strictly fulfilling its obligations through active worldwide participation in waste packaging materials and waste battery reuse programs.

In collaboration with the world's leading environmentally friendly service providers, Huawei has built a global waste treatment platform to dismantle and recycle Huawei and its customers' retired telecom equipment under a one-stop treatment approach to ensure environmentally friendly treatment, recycling, and reuse of electronic waste. We have set up a waste treatment control center in Shenzhen and established regional waste treatment platforms in partnership with waste service providers in Latin America, Europe, Africa, Asia Pacific and China, in order to facilitate the waste treatment process of recycling and to ensure zero waste from any usable resources.

## Radiation Safety

The invention and development of wireless communications technologies has enriched human life and enabled billions of people worldwide to enjoy the convenience of communication. Given the increasing penetration of wireless communications products and the rising public awareness about health and safety issues, people are paying more attention to the possible effects of electromagnetic radiation caused by wireless equipment such as base stations and mobile phones. Some national and international agencies, such as the World Health Organization (WHO), International Commission on Non-Ionizing Radiation Protection (ICNIRP), and the Institute of Electrical and Electronics Engineers (IEEE), have carried out extensive research in this area.

Consideration of the potential health problems linked to electromagnetic radiation is the responsibility of a telecom solutions provider such as Huawei. We have established rigorous internal control procedures for product design, testing and installation to ensure that all of our wireless communications

products meet the safety requirements set forth in national and international electromagnetic radiation regulations. Under the current electromagnetic radiation safety standards, there is no compelling scientific evidence that electromagnetic radiation from mobile phones and base stations is harmful to humans.

During the base station site construction process, we work closely with operators to strictly comply with the applicable electromagnetic radiation standards and environmental impact assessment standards of each country and region, and strive to build environmentally friendly and healthy mobile communications networks. We are proactively working with our customers to instill an understanding of green and healthy communications in the public and fulfill our corporate social responsibility.

Huawei understands the importance of researching the effects of electromagnetic radiation and will continue to collaborate with others in the industry on this important initiative. We have participated in setting electromagnetic radiation standards for China and followed up with the latest developments and research on international electromagnetic radiation standards. At present, Huawei has participated in the R&D projects of CCSA, ITU, and IEEE.

## Chemicals Management

As a responsible global corporate citizen, Huawei has complied with green and environmental protection laws and regulations worldwide. Considering the long-term harmful effects of certain chemical substances to humans and the environment, Huawei continues to explore alternate substances and reduce the use of hazardous chemicals.

Telecom equipment uses a large amount of spare parts and components that contain various chemicals. Some of the chemicals are likely to cause damage to the surrounding environment if they are not properly treated. As a result, the EU enacted the Restriction of Hazardous Substances (RoHS) directive in 2003 to restrict the use of the following six chemical substances in electrical and electronic equipment: lead, cadmium, mercury, hexavalent chromium, polybrominated diphenyl and polybrominated diphenyl ether. This directive came into force on July 1, 2006. Subsequently, many countries enacted their respective versions of RoHS.

Huawei began to restrict the use of these six toxic and hazardous substances in all spare parts as early as 2005, and launched RoHS compliant products before the RoHS Directive took effect in March 2006. In 2006, Huawei formulated the Huawei Substance List, which includes 13 categories of restricted or prohibited toxic and hazardous substances. The Huawei Substance List was updated in 2008. At present, it includes 25 categories of restricted or prohibited substances and 27 categories of notification substances. As a result, we can ensure full compliance with EU regulations (including REACH) and environmental protection mandates.

## Bridging the Digital Divide

With the skyrocketing development of the telecom industry, telecom services are playing an increasingly prominent role in driving global economic growth. However, the digital divide across various regions and communities is also rising. The telecom industry is actively exploring and continuously innovating in an effort to address this issue. For example, in remote areas, innovative services such as mobile banking, village phones and healthcare hotlines are significantly improving the efficiency of society, and playing an increasing role in promoting economic growth and people's living standards. In Bangladesh, the "Village Phone" established by Grameenphone, with its sustainable business development and profit model, has been widely adopted in many developing countries, including the Philippines, Cambodia, Indonesia, Uganda, Rwanda and Haiti, and has made basic communication services available to hundreds of millions of underprivileged people.

Leveraging our expertise and experience in the telecom field, Huawei is committed to enabling more people to participate in the information society and bridging the digital divide. We continuously deliver customer-centric innovations and provide customers with leading and efficient solutions that enable more people to be a part of the information society. We also provide extensive support to educational bodies in various countries around the world and take the initiative to cultivate talent in the telecom field, in order to equip local people with sufficient knowledge about telecom technology and narrow the digital divide.

### Expanding Communications Coverage

Huawei's continuous investment in research & development provides innovative and flexible business solutions that help telecom operators expand their coverage in remote areas and win business opportunities in a low ARPU (Average Revenue Per User) environment. This technology allows more people in these areas to join the information society and improves their quality of life.

#### EasyGSM BTS Solution



Coming from an emerging market, Huawei has a deep understanding of such markets. With leading technologies and solutions, as well as application experiences across the world, Huawei helps customers rapidly deploy networks and develop businesses in emerging markets.

In May 2009, "EasyGSM BTS", the industry's first All IP-based compact BTS, developed by Huawei in close collaboration with Vodafone, was successfully tested with Vodacom South Africa. This base station, which offers high coverage quality, is specifically designed for low power consumption and consumes far less electricity than a traditional BTS, thus increasing the

viability of micro-renewable solar and wind energy generation on site. With a volume of just 12 liters and weighing 12 kg, the EasyGSM BTS can be mounted on a pole, wall, or tower, greatly reducing installation difficulties in remote areas.

When discussing EasyGSM BTS technology, Vodafone stated: "Vodafone is pleased to have played a role in developing this innovative new network solution that aims to extend wireless coverage in rural communities across emerging markets...As well as offering environmental benefits, the solution could also offer social benefits by bringing connectivity to isolated communities."

## Eliminating the Broadband Divide

Broadband is the cornerstone of a nation's competitiveness. Developed countries formulate their national broadband strategies one after another to boost their broadband capabilities. Expensive deployment, however, makes national broadband out of reach for many less developed countries. Huawei's end-to-end national broadband solution supports a full range of integrated access and flexible service provisions, significantly reducing deployment costs and enhancing flexibility and customization. These solutions help less developed countries become more competitive via broadband networks.

### Helping Optus Open up Australia's Outback



The digital divide does not exist only between developed and developing countries. Very often, there is a digital gulf within a country. For instance, in Australia, the population is unevenly distributed, with relatively few people living inland. It has become Australia's key national development strategy to bridge the digital divide with technology that allows people in remote and less-developed areas to experience the benefits of mobile broadband.

Responding to this opportunity, Optus sought out a vendor who could offer the necessary combination of capability, value and coverage. After careful consideration, in December 2007, Optus specified UMTS 900MHz as a core part of their future mobile strategy and chose Huawei as their exclusive vendor for deploying the UMTS 900MHz network in rural areas. Huawei's technology innovatively uses refarming, a network transformation process, to reorganize the frequency, cutover, and optimize the GSM900 network. With this technology, a single Huawei base station covers wide areas, while maintaining high network performance. At the same time, Optus can fully utilize its existing site resources, effectively reducing deployment costs and thus allowing the operator to offer more affordable services to consumers. Up to the present, in partnership with Huawei, Optus has successfully increased broadband network coverage of the nation's population from 60% to 98%, as part of its continuous effort to bridge the digital divide in Australia.

## Elevating Local Telecom Expertise

Huawei has been contributing passionately to the advancement of communication knowledge and skills. We have established 36 training centers and 17 R&D centers around the world to develop and increase communication talent in local communities. In 2009, we established a new R&D center in South Africa and began construction on a center in Turkey. We also collaborated with King Abdulaziz City for Science and Technology (KACST) and Intel to build a joint WiMAX lab in Saudi Arabia. In addition, through financial assistance, scholarships, and education network and equipment donations, Huawei provided teenagers across Asia, Africa and Latin America with opportunities to learn telecom skills and to understand the external world via the Internet.

### Improving Local Telecom R&D Levels

#### **The Turkey R&D Center**

Huawei started its operations in Turkey in 2002 and today has more than 500 employees. In 2009, Huawei began constructing its second largest overseas R&D center in Turkey, which will focus on the analysis and research of software products and services, wireless technologies (2G/3G) and All-IP, fixed mobile convergence (FMC), next generation networks (NGN), as well as product planning, optimization, performance improvement, and market adaptation processes. Huawei plans to employ an additional 500 Turkish engineers in three years, of which 300 will be dedicated to the R&D center. In the future, we will continue to increase our investment, introduce advanced telecom R&D technology to Turkey, and train local talent to promote the long-term development of the ICT industry in Turkey.

#### **Building WiMAX Lab in Collaboration with KACST and Intel**

In July 2009, we collaborated with King Abdulaziz City for Science and Technology (KACST) and Intel to build a joint WiMAX lab. The lab is dedicated to WiMAX technology presentation, interoperability testing, and network performance improvement, and will make outstanding contributions to the development of the telecom industry in the Middle East.

At the signing ceremony, His Highness Prince Dr. Turki bin Saud bin Mohammed Al Saud, vice-president for Research Institutes at KACST, said: "We believe that the expertise offered by Intel, coupled by the advanced equipment provided by Huawei, will play a major role in making the center succeed. Companies working in the field of telecom, along with research centers and universities, will soon be able to benefit from the offerings of the center."

### "Telecom Seed for the Future" Program

In 2009, Huawei continued the "Telecom Seed for the Future" Program, which offered additional opportunities for students in Asia, Africa, the Middle East and Latin America to learn more about the telecom industry.



#### **Supporting Internship Program for Malaysia**

In 2009, the Ministry of Science, Technology and Innovation of Malaysia (MOSTI) funded a 12-month Industry Internship Program to develop the Researchers, Scientists and Engineers (RSEs) required for the transformation of Malaysia's high-tech electronic industries and the expansion of the country's telecom service industries. As a global leading telecom company with in-depth localized operations, Huawei has R&D and technical service centers in Malaysia that serve as essential training centers for the program. Huawei has actively supported curriculum development, endorsed certification programs and encouraged our experts to become trainers.

#### **Data Communication Equipment Donation for Schools in Oman**

Huawei and the Information Technology Authority (ITA) in Oman jointly donated data communication equipment to 100 schools through the Ministry of Education of Oman.

#### **Equipment Donation for the University of Brasilia**

Huawei donated transmission equipment to the University of Brasilia in 2009 and helped it establish a local telecom lab to foster academic research.

#### **Equipment Donation for Santiago University, Chile**

On December 27, 2009, Huawei donated telecom equipment worth USD 150,000 to the University of Santiago. The university greatly appreciated Huawei's support and hopes to establish a long-term partnership with Huawei.



#### **Huawei-DIM Communication Scholarship in Vietnam**

In 2008, Huawei collaborated with the Department of Information and Media (DIM) of Vietnam to establish the Huawei-DIM communications scholarship. In 2009, 109 students were awarded the scholarship, totaling USD 150,000.





#### University Students from UAE Attend Training and Communication in Shenzhen

At Huawei's training center in Shenzhen, we trained our third group of 19 students from the Higher Colleges of Technology (HCT) in the United Arab Emirates.



#### IT-STAR Internship Program in the Philippines

In collaboration with MAPUA, a university in the Philippines, Huawei carried out the third session of our IT-STAR internship program.



#### Partnership with Four Prestigious Universities in Thailand

Under the "Telecom Seed for the Future" Program, Huawei has partnered with Chulalongkorn University, Kasetsart University, Mahidol University and Thammasat University to conduct training on cutting-edge telecom technologies.

## Supply Chain

In addition to our own CSR efforts, Huawei has focused on the socially responsible activities and social images of our global suppliers and partners. As an important part of Huawei's CSR strategy, we are consistently implementing ethical and green sourcing approaches to strengthen supply chain CSR management and realize two strategic goals:

- Improving CSR awareness and 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.

### Supply Chain CSR Management System

We have established a strong supply chain CSR management system that includes supply chain CSR policy, organization, processes, a professional auditor team and a complete system for supplier CSR risk assessment and continuous improvement.

#### Optimize Sourcing with Social Accountability Guide

According to customer and industry development requirements, and in accordance with international and social accountability standards, such as the SA8000 social accountability standard system, the ISO14001 environmental management system, the OHSAS18001 occupational safety and health management system, ethical business practices, EICC and GeSI, we have developed and released the Huawei Sourcing with Social Accountability Guide to inform and urge our global suppliers to comply with CSR requirements.

Huawei will terminate cooperation with any suppliers failing to meet the requirements listed in the Huawei Sourcing with Social Accountability Guide, within a pre-defined period.

#### New Supplier CSR Certification

Besides product quality, technology, delivery and commercial criteria, environmental performance and social accountability are also key items in our new supplier certification. In order to help suppliers comply with these standards, we have established the New Supplier CSR Certification Process, the New Supplier CSR Certification Operation Guide, the New Supplier CSR Certification Standard, the New Supplier CSR Self-Checklist, the New Supplier CSR Certification Report Template, and the Supplier CSR Certification Management Regulations and the new supplier CSR improvement tracking system.

#### Supplier CSR Risk Management

Huawei will conduct a CSR risk assessment of each supplier on an annual basis. Together with Vodafone, we developed a set of Supplier CSR Risk Assessment Tools (V3.0) and use these

tools to assess the CSR risks of all key suppliers. Supplier CSR risks are divided into high risk, medium risk, and low risk and are managed based on their risk rating. Huawei requests that high risk suppliers take corrective actions, conducts random inspections of medium risk suppliers, and asks low risk suppliers to establish self assessment mechanisms in compliance with our requirements.

The specific management methods are as follows:

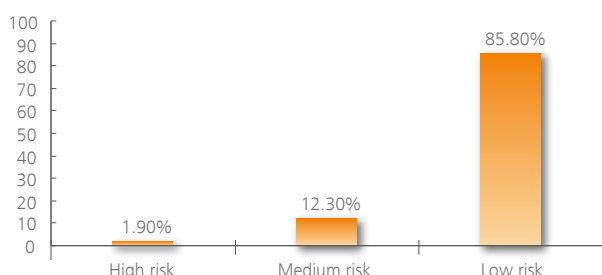
Supplier CSR Risk Level	Huawei CSR Multilayered Management Measures	Output
High Risk	CSR expert team conducts field audit; Supplier provides monthly progress reports; CSR expert team conducts quarterly review; Supplier performs annual CSR self-check	CSR audit report SCAR (Supplier Correct Action Request) form CSR review report
Medium Risk	CEG quarterly CSR follow-up visits; Supplier provides quarterly CSR report; Supplier performs annual CSR self-check	CSR follow-up visit record form Supplier quarterly CSR report Supplier annual CSR self-check report
Low Risk	Supplier performs CSR annual self-check; Supplier provides annual CSR report	Supplier annual CSR self-check report Supplier annual CSR report

## 2009 Supplier CSR Management Highlights

### Supplier CSR Certification and Management

In 2009, we used CSR risk assessment tools to assess the CSR risks of 675 key suppliers worldwide and found that 1.9% were high risk suppliers, 12.3% were medium risk suppliers and 85.8% were low risk suppliers. Supplier CSR risks are managed with multilayered risk control measures.

2009 Supplier CSR Risk Assessments



In 2009, we focused on CSR audit and improvement tracking for 135 suppliers, including CSR checks for 47 suppliers, issue tracking and solving for 65 suppliers and new CSR qualification for 24 suppliers. Under Huawei's influence and inspiration, we saw CSR improvements in 71 suppliers under the SCAR tracking and management system, leading to significantly reduced CSR risks. In 2009, we encouraged 230 suppliers to complete their CSR annual reports.

### 2009 Supplier CSR Certification Scores

2009 Supplier CSR Audit Scores	The Number of Supplier CSR Certification and Audit
91-100	11
81-90	24
71-80	27
61-70	9
51-60	0
50 or lower	0
Total	71

### 2009 Supplier CSR Conference

To further enhance supplier's CSR awareness and capability, Huawei held the 2009 supplier CSR conference at our Shenzhen headquarters on June 5, 2009. 228 general managers, deputy general managers, and CSR managers from 173 key suppliers and partners attended the conference..

Senior management and CSR experts from world renowned operators, such as Vodafone, Deutsche Telekom, and British Telecom, also attended the CSR conference.

Mr. Yao Fuhai, Senior Vice President & Procurement Certification Management President for Huawei delivered the opening keynote, stressing that "Huawei pays special attention to the social accountability image of global suppliers and partners and will firmly forge ahead with sourcing with social accountability and keep pushing for suppliers to boost their social accountability awareness and capabilities and promote the sustainable development of the industry's supply chain."

### The 2009 Supplier CSR Conference



## 2010 CSR Outlook

### CSR Audit Competence and Skill Enhancement

Apart from inviting third-party trainers to provide SA8000 knowledge training, we developed CSR Basic Knowledge (Entry Level) and Supplier CSR Auditing Methods and Skills (Intermediate Level) textbooks, trained and tested 140 procurement CEG and team leaders in 2009. To date, 140 engineers have received CSR internal auditor qualification, 109 engineers received OHSAS18001 internal auditor certificates, 110 engineers received ISO14001 internal auditor certificates, 104 engineers received SA8000 internal auditor certificates, and 16 engineers senior CSR auditor qualification.

### Switch-Asia Program Supporter

In the midst of resource shortages and environmental degradation, it is imperative for corporations to focus their production on sustainable development. To meet this corporate demand, the EU launched the Switch-Asia program in 2009 to promote sustainable consumption and production and enhance sustainable growth and poverty alleviation. As a member of GeSI, Huawei participated in the Switch-Asia program, together with Deutsche Telekom, to offer support for this program. Meanwhile, Huawei also invited some of its suppliers to participate in this program and encouraged them to rapidly boost their CSR awareness and capability through proactive participation in this program.

At the Switch-Asia meeting held in Shenzhen in December 2009, Huawei shared its experiences with supply chain CSR management practices regarding electronic environment and safety and proposed that "corporations must attach strategic importance to CSR in order to gain lasting achievement".

As stated in our 2010 Annual Supply Chain CSR Plan, we will use CSR risk tools to assess the risks of global suppliers and manage them with multilayered CSR risk control measures in order to encourage suppliers to continuously improve their CSR capabilities and reduce risks.

The Annual Huawei Supplier CSR Conference will be held in 2010. We sincerely invite customers to attend this conference and deliver CSR presentations in order to continuously enhance supplier CSR awareness and capability, as well as to promote the sustainable development of the industry.

A meeting for the Switch-Asia Program held in Shenzhen in December 2009





## People

Dedicated and passionate employees are Huawei's most valuable asset. In recognition of their contributions, Huawei has established policies to ensure that employees are given growth opportunities and competitive remuneration. We attach high importance to employees' mental and physical health. By providing a complete Employee Health Security System, a wide range of leisure activities, and open communication channels, Huawei makes every effort to facilitate staff recognition and ensure employees' personal growth is realized alongside Huawei's success.

### Employee Overview

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. In 2009, Huawei released detailed implementation measures and organized a company-wide study to facilitate better understanding and implementation of the BCGs by employees.

At the end of 2009, Huawei had 95,000 employees from more than 140 countries, over 65% of whom are foreign employees. At Huawei, 46% of employees are engaged in R&D and 31% in sales and services. Managerial positions are open to our entire staff and we have formed an international management team of diverse cultures. In order to strengthen the unity of the entire workforce, the Company promotes cross-cultural understanding through various approaches and activities.

Huawei Holding implements an Employee Shareholding Scheme (the "Scheme") through the Union, which currently involves 61,457 employees, who are represented by and exercise their rights through the elected representatives. In addition, the Scheme effectively aligns the personal goals of employees with the Company's long-term development, fostering the continuing success of Huawei.

Huawei has maintained a relatively low employee turnover rate and a high percentage of female employees.

#### Non-Discrimination

Huawei's equal opportunity policy is reflected in our recruitment process. Huawei will not tolerate discrimination on the grounds of race, gender, geographical origin, nationality, age, pregnancy or disability in recruiting employees. We have also adopted an anti-discrimination policy and will meet local labor laws and regulations.

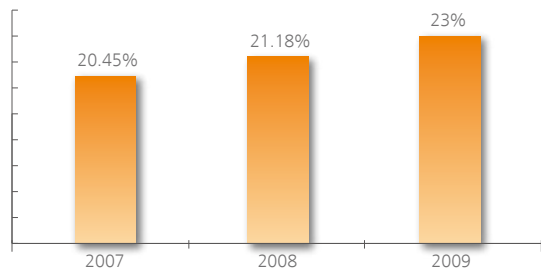
#### Assistance for the Physically Disadvantaged

We take into consideration the special needs of physically disadvantaged employees and provide necessary facilities, including specially designed corridors and washing rooms.

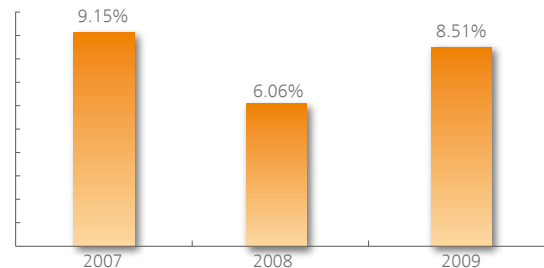
#### Child Labor

Huawei strictly abides by laws and regulations and explicitly bans the use of child labor. We have established rigorous labor recruitment and employment procedures to ensure there is no child labor throughout our business operation.

Female Employee Proportion



Employee Turnover Rate



## Employee Occupational Health and Safety

In terms of employee health and safety, Huawei has passed the certification of Environment, Health and Safety (EHS) Management System and OHSAS18001:2007 certification. In February 2009, Huawei's Shenzhen headquarters completed internal audits on the EHS system. The four Research centers in China (Beijing, Shanghai, Xi'an and Nanjing) passed the third-party on-spot audits of the Bureau Veritas (BV) and obtained ISO14001 and OHSAS18001 certificates. From July to December 2009, our EHS Committee started to support the improvement of the European region's EHS system. In 2010, we will reinforce our support for overseas EHS systems, improve overseas EHS management, and gradually optimize the EHS system database to facilitate data sharing.

### Precautionary Measures

All of the Company's departments continue to give high importance to EHS education and training. We held a total of 10 health and safety related corporate campaigns in 2009, covering topics such as radiation, personal protection and emergency aid. All Huawei employees participated in the "knowledge on fire control and safety" training, which improves fire prevention awareness and emergency handling capabilities of employees. In 2009, we completed a general health check for the entire workforce and occupational health check for over 1,600 employees. No employees were found to have occupational diseases. In addition, we continued the strict examination of the procurement and processing of ingredients for the employee canteens. The Internal Service Management Department carried out food poisoning drills to improve its emergency handling capabilities.

### Employee Insurance and Welfare System

Huawei has put in place a comprehensive employee insurance and welfare system, which encompasses mandatory coverage and commercial insurances including personal accident and critical illness insurance. Under critical circumstances, the Company also has a corporate rescue plan. In 2009, Huawei spent a total of CNY 1.68 billion on employee welfare and insurance. Last year, Huawei launched another round of overseas employee welfare and insurance reviews in order to improve its global employee insurance system. The project is expected to last for three years and end in 2012. In addition, Huawei offered a program to facilitate our employees' families in purchasing commercial insurances.

## Career Path and Growth

Huawei offers a dual career path that includes 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. In terms of appointment of executives and management, Huawei selects prospects based on their performance, moral qualities and leadership, prohibiting any discrimination regarding religious belief, gender and culture.

### Learning and Training

To turn Huawei into a learning-oriented organization, we have provided numerous educational opportunities and fostered an atmosphere of knowledge sharing. In 2005, we established the 3MS internal sharing platform, which contains extensive business data and information, case studies, communities and a Wiki online dictionary. It provides a convenient online knowledge sharing and collaboration platform for employees. Through our worldwide training centers, we offer employees a wide variety of training curriculums, including orientation training for new employees, culture training and customer training. In addition, Huawei also has an outstanding on-the-job training program (including management and technology training) to tailor training plans to employees at a range of levels and qualifications, and to provide strong support for employee career development. In 2009, 71,848 employees/times obtained training via the training center at Shenzhen Huawei headquarters, with total training time reaching 104,915.6 days (7 hour days).

### New Staff Training

To help ease new employees into their roles, Huawei delivers a New Employee Orientation Program covering a wide range of topics, including corporate culture, organization processes, product knowledge and sales and marketing skills.

Huawei has a renowned "one-to-one" mentoring system. Upon joining the Company, new employees are assigned experienced mentors who provide useful knowledge and advice, including an introduction on the corporate culture, and any other help a newcomer may need regarding their roles.

The new employee workshop enables new employees to quickly adapt themselves to the organization and feel accepted. At the workshop, new employees are free to communicate and exchange ideas with directors and experienced employees. New employees can learn from the experiences of senior employees and get insight into their roles and responsibilities.

### Hiring External Professors and Experts

Since 1999, Huawei has hired prestigious experts and professors who have retired from well-established universities and research institutes in China. They have rich life experiences and scientific research methods that can help young employees adopt better approaches and avoid making mistakes. They have become mentors and friends of our employees, providing mental and emotional support and helping with personal growth. In 2009, these experts and professors had a total of over 10,000 meetings with our employees, and conducted about 1,000 open-day activities.

Since its establishment, the Talent Pool has focused on dedication as a core value of Huawei, and, through successful business operations and testing, evaluates and selects managers and employees who are ready for continuous dedication. In 2009, the Talent Pool completed the entrusted certification of over 200 people and overseas assignment certification of over 800 people, organized job rotations for over 400 people who were removed from transformation operations, and met the requirements of over 1,400 technical and management positions. In 2010, the Reserve Pool plans to complete the certification of over 10,000 managers and employees, and expects 250 to 400 people to be recommended and nominated.

### Promoting Gender Equality

To promote gender equality in career growth, we established the "Steel Rose Club" for female executives and technical experts in 2009. The Steel Rose Club offers a strong communication, learning, and development platform for female managers and technical experts, and has won wide acclaim among female employees.

### Talent Pool

Huawei launched the Talent Pool Project in 2009. The project has the following main responsibilities: (1) set up manager C&Q (Competency and Qualification) standards and certification management platform to guide the C&Q improvement of managers; (2) provide a job transfer platform for employees removed from the organization and process transformation of each department; (3) cultivate new businesses or capabilities against key business strategies or capability weaknesses of the Company and each department; and (4) identify passionate, ambitious and hard-working managers and employees with outstanding performance and capabilities, and recommend them to appropriate key positions to promote the growth of excellent managers and talent.

**Trainees are under production practices**



## Open Communication Channels

A wide range of formal and informal communication channels have been established to ensure that employees feel a strong connection with the Company.

### "CEO Mailbox"

To facilitate communication between the Company's top management and employees, Huawei has set up a special mailbox, the "CEO Mailbox", which allows top management to receive employee feedback and helps employees to better understand the Company's corporate values and other key corporate policies.

### "Huawei Community" BBS

The "Huawei Community" BBS (<http://app.huawei.com/forum/>) is a communication platform for the Company and its employees. Huawei encourages employees to communicate through this community. Here, employees can have access to corporate policies, anonymously post comments and suggestions to the Company's management, inquire and seek help about various issues, and share their experiences from outside the workplace. The BBS helps employees to better understand Huawei's values, establish positive attitudes towards life, instill personal values, and take a rational approach towards problems. The BBS also provides a platform where employees can de-stress, relax, realize self-education, and develop healthy and positive lifestyles.

### Publications

The Huawei People newspaper advocates excellent employees and their deeds to improve the professionalism and moral standards of employees, educates and guides employees, and builds a customer-centric and dedication-oriented corporate culture. The Improvement highlights management issues and developments to promote management improvement and enhance the overall operation level of Huawei. The Huawei People magazine (HP) is a communication platform for Huawei and foreign customers and local employees. Besides an online version on the Company's Web site, printed versions are also available. Last year, the circulation of Huawei People and Improvement reached 118,000 copies.

### Open Day

All employees have the liberty to approach to senior directors. They can report issues directly to the senior directors for discussion.

### Democratic Life Meeting

Once or twice every year, employees meet to discuss various issues, such as recommendations for department development, business development, policy execution, daily management of the department and the Company at large, as well as personal issues.

### Workout

A department or a virtual team meets with an external expert who guides them as they raise issues existing in their work and helps to develop solutions. Workouts enable employees to have greater participation in the management improvements of the Company and the department.

### Family Day

Family Day provides an opportunity for family members of Huawei employees to meet and get to know Huawei and also for Huawei to understand the expectations of family members. Since its launch in 2003, this activity has been held every year, and has been extended to overseas research institutes and representative offices.



### Rich Leisure Activities

Huawei allocates special funds to enrich the cultural and sports activities of employees after work. We also encourage and guide employees to carry out various activities by themselves that are beneficial physically and mentally. Currently, there are a large number of employee cultural and sports associations in Huawei, such as the photography association, table tennis association, basketball association, tennis association, badminton association, painting and calligraphy association, and choir association. These associations carry out leisure activities on a regular basis, and encourage the employees to live a healthy and happy life outside of work.



### Complaint Channels

Huawei has set up complaint reporting channels and processing mechanisms to enable quick response times for complaints from employees on issues such as human resources and occupational ethics. We communicate the results of any investigations with the employees to eliminate their doubts or dissatisfaction, and emphasize problem-solving through the shortest path.

In addition, Huawei has established other communication activities and channels including, performance coaching and communication, resignation interviews, and dedication and contribution conferences.

Social Contributions

We have always followed the practice of supporting the countries and regions in which Huawei operates. In less developed regions, as well as Europe and North America, Huawei, as a member of the local community, makes contributions to local social and economic development, technology, education and health campaigns, disaster relief and environmental protection. In 2009, we donated CNY 19.755 million to a number of educational funds and programs, disaster relief, and healthcare programs.

Disaster Relief



2007	2008	2009
<p><u>Telecom Equipment to Flood-hit Areas in Vietnam</u></p> <p>In December 2007, Huawei donated telecommunications equipment worth USD 100,000 to flood-hit areas in central Vietnam. The equipment included computers, data cards, and network equipment upgrades.</p>	<p><u>Committed to earthquake relief and restoration of telecom networks</u></p> <p>In May 2008, to help the people in the earthquake-stricken area of Sichuan, China, rebuild their homeland, Huawei and its employees donated CNY 26.3 million and provided emergency communication equipment totaling CNY 58 million.</p> <p><u>Equipment Donations to Areas Hit by Disasters in Myanmar</u></p> <p>In May 2008, Huawei donated telecom equipment worth USD 3 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.</p>	<p><u>Lent a Helping Hand to the Stricken Region in the Philippines</u></p> <p>In October 2009, Huawei donated USD 30,000 to the Philippines to help relief efforts in the stricken areas after the Ondoy typhoon.</p>







### Sponsored the Safaricom Marathon Tournament in Kenya

From 2006-2009, Huawei has sponsored the Safaricom Lewa Marathon in Kenya as part of our efforts to raise awareness for education of children in remote areas and for protection of wild animals.



### Indian Bharti Foundation

In November 2009, Huawei participated in the "Charity Marathon" initiated by Bharti Airtel, a telecom operator in India, and donated INR 290,000 to the Bharti Foundation.



### Contributing to Local Environmental Protection

As a member of the local community, Huawei passionately makes contributions to the environmental protection of local countries, for example, we collaborated with Chilean custom and ICARE (Instituto Chileno de Administracion Racional de Empresas), a local environmental protection organization, in reclaiming electronic waste. In 2008 and 2009, Huawei was awarded E-Waste Award by Recycla, a well-established company specialized in recycling operations and certification for two consecutive years.



### Continuing Work with India-based NGO Deepalaya to Provide Financial Support to the Disabled Children

In 2008, Huawei's Corporate Social Responsibility (CSR) Foundation in India launched its first project to provide financial aid to Deepalaya, a well-known non-governmental organization that supports disabled children. This project is aimed at spreading awareness about people with disabilities, the causes of the disabilities, and prevention methods that can be adopted on a large scale. The project also works to help disabled children realize the full extent of their potential and creativity by providing them with occupational training and personal living skills training. In 2009, Huawei continued to collaborate with Deepalaya to launch a program aimed at providing financial support to improve the life skills of the disabled children.

This project has helped 18 disabled children complete skills training since 2008 and enabled them to live an independent life.



### Supporting Charity Efforts in Australia (Nelune Foundation and "IT Fund for Kids")

Huawei sponsored two Gold Table games in Australia that supported the "IT Fund for Kids". "IT Fund for Kids" is an annual event organized by Starlight Children's Foundation, a charity organization dedicated to helping sick and hospitalized children by offering on-site Starlight captains, setting up Starlight Game Rooms for sick kids, and cheering children up during their treatment in hospitals. In addition, in 2007, we began providing financial aid to the Nelune Foundation in collaboration with Optus to help those battling against cancer.

### Charity Association

Huawei encourages its employees to actively participate in community charity activities and established a dedicated "Charity Association" to help employees participate in community service and make donations. In 2009, we provided financial support to two kindergartens in the areas of Jiangxi and Sichuan to help improve the education and living environment of the local children.

## Appendix I: Key Performance Indicators

Type	Key Indicators	2009 Performance
Finance	Sales (CNY 100 million)	1,491
	Operating profit (CNY 100 million)	211
	Operating cash flow (CNY 100 million)	217
	Other financial indicators	Refer to 2009 Annual Report
Environmental protection	Rate of decline in resource consumption of key products (%)	20%
	Annual energy efficiency gain of base station equipment (%)	20%
	Annual electricity saving of green broadband network with one million nodes (100 million kWh)	2
	Number of alternative energy powered sites	3,000
	Percentage of central office air-conditioning energy consumption reduction through liquid cooling (%)	40%
	Percentage of site fuel consumption reduction through the wind-diesel hybrid energy solution (%)	40%-60%
	CO2 emissions reduced per year by reducing steel consumption (10,000 tons)	4.8
	Reduction in GHG emissions from 10,000 sites using the wind-diesel hybrid energy solution (10,000 tons)	21
	Percentage of timber saved by using the transportation cabinet and visualized packaging solution (%)	90%
	CO2 emissions reduced in 2009 by using the transportation cabinet and visualized packaging solution (tons)	7,674
	Water consumption of Shenzhen Bantian Headquarters (million tons)	1.7
	Power consumption of Shenzhen Bantian Headquarters (Million kWh)	256.7
Supply chain	Number of suppliers conducting CSR risk assessment	675
Employee benefits (including employee occupational health and safety)	Work-related fatalities <sup>1</sup> :	1
	Including fatalities due to production accidents	0
	Occupational disease occurrences (man-times)	0
	Total number of employee	95,000
	Including:	
	Percentage of R&D personnel (%)	46%
	Percentage of sales/service personnel (%)	31%
	Other	23%
	Location rate of overseas employees (%)	65%
	Percentage of female employees (%)	23%
	Child labor (persons)	0
Social welfare	Percentage of employees accepting performance and career development evaluation on a regular basis (%)	98.4% <sup>2</sup>
	Headquarter training man-times	71,848
	Employee turnover rate (%)	8.5%
	Donation in cash and kind (CNY 10,000)	1,975.7

### Notes:

<sup>1</sup> One employee died in air crash during business trip

<sup>2</sup> Due to business trip or holiday leave, approximately 1,500 employees did not participate in performance and career development evaluation in 2009

## Appendix II GRI Index

Category	G3 standard disclosures	Index
1.Strategy and Analysis	1.1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	Message from Huawei EMT; CSR Strategy and Management
	1.2 Description of key impacts, risks, and opportunities.	Message from Huawei EMT
2.Organizational Profile	2.1 Name of the organization.	About this report
	2.2 Primary brands, products, and/or services.	Corporate Overview
	2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Corporate Overview
	2.4 Location of organization's headquarters.	Appendix IV
	2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Corporate Overview
	2.6 Nature of ownership and legal form.	Corporate Overview
	2.7 Markets served.	Corporate Overview
	2.8 Scale of the reporting organization.	Corporate Overview
	2.9 Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes
	2.10 Awards received in the reporting period.	Corporate Overview; Environmental Protection; Bridging the Digital Divide
3.Report Parameters	3.1 Reporting period for information provided.	About this report
	3.2 Date of most recent previous report.	About this report
	3.3 Reporting cycle	About this report
	3.4 Contact point for questions regarding the report or its contents.	Appendix IV
	3.5 Process for defining report content.	About this report
	3.6 Boundary of the report.	About this report
	3.7 State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). I	About this report
	3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	No Reporting
	3.9 Data measurement techniques and the bases of calculations.	No Reporting
	3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	No Reporting
	3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	No significant changes
	3.12 Table identifying the location of the Standard Disclosures in the report.	Appendix II
	3.13 Policy and current practice with regard to seeking external assurance for the report.	No Reporting

Category	G3 standard disclosures	Index
4. Governance, Commitments, and Engagement	4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	CSR Strategy and Management
	4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	No Reporting
	4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	No Reporting
	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	People
	4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	No Reporting
	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance Report of Huawei 2009 Annual Report
	4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	No Reporting
	4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	CSR Strategy and Management; People
	4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	CSR Strategy and Management
	4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	No Reporting
	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Product Lifecycle Management
	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Message from Huawei EMT
	4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Green Communications, Green Huawei, and Green World
	4.14 List of stakeholder groups engaged by the organization.	Stakeholder Engagements
	4.15 Basis for identification and selection of stakeholders with whom to engage.	No Reporting
	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagements
	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Stakeholder Engagements
5. Management Approach and Performance Indicators		
Disclosure on Management Approach	Economic/Environmental/Society	No Reporting
Economic Performance Indicators	EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Corporate Overview; Huawei 2009 Annual Report
	EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	Message from Huawei EMT; Environmental Protection
	EC3 Coverage of the organization's defined benefit plan obligations.	People
	EC4 Significant financial assistance received from government.	Huawei 2009 Annual Report
	EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Social Contributions

Category	G3 standard disclosures	Index
Environmental Performance Indicators	EN1 Materials used by weight or volume.	Green Production and Operation
	EN5 Energy saved due to conservation and efficiency improvements	Environmental Protection
	EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Environmental Protection
	EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	Environmental Protection
	EN8 Total water withdrawal by source.	Green Production and Operation
	EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environmental Protection
	EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Protection
	EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	Green Packaging and Logistics; Recycling and Reuse
	EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Green Packaging and Logistics
Social Performance Indicators		
Labor Practices and Decent Work	LA1 Total workforce by employment type, employment contract, and region.	Employee Overview
	LA2 Total number and rate of employee turnover by age group, gender, and region.	Career Path and Growth
	LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Employee Occupational Health and Safety
	LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Employee Occupational Health and Safety
	LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Career Path and Growth
	LA12 Percentage of employees receiving regular performance and career development reviews.	Appendix I
	LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Employee Overview
Human Rights	HR4 Total number of incidents of discrimination and actions taken.	Employee Overview
	HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Employee Overview
Product Responsibility	PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Product Lifecycle Management

## Appendix III Terms and Abbreviations

Abbreviations	Full Name
2G	Second Generation Mobile Telephony
3G	Third Generation Mobile Telephony
3MS	Triple my success
ADSL	Asymmetric Digital Subscriber Line
ARPU	Average Revenue Per User
BTS	Base transceiver station
BV	Bureau Veritas
CAGR	Compound Annual Growth Rate
CCSA	China Communications Standards Association
CDMA	Code Division Multiple Access
CEG	Commodity experts group
CSR	Corporate Social Responsibility
EEOCG	Energy Efficiency Inter-Operator Collaboration Group
EHS	Environment, Health and Safety
EICC	Electronic Industry Citizenship Coalition
ETSI	European Telecommunications Standards Institute
EuP	Energy-using Product
FSAN	Full Service Access Networks
GeSI	Global e-Sustainability Initiative
GRI	Global Reporting Initiative
GSM	Global System for Mobile communications
GSMA	GSM Association
HCT	Higher Colleges of Technology
ICT	Information and Communications Technology
ICNIRP	International Commission on Non-Ionizing Radiation Protection
IEC	International Engineering Consortium
IEEE	Institute of Electrical and Electronics Engineers
IP	Internet Protocol
IPD	Integrated Product Development
ISO	International Standardization Organizations
ITU	International Telecommunication Union
JRC	Joint Research Centre
LCA	Life Cycle Assessment
OHSAS	Occupational Health and Safety Administration System
R&D	Research and Development
RoHS	Restriction of Hazardous Substances
SA8000	Social Accountability 8000
SAN	Stored Area Network
TCO	Total Cost of Ownership
TD-SCDMA	Time Division Synchronous Code Division Multiple Access
UMTS	Universal Mobile Telecommunication System
UN	United Nations
VDSL	Very-high-bit-rate Digital Subscriber loop
WCDMA	Wideband Code Division Multiple Access
WEEE	Waste Electrical and Electronic Equipment
WHO	World Health Organization
WiMAX	Worldwide Interoperability for Microwave Access
WPO	World Packaging Organization

## Appendix IV: Reader Feedback and Contact Form

Huawei values your comments and suggestions about the Company's CSR work and this CSR report. Your comments and suggestions are the key inputs for us to continuously improve our CSR work and this CSR report.

Please answer the following questions and fax this form to +86-0755-2878 7826 or email it to [information@huawei.com](mailto:information@huawei.com).

1. Are there any issues you are concerned about but are not covered in this report? If yes, please write details below:

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2. Which part of this report are you most interested in?

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If you wish, you are welcome to provide your personal information:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Unit: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
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