



No one can reach the future alone. Huawei works with its customers, employees, local communities, and upstream and downstream partners wherever the company operates to deliver the fully connected, digital world that we have promised. In pursuit of this, Huawei is committed to building a harmonious, healthy, and trustworthy business ecosystem, and fulfilling our commitment to shared success.

For years, we have embedded the company's core values, operational responsibilities, and social responsibilities into our daily operations, aiming for healthy and sustainable development. We hold ourselves to the highest standards when it comes to operational integrity and compliance, in order to monitor our operational activities. Sticking to our core value of customer-centricity, we care about the development and value realization of our employees, contribute to the robust development of local communities, and encourage suppliers to fulfill their responsibilities. Ultimately, we want to promote the sustainability of the supply chain.

- Business Ethics
- Caring for Employees
- Safe Operations
- Supply Chain Responsibilities
- Community Responsibilities

5 Healthy and Harmonious Ecosystem





Business Ethics

Trade compliance, cyber security, data and privacy protection, environmental protection, and anti-corruption and anti-bribery are all common topics of discussion. This is because these are the key areas we must get right in order to foster a fair business environment and maintain order throughout the business world. As far as companies are concerned, these issues must be addressed if they want to survive and thrive in the market.

Compliance Management System Building

We conduct business with integrity, observing international conventions and all applicable laws and regulations in the countries and regions where we operate. This is the cornerstone of operational compliance at Huawei, and has long been a core principle of our management team. With the guidance and oversight of top company executives, efforts to strengthen a culture of operational compliance are ongoing. We have set up dedicated compliance and oversight teams to further bolster the management and oversight of our global business operations. Through training and awareness programs, performance appraisals, and accountability management, we consistently reinforce awareness of laws and operational compliance among our employees at all levels.

We continuously enhance our compliance program in all our overseas subsidiaries. So far, we have drafted handbooks for ensuring compliance with local ICT laws and regulations after analyzing local legal requirements, as well as requirements raised by industry associations, in more than 100 countries where Huawei has a business presence. We are defining compliance responsibilities and selecting, training, and appointing compliance officers in all of our subsidiaries. We have also established oversight-oriented subsidiary boards, which manage and oversee the operational compliance of these subsidiaries. These measures have ensured that our subsidiaries' compliance work is in line with local legal requirements and the Group's compliance strategy.

In 2018, Huawei continued to strengthen its compliance in multiple business domains, including trade, cyber security, data and privacy protection, anti-corruption, and trade secret protection. By increasing investment in organization and resources, we continue to reinforce our compliance system to meet industry standards. We have worked and communicated openly and proactively with government agencies and passed governmental audits in Europe and Japan. We invited external consultants to review our compliance in key domains, and actively walked relevant stakeholders through all of our compliance initiatives to foster mutual understanding and trust. Through ongoing efforts to strengthen compliance and increase



transparency, Huawei continues to win the respect and recognition of more governments and partners around the world.

Anti-corruption and Anti-bribery

Integrity is at the core of our operations, and we have zero tolerance for bribery or corruption. We have launched various programs to improve our anti-corruption and anti-bribery management system.

All Huawei employees and third parties who do

business on behalf of Huawei are required to comply with the laws and regulations of the countries and regions in which we operate, as well as customers' anti-corruption and anti-bribery requirements. All employees must understand and sign the company's Business Conduct Guidelines (BCGs). We also share our anti-bribery requirements with our partners, requiring them to sign an Agreement on Honesty and Integrity. We have established complaint channels through which employees and other parties can report violations.

Ongoing Improvement of the Anti-corruption and Anti-bribery Management System

Huawei complies with all applicable laws and regulations in the countries and regions where we operate, as well as all relevant international conventions. Following the company's guiding principles, we make ongoing efforts to establish and improve our anti-corruption and anti-bribery processes and management system. We have also put in place anti-corruption and anti-bribery practices in 145 subsidiaries worldwide. Based on these efforts, Huawei keeps improving its anti-corruption and anti-bribery management system to make it better suit our own business.

Culture of integrity and compliance: Huawei has adopted a series of initiatives to foster a culture of anti-corruption and anti-bribery. These initiatives include oaths taken by managers, anti-corruption and anti-bribery training programs for employees and partners, and disciplinary actions against violators. These initiatives aim to continue to increase awareness.

Compliance management: Huawei regularly conducts compliance audits to identify potential risks in all business scenarios, develops corresponding control measures, and oversees implementation. We review how our compliance management system works by checking risk control points. Based on the checking results, we take corrective measures to keep improving our anti-corruption and anti-bribery compliance management system.

External communications: We continually communicate with industry peers, consultants, partners, and NGOs about compliance, making clear our views on anti-corruption and anti-bribery. We ensure that all stakeholders have a clear understanding of Huawei's compliance regulations and policies.

IPR and Trade Secret Protection

Huawei applies common international IPR rules and handles IPR affairs in accordance with international conventions. We adopt a proactive, friendly attitude to address IPR issues through various channels like cross-licensing and business partnerships. In addition, we invest in long-term R&D and continuously enrich our IPR portfolio. Huawei is one of the world's top owners of patents.

Huawei also strictly complies with applicable laws and regulations that protect trade secrets, and embeds requirements to protect trade secrets into our policies, instructions, and processes. We have proactively built a global system for tracking related legislation, actively communicated with judicial bodies, associations, law firms, and other such consulting firms through

workshops and other formats, and endeavored to learn as much as we can from them. Through these actions, we have built up a complete trade secret protection system, and we are resolutely against any practices that infringe upon the trade secrets of others.

As of December 31, 2018
Total number of patents granted to Huawei

87,805

Patents granted in China 43,371
Patents granted outside of China 44,434



Caring for Employees

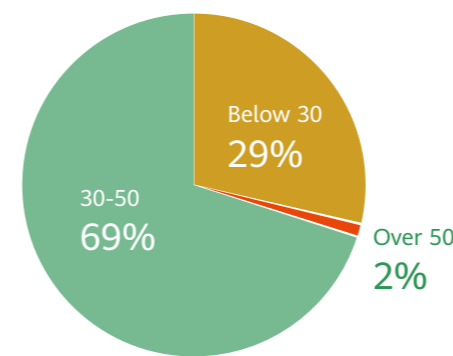
Employees are valuable company assets and important contributors to a company's sustainability. A company's growth and success also drives the realization of employees' personal value. At Huawei, we believe that we must take action to care for our employees and ensure they have a sense of belonging. We must also provide a broad platform where employees can realize their personal value. This is the only way our company can achieve sustainable development while remaining full of vitality.

By advocating proactivity, diversity, and openness, we are building a talent management system that promotes collaboration and shared success between Huawei and its employees. We face a more dynamic business environment today than ever before, with internal demands growing in complexity. We need to open up the organization to outside talent, and explore ways to unite the world's best minds with a common purpose. Internally, we fast-track the promotion of strong performers and give them more growth opportunities. We also adopt different approaches for different groups of talent within the company, forming an integrated

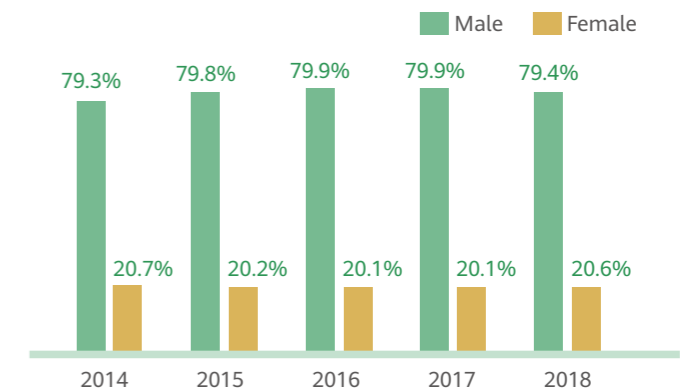
structure of leaders, experts, and professionals, each with their own unique purview. This will encourage our top performers to maximize contributions in their prime, in the roles that suit them most, and receive the greatest possible rewards in return.

Workforce Diversity

As of December 31, 2018, Huawei had approximately 188,000 employees worldwide. Our employees come from about 160 countries and regions. In China alone, our employees come from 41 ethnic groups. We have launched many diversity initiatives focusing on nationality, gender, age, race, and religion. For example, we emphasize gender equality in employment and prohibit gender bias, in strict compliance with all applicable international conventions as well as local laws and regulations. The proportion of female employees has remained stable over the past several years. We also prioritize the selection of female managers and help them advance their careers. In 2018, women made up 7.05% of our management team.



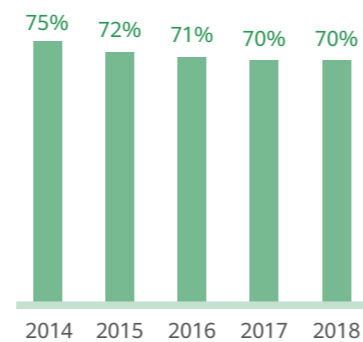
Age of employees (2018)



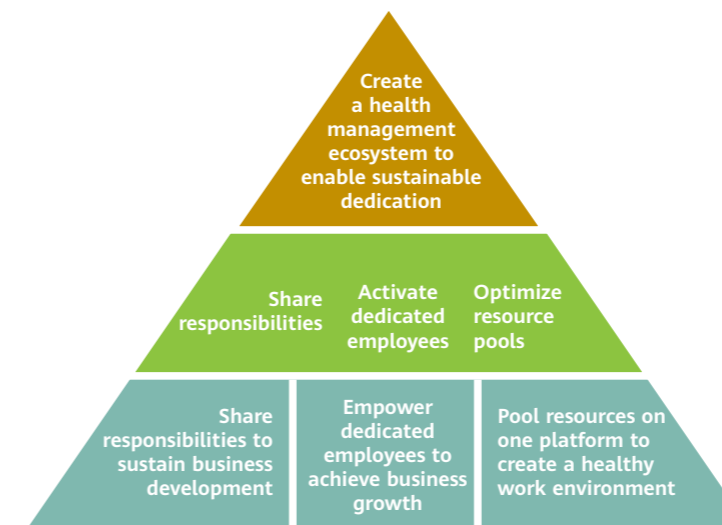
Ratio of female employees to male employees (2014-2018)

As a global company, we actively recruit staff from all over the world to boost workforce localization. Hiring local employees enables us to better understand the unique culture of each country and region where we operate, while promoting local employment and economic growth. In 2018, Huawei had over 28,000 employees in countries outside China, with a localization rate of about 70%*.

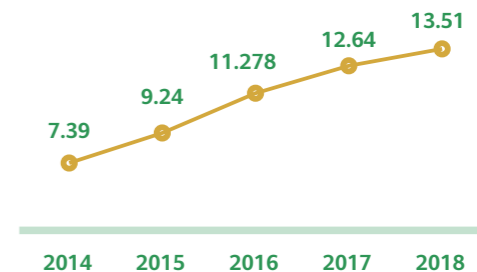
*Overseas workforce localization rate = Number of local hires/Total number of employees in an overseas office x100%



Overseas workforce localization rate (2014–2018)



Investment in global employee benefits from 2014 to 2018 (CNY billion)



"During my three years working at Huawei, I discovered a great company that is really focused on serving its customers and contributes to society by investing heavily in R&D. This brings the world top-quality digital communication solutions and connectivity. As a local employee, I am warmly welcomed by the whole team, and at Huawei we are all doing our best to ensure multi-cultural integration with a sense of ownership of one team."

— Fernando Manuel Montes Martinez, Latin America Carrier Business Department

Employee Healthcare Management

Huawei has a robust employee healthcare management system. In 2018, Huawei focused more on preventive healthcare and developed an "umbrella" of protection for Huawei employees around the world. We raised awareness and encouraged employees to stay healthy and take care of themselves. By pooling together internal and external resources, we established an integrated healthcare platform. This provides employees with access to different healthcare channels and services and more effectively protects them from health risks.

As well as mandatory insurance plans required by law, we offer every employee global accident insurance,

critical illness insurance, life insurance, and commercial insurance (e.g., business travel insurance), and medical assistance. Huawei's employee benefits include three parts: social insurance, commercial insurance, and medical assistance. With these three types of benefits, we can offer sufficient benefits to protect employees.

In 2018, Huawei established a medical support team for hardship regions like Africa. We sent a team of doctors and healthcare professionals to more than 10 countries, including Cameroon, the Central African Republic, Burkina Faso, and Nigeria. By working with local medical resources, we intend to improve the health of our employees working in hardship regions and protect them from diseases so that they can work safely. We also replicate any successful experiences in other hardship countries.

Creating a Favorable Workplace

As a global company with a presence in over 170 countries and regions, Huawei has built a global value chain with the world's best resources. We comply with the local laws and regulations in every country and region in which we operate, and we share value with our global partners and customers. When executing corporate human resource policies, as well as developing and implementing local regulations, we always consider local laws, regulations, and industry standards. We also give special consideration to local customs and conventions.

When it comes to employee recruitment, promotions, and compensation, we never discriminate against anyone on the basis of race, gender, nationality, age, pregnancy, or disability. We prohibit the use of forced, bonded, or indentured labor, and we have detailed, equitable regulations that cover each major phase of an employee's relationship with

the company, including recruitment, employment, and exit. No incidents of forced labor have ever taken place in Huawei's history.

We prohibit the use of child labor, and have effective policies and measures in place to prevent any recruitment or use of child labor. We also require the same of our suppliers and conduct regular audits to ensure their compliance.

We respect the legal rights of our employees regarding freedom of association and collective bargaining. We never prevent employees from participating in the lawful activities of registered labor unions as long as participation is voluntary and does not violate local laws.

Our Employee Relationship Department has created communication channels to collect and understand employees' opinions and suggestions. Employees can file complaints through channels such as the complaint hotline of the Committee of Ethics and Compliance (CEC) and the HR complaint and suggestion hotline.

STORY Promoting Preventive Healthcare and Building a Healthy Culture

To explore preventive healthcare programs, Huawei worked closely with its healthcare and insurance partners. We piloted a "health bonus points" program to encourage employees to exercise more through walking, jogging, yoga, and swimming. Participants could claim rewards with the points they collected. The awards are typically fitness products or services such as healthy meals, healthy drinks, and health insurance. The



program was warmly welcomed by our employees, reinforcing Huawei's philosophy that everyone should care for their own health.

STORY Nurturing Mental Health

At Huawei, we care deeply about employees' mental health. The Self-assessment Checklist on Mental Health and Stress is one of the many tools we use to help employees assess their stress levels and regularly seek health advice.

In addition, we bring in or work with many experienced mental health experts and institutions to promptly respond to employees' needs. Huawei pays close attention to employees working in hardship regions outside of China. These

employees often work in harsh natural or physical conditions, so we have established a mental health hotline to provide a psychological safety net for them and their families.

STORY Protecting Employees from Ebola

In May 2018, there was another outbreak of Ebola in West Africa. In response, Huawei immediately established specialist monitoring groups in the affected countries and regions, developed notification mechanisms, and regulated the

movement of employees into and out of the affected areas. In addition, Huawei invited experts from China's National Health Commission and the Chinese Center for Disease Control and Prevention to give lectures about Ebola. We also sent medical

experts to the frontline to ensure the health of Huawei employees and their family members in affected areas. By the end of 2018, no Huawei employee or family members had been reported to have contracted Ebola.



Safe Operations

In accordance with ISO 14001 and OHSAS 18001 standards, customer requirements, and applicable laws and regulations, Huawei implements an EHS management system. The system covers leadership, planning, organization and capability support, process operations, performance evaluation, and continuous improvement. Huawei's EHS guidelines are Safety First, Green Environment, and Caring for Employees.

Based on these guidelines, we have established layered EHS management teams and systems, regularly detected EHS risks, established corresponding controls, and made ongoing improvements. We have also passed our EHS requirements on to the executives of our suppliers, with reward and accountability measures

in place. This way, we were able to help our suppliers improve their EHS capabilities.

Global EHS Management System

Throughout its operations, Huawei always puts EHS first. We have established a global EHS management system based on the OHSAS 18001 standard. So far, 69 Huawei offices outside of China have been OHSAS 18001 certified, accounting for 80% of the total. Our security practices cover everything from the security management system to manufacturing safety and delivery safety. We do everything we can to ensure the safety of Huawei employees, subcontractors, and other stakeholders.

STORY EHS Management System in Huawei's North African Regional Office

Huawei's regional office in North Africa continues to improve its EHS management and capabilities by adopting innovative approaches. All country offices in the region have established a Field Service Center (FSC) to monitor onsite EHS management. These centers photograph the installation process every 30 minutes before, during, and after equipment is mounted to the tower. This process also includes self-checks before the equipment is installed on the tower and approvals at every stage. This way, we have safely completed

more than 250,000 installations. The regional office also runs a Delivery Operation Center (DOC) to centrally monitor the EHS management of all country offices in the region. The center produces high-quality EHS plans and circulates monitoring reports each week, helping enhance EHS management. All country offices in the region have received OHSAS 18001 certification.

In addition, the regional office encouraged subcontractors to improve EHS management as part of the joint EHS management plan.



Now, all major subcontractors conduct the first stage of EHS management, covering 81% of sites. While improving its own EHS management, the regional office has also shared its experience with other regional offices, helping them improve EHS management.

STORY EHS Management System in Huawei's South Pacific Regional Office

Our regional office in the South Pacific is committed to developing EHS rules and systems to ensure that EHS resources are readily available at regional and country office levels. In addition to regular audits by third parties which ensure robust operations and continuous improvements, the regional office sought to create an EHS culture and enhance the EHS management system by using the digital tool, ISDP-QC. The office also runs numerous EHS leadership programs.

In December 2018, the Papua

New Guinea office obtained its OHSAS 18001 certificate, meaning that all Huawei offices in the South Pacific region are OHSAS 18001 certified. The regional office was recognized by stakeholders for its ongoing efforts and achievements in EHS management. Our country offices also won many accolades in recognition of Huawei's EHS management in project delivery. For example, our Indonesia office was awarded the Zero Accident Award by the local government for two consecutive years; the Malaysia



office obtained the 2018 EHS Excellence Award for the Malaysian telecoms industry; the Australia EHS management team was awarded the Five-Star (highest-level) certificate; and the Singapore EHS management team was awarded the bizSAFE Star certificate by the government.

EHS Management in Project Delivery

We continued to enhance EHS management in project delivery with a series of measures. Specifically, we adopted digital technologies to manage EHS risks. By monitoring key risks in real time, deploying pre-warning functions based on pre-set parameters, and taking measures in advance, we were able to prevent numerous risks. To drive suppliers to improve their EHS capabilities, we ran a supplier EHS capability development program, covering EHS leadership improvements, process management, capability assessments, reward and accountability systems, etc. To improve the EHS awareness and skills of operating staff,

we developed an EHS video tutorial covering multiple scenarios. In addition, we used AI technology to identify EHS violations. We continued to nurture our EHS culture in order to improve the awareness of all employees.

In the meantime, we stepped up efforts to pass our EHS requirements for project delivery on to our suppliers. We held EHS Golden Seeds training for regional staff to teach them how to reduce EHS risks, prevent major EHS incidents, and prompt suppliers to improve their EHS capabilities. As a result, we developed best practices in supplier EHS self-management, which improved suppliers' leadership and self-management capabilities in EHS. In 2018, more than 140,000 Safety Passport holders were registered in Huawei's online system.

STORY Subcontractor EHS Competence Development

To develop a long-term approach to managing subcontractor EHS performance and encourage subcontractor management of EHS across the entire value chain, Huawei has created a work team together with 15 partner subcontractors from around the world to develop their EHS capabilities and run a pilot program on EHS capability improvement.

The project team's work focused on four areas: subcontractor EHS leadership development and communication, process management optimization, establishment and implementation of data-informed rewarding and disciplinary mechanisms, and subcontractor security management capability assessments. As a result of these efforts, subcontractor EHS



performance in on-site EHS violation frequency, security self-management capabilities, and executives' security management awareness improved significantly. The pilot results show that the average number of subcontractor EHS violations dropped by 0.26%, average EHS management costs dropped by 52.04%, and average EHS assessment score increased by 62%. The performance

of capital construction and administrative suppliers covered in the pilot program also improved by 8% and 2% respectively, according to an annual third-party audit. EHS violations recorded at capital construction sites decreased by 40% and one of the construction sites was even named one of Jiangsu Province's "Excellent Construction Sites".

Manufacturing EHS Management

To ensure safe manufacturing, we paid great attention to intrinsic safety, safety techniques and competence, safety precision management, digital risk and hazard management, and safety leadership and culture. In addition, we applied safety assurance techniques not only during the manufacturing process, but also throughout the entire lifecycle including during R&D and procurement. In line with our long-standing strategy of putting safety first and taking preventive measures, we continued improving manufacturing safety and took it as a top priority over the past year. We refined manufacturing regulations, further promoted the use of safety processes and techniques, and introduced digital technologies to

enhance our safety assurance capabilities. With all these measures in place, our manufacturing activities remained smooth and safe. In 2018, no major incidents were recorded in relation to our manufacturing safety.

Building safety leadership and creating a safety culture: Continued to enhance manufacturing safety leadership and create a safety culture through activities such as Safe Manufacturing Month, Felt Leadership activities, regular safety meetings, and sharing industry best practices.

Intrinsic safety: Upgraded DFS standards to cover more business scenarios. All manufacturing equipment and tools have been improved and certified. We have audited the intrinsic safety of Electronics Manufacturing Services (EMS) providers and held technical exchanges with them to help them

improve capabilities in this regard.

Safety assurance techniques and capabilities: Pushed for the adoption of safety assurance techniques that suited Huawei's specific manufacturing scenarios and created and implemented four technical specifications, including Technical Specifications for Lithium-Ion Battery Safety of Hand Tools and Technical Specifications for Dust Explosion Protection.

Safety precision management: Implemented 14 safety improvement projects with onsite coaching

from DuPont consultants. Improved safety, specifically for 12 pieces of high-risk equipment, which included automated precision equipment and optical component manufacturing equipment.

Digital hazard and risk management: Refined the digital manufacturing map, identified high-risk manufacturing activities on the digital map, and developed prevention measures for these risks. This helped quickly manage manufacturing risks in a timely and closed-loop manner.

STORY Manufacturing Safety Leadership

In 2018, our manufacturing department carried out a series of Felt Leadership activities to develop Huawei's leadership in manufacturing safety.

Every six months, the president of our manufacturing department presides over an EHS meeting to review the manufacturing safety management work over the past six months and plan for the next six months. Any safety exceptions are reported every two weeks at manufacturing staff team meetings. All departments have appointed owners for manufacturing safety and managers have signed commitments on manufacturing safety and issued personal action plans. In addition, all departments allocated special funds for EHS management, and organized



qualification assessments for EHS management technicians, including training and certification programs, for safety technicians, safety Golden Seeds, and special operating

staff. By 2018, we had 570 employees with EHS management qualifications. This ensures that we have enough human resources to engage in EHS management.

R&D EHS Management

In 2018, our R&D departments focused on R&D lab EHS management across the entire lifecycle, from process design and procurement to access assessment and routine operations. By introducing EHS risk management philosophies and implementing various EHS controls, we maintained the record of zero EHS incident in our R&D activities. We also introduced digital technologies to manage EHS and standardize EHS controls and processes, which allowed us to

view the EHS risks in all laboratories worldwide on the digital risk map and monitor EHS risks in real time. In addition, we enhanced EHS leadership and created an EHS culture within our R&D departments. For example, more than 50,000 employees (including managers) signed a zero-incident commitment letter. To continuously increase the safety awareness of all R&D staff, we organized online learning activities, sent EHS risk alerts to business managers, and carried out EHS publicity activities.



Zero EHS accidents, starting with me!
EHS Management Team of Huawei's 2012 Laboratories

Supply Chain Responsibilities

As a key element of our Quality First strategy, sustainability is assigned greater weight during our materials and supplier qualification, performance appraisals, and procurement decision-making. We strengthen cooperation in sustainability with customers, suppliers, and industry organizations. We also employ procurement quotas as a tool to help suppliers become more sustainable. These efforts enable us to minimize supply risks, increase customer satisfaction, and boost the competitiveness of the supply chain. We also actively collaborate with industries and participate in the development of industry standards. We integrate social responsibility as a basic norm into products and the supply chain. The aim is to take on social responsibilities in innovative ways to make the company and wider supply chain more competitive.

New Supplier Qualification

We developed the Supplier Sustainability Agreement based on industry standards such as the Responsible Business Alliance (RBA) Code of Conduct, and guidelines from Joint Audit Cooperation (JAC) of the global telecom industry. We have a comprehensive qualification process for all new suppliers, including suppliers' sustainability systems. This qualification process examines suppliers' capacity and their compliance with applicable laws, regulations, and the Supplier Sustainability Agreement. Those who fail the qualification for sustainability systems are not deemed qualified suppliers.

In 2018, we audited 93 potential suppliers in terms of their sustainability performance, and 16 suppliers that failed the audit were denied the opportunity to cooperate with Huawei.

Supplier Priority Rating and Auditing

Every year, we audit suppliers, which combined represent 90% of our procurement spending, and assign them one of three priority levels: high, medium, and low. On this basis, we drew up a list of suppliers that require annual audits. In 2018, we assigned priority levels to 1,183 suppliers (more than in 2017), and conducted onsite audits on 194 high- and medium-priority suppliers, 130 of which were audited by third parties.

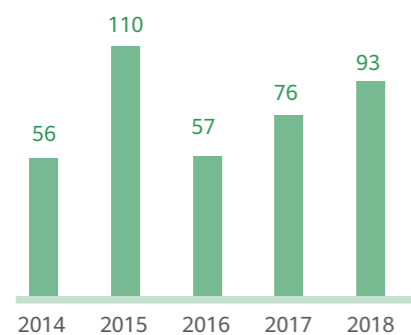
If we discover a problem during an audit, we help the supplier with Huawei's Check, Root Cause, Correct, Prevent, and Evaluate (CRCPE) methodology to identify common problems, analyze root causes, and take targeted actions to mitigate the issue. Ongoing assessments and improvements are made against

established benchmarks. All problems are recorded in Huawei's Supplier Corrective Action Requirement (SCAR) system for follow-up until closure. We are always ready to help our suppliers improve.

Supplier Performance Management

We appraise suppliers' sustainability performance annually based on their work performance, onsite audit results, and improvements made over the previous year. The sustainability performance of a supplier accounts for 5-15% of their overall performance assessment. When we appraised the sustainability performance of tier-1 suppliers in 2018, we took into account how they managed their tier-2 suppliers. We encouraged our tier-1 suppliers to gradually establish a procurement CSR management system and

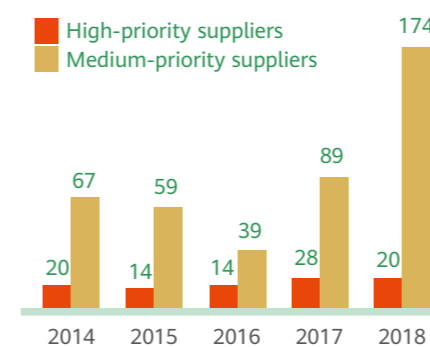
Number of qualified new suppliers (2014 to 2018)



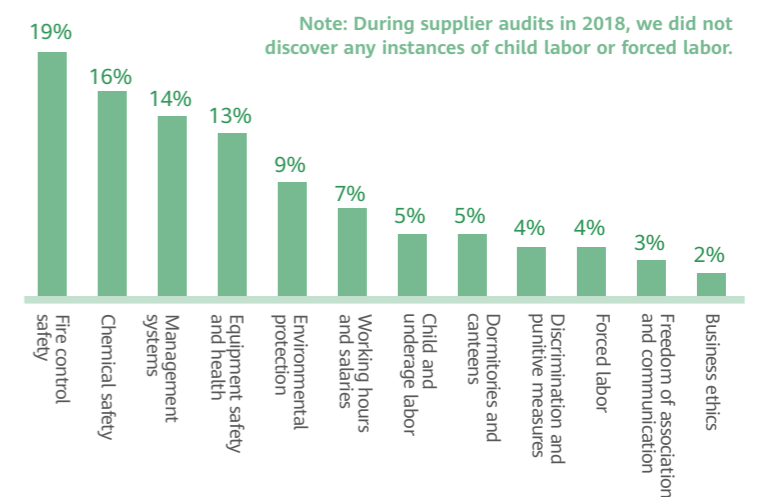
Number of suppliers of each priority level (2014 to 2018)



Number of suppliers audited onsite (2014 to 2018)



Problems discovered during 2018 supplier CSR audits



regularly appraise the sustainability performance of tier-2 suppliers in line with the IPC-1401 Supply Chain Social Responsibility Management System Guidance. Suppliers are classified into four grades (A, B, C, and D) based on their performance. These grades represent their performance in descending order of acceptability. In 2018, we appraised the sustainability performance of 1,321 suppliers.

The amount of business we do with each supplier depends on their performance, which is also a factor considered in our tendering, supplier selection, portfolio management, and other processes. Suppliers that perform well are given a larger share of procurement and more business opportunities. The reverse is true for low-performing suppliers, especially those who have crossed the line we draw for CSR. Depending on the situation, we instruct low-performing suppliers to fix existing issues within a specified timeframe and may even terminate business relationships with suppliers that display exceptionally poor performance. In 2018, we disqualified two suppliers for new partnerships or had their quotas reduced due to poor sustainability performance.

Supplier Capability Development

We provide training and coaching for suppliers on a regular basis. We also encourage them to adopt industry best practices and embed sustainability into their business strategies, helping them reduce business risks and enhance operating efficiency. After years of exploration, we have developed a cost effective "learning by benchmarking" model. We encourage suppliers to learn by benchmarking and competing, and continuously learn to raise their competency. Each supplier has its unique experience and competencies, allowing them to complement each other.

For common issues, we invited experts to share their experiences, held workshops, and set up online

and offline learning groups for peer benchmarking. This allowed us to learn about industry best practices quickly through low-cost and localized approaches. In recognition of this practice, Huawei won the Best Practices Award from the United Nations Global Compact Network China.

In 2018, 293 people from 156 suppliers participated in our training programs on learning by benchmarking. The topics covered in these training programs included fire prevention, environmental compliance, code of conduct for the battery industry, and tier-2 supplier management.

We also worked with professional organizations on three programs to improve environmental protection, fire safety, and the occupational health of suppliers. In total, 96 suppliers benefited from these programs. These programs helped suppliers fully identify potential risks, improve internal management, and develop a professional management team, greatly enhancing their expertise in environmental protection, fire safety, and occupational health.

Deepening Cooperation with Customers and Industry Organizations

We see sustainability as a key customer requirement, and embed it into our procurement strategies and processes to increase transparency across our supply chain. We work closely with customers on supplier management. For example, we invite customers to visit supplier facilities, conduct joint supplier audits with customers, and carry out employee surveys and supplier capacity building projects. All these efforts help improve our own sustainability.

In 2018, Huawei and seven customers ran onsite audits on 21 suppliers, and we shared the audit results with the customers.

STORY Driving Suppliers to Improve Through JAC

In 2018, Huawei nominated six suppliers to participate in JAC joint auditing, with expert groups from a third-party auditing firm carrying out onsite audits. The auditing experts and customers expressed satisfaction with the results of the audits on the six suppliers. In particular, the suppliers were found to have incorporated CSR requirements into their internal operations. By making CSR improvements, the suppliers

enhanced internal operating efficiency, customer satisfaction, and employee satisfaction.

In 2018, Huawei participated in the JAC Academy pilot project. Our designated experts attended auditing training provided by JAC Academy and were presented auditor certificates issued by JAC Academy. We also nominated five suppliers to be audited by the JAC Academy and submitted the audit

reports to JAC, which followed up on their corrective measures. Huawei supported and joined the JAC Academy project, participated in project design optimization, and shared our experiences and best practices. The CRCPE methodology was shared at the 8th JAC CSR Forum as a recommended topic, winning the excellent practice award following a vote by over 200 experts at the forum.

Promoting Industry Standardization

Sustainability problems in supply chains are mostly systemic problems that have accrued over the years. Industry cooperation and standardization are meaningful ways to resolve systemic problems in the industry. Huawei proactively works with industry organizations to promote industry cooperation and standardization. We also work with upstream and downstream companies in the supply chain and convert industry best practices into industry standards to raise the sustainability of the industry to a new level. The IPC-1401 corporate social responsibility management system integrates social responsibilities into products and supply chains as a basic requirement. Through continuous improvement driven by business incentives and supplier improvement driven by sustained procurement, we can effectively mitigate risks and enhance competitiveness. In 2018, Huawei held training and workshops on IPC-1401 to promote it to suppliers and encourage suppliers to establish their social responsibility management

system based on IPC-1401.

In 2018, Huawei joined the Alliance of Green Consumption and Green Supply Chain as the vice-chair and attended the China Green Supply Chain Management Innovation Summit. At the summit, we shared our market-oriented green supply chain innovation model, which integrates environmental protection into products and supply chains as a customer requirement, as well as increasing companies' competitiveness through environmental protection innovations.

Prohibiting the Use of Conflict Minerals

Huawei takes the problem of conflict minerals very seriously, and has released an open statement announcing that we will not procure or support the use of conflict minerals. We require all suppliers not to procure conflict minerals. We also ask our suppliers to cascade this requirement to their suppliers. As a member of the Responsible Business Alliance (RBA), we work with companies around the

world to jointly address this problem through the Responsible Minerals Initiative (RMI). We use the RMI conflict mineral questionnaire and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to survey the supply chain and share results with our customers. In 2018, we shared the survey results with 17 customers. We are also an active participant in the projects of multiple industry organizations, seeking to jointly work out viable solutions to conflict mineral issues.

Huawei Statement on Conflict Minerals:

<http://www.huawei.com/en/about-huawei/declarations/statement-on-conflict-minerals>

Responsible Cobalt Management

More cobalt has been used for lithium-ion batteries in recent years, which is attracting wider attention toward the responsible management of the cobalt supply chain. Huawei attaches great importance to ethical procurement within the cobalt supply chain. As a member of the Responsible Cobalt Initiative (RCI), Huawei engages in due diligence in cobalt management according to the Five-Step Framework specified in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. We have also released the Huawei Statement on Responsible Cobalt Supply Chain in 2017.

Huawei Statement on Responsible Cobalt Supply Chain:

<http://www.huawei.com/en/about-huawei/declarations/statement-on-responsible-cobalt-supply-chain>

We integrated responsible cobalt management into the Huawei Supplier Social Responsibility Code of Conduct, which requires suppliers to engage in due diligence during cobalt management and pass these requirements on to their upstream suppliers.

Huawei Supplier Social Responsibility Code of Conduct:

http://www.huawei.com/en/sustainability/win-win-development/develop_supplychain/huawei-supplier-social-responsibility-code-of-conduct

In 2017, we completed the first round of due diligence on the supply chain of lithium-ion battery suppliers. After analyses based on the survey results, we identified six major links in Huawei's cobalt supply chain from downstream to upstream: batteries, battery cells, cathode materials, precursors, cobalt smelters/refineries, and cobalt mines.

In the first half of 2018, we reviewed our battery suppliers at each level, and used the Cobalt Reporting Template (CRT) of the Responsible Minerals Initiative (RMI). This allowed us to conduct due diligence on the cobalt smelters in the upstream of the supply chain and preliminarily identify 18 upstream smelters.

During the second half of 2018, we engaged a third-party organization, RCS, to review the due diligence of battery cell suppliers during cobalt management. This review was based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals and the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains. The review aimed to check whether the battery cell suppliers had built a due diligence management system for the supply chain, and whether they are engaged in due diligence management according to the Five-Step Framework.

Moving forward, Huawei will continue to work with industry organizations and upstream and downstream players to encourage upstream smelters to collect, study, and confirm the chain of custody and traceability of information, as well as to identify risks together with the upstream mines. We will also encourage upstream smelters to take measures that ensure due diligence is carried out on suppliers, sources, or situations with potential risks to lower these risks. Additionally, we will continue to provide training on due diligence management for the supply chain to make suppliers more aware and capable of managing their due diligence on cobalt.



Community Responsibilities

As a leading player in the ICT industry, we believe that the best way to create value for local communities is to use our advanced ICT technology to empower and benefit them. Luckily, the connectivity and access to information at anytime and anywhere that are enabled by ICT technology are inherently inclusive. They are conducive to the development of local economies, education, healthcare, media, and many other areas. In the meantime, we work with governments, customers, enterprises, and NGOs to tackle economic, environmental, and social challenges in all countries and regions where we operate. One of our major initiatives is providing access to education and cultivating ICT professionals. In collaboration with relevant parties, we organize diverse social contribution programs,

make charity donations, and carry out environmental protection activities, making our due contributions to the robust and sustainable development of local communities.

Seeds for the Future Program: Developing Skilled ICT Talent

Seeds for the Future is Huawei's flagship global CSR program. The program was launched in 2008, and had its 10th anniversary in 2018. This program aims to develop skilled, local ICT talent and bridge communication between countries and cultures. By sharing our ICT expertise and experiences in the global business environment, young people from different countries can learn about advanced technologies in the ICT industry through the Seeds for the Future program, accumulate ICT expertise and skills, and provide impetus for the development of the local ICT industry, contributing to the progress of the global ICT industry.

By the end of 2018, more than 4,700 students from 108 countries and regions participated in the program and visited and studied at Huawei's headquarters. So far, this program has helped more than 30,000 students improve their digital skills, driving the development of local ICT industries.



The Seeds for the Future Program 2018 being launched at the Industry 4.0 Vietnam event, with Vietnamese Prime Minister Nguyễn Xuân Phúc in attendance



European students participating in a Seeds for the Future 2018 activity in Brussels



The Prime Minister of Trinidad and Tobago Dr. Keith Rowley attending the Seeds for the Future opening ceremony at Huawei HQ, Shenzhen

Contributions to Local Communities

A company will earn the support and respect of community residents only if it fully considers the impact its operations have on the community and takes effective measures that help local communities. This could include helping local communities improve

their livelihoods, supporting traditional activities, caring for their disadvantaged groups, and supporting their education. As a responsible corporate citizen, Huawei remains committed to social development activities and working with relevant community organizations to contribute to charity activities such as disaster relief, health, and social welfare.



Bangladesh: Relief activities in rural areas

During Ramadan, Huawei participated in relief activities in rural areas of Bangladesh, providing daily necessities for communities in Singra Upazila, Natore, including clothing for women. These activities were carried out in partnership with China Railway International Group, demonstrating Huawei's commitment to giving back to local communities.



Australia: Supporting local youth education

Huawei has worked with the Clontarf Foundation of Australia for five consecutive years to support local youth education. This joint project includes cultural exchanges between the two organizations, such as inviting Clontarf alumni to visit China, where they can experience Huawei's futuristic R&D centers and manufacturing exhibition halls. We also provided the Clontarf Foundation with the latest smartphones, Wi-Fi equipment, and video conferencing equipment, better connecting its staff and management.



Ukraine: Launching the Trip of Love program

In 2016, Huawei launched the Trip of Love program to help disadvantaged groups in Ukraine and provide them with access to digital technology. Huawei Ukraine staff visited special secondary boarding school for children in Mostyshche, Kyiv region each year, donating Huawei tablets, digital TVs, gym facilities, and kitchen facilities. Since 2018, Huawei has been donating Wi-Fi equipment to the Feofaniya Clinical Hospital to help patients access the Internet and provide an access network for doctors to carry out telemedicine.



Uzbekistan: Supporting the development of young talent

Training young people and supporting science, technology, engineering, and mathematics (STEM) education is one of Huawei Uzbekistan's priorities in social contribution. We worked with Robokids Education to support the development of young talent in robotics and IT.



India: Building sanitation for villages

Huawei built sanitation facilities for schools in several villages in India to provide clean water. These facilities have provided services to more than 1,000 school-age children in grades one through eight, positively affecting the schools.



Cambodia: Supporting government disaster relief activities

Huawei worked with the Civil Society Alliance Forum (CSAF) of Cambodia to help families seriously affected by floods and families in need of clean drinking water. We donated 2,941 water purifiers to the Cambodian government for daily use by communities.



Zambia: Supporting the Ministry of Health against cholera

Since late 2017, the cholera epidemic in Zambia has affected thousands of people. As part of the relief effort, Huawei provided financial support to the Zambian Ministry of Health to combat the cholera epidemic and strengthen preventive measures.



Russia: Honor Cup and CSR Education Day

Huawei organized the fourth Honor Cup and CSR Education Day in Russia to help young students in the ICT field improve their skills, as well as to encourage them to participate in the Russian digital economy. Huawei also signed an agreement with Moscow Technical University of Communications and Informatics to establish a laboratory at the university and jointly implement the Huawei Authorized Information and Network Academy (HAINA) program.