

Huawei Technologies (North America Region)
Corporate Social Responsibility Report 2009-2010
Enriching Life Through Communication



ABOUT THIS REPORT

This 2009-2010 Corporate Social Responsibility (CSR) report is the first North American (NA) annual CSR report released by Huawei Technologies USA (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 provide information about Huawei's socially responsible initiatives and activities with regard to environmental sustainability, social contributions, extending relief, education, our people, and business code of conduct.

Unless otherwise stated, this report includes activities undertaken during the period from January 1, 2009 to the second quarter of 2010. 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 NORTH AMERICA MANAGEMENT TEAM

Telecommunications is a fascinating, innovative, and fast paced industry that affects every aspect of our lives. It is a key driving force that improves communications, enabling a better quality of life and increasing efficiency.

Communication is intrinsic to life and drives progress in societies. Expanding and enhancing telecommunications networks and services around the world has become a top priority of the telecommunications industry. As the world's leading provider of telecommunications network solutions, Huawei's vision is to enrich life through communication. It is with this vision that we leverage our experience in telecommunications to help people become a part of the information society regardless of their geographic origin and to deliver social, economic and environmental benefits to the local communities in which we operate.

Our commitment to helping communities in need and carrying out greater corporate social responsibilities are top priorities for Huawei. Our Huawei Employee Business

Code of Conduct requires all of our employees to demonstrate the utmost integrity in everything they do. Whether it's helping those affected by natural disasters or responding to the needs of communities and organizations, Huawei is continuously working to improve the lives of people and communities in North America and beyond.

We believe sustainable business growth is the foundation for carrying out greater corporate social responsibilities. 2009 was a strong year of growth for Huawei and also a year of significant expansion in Corporate Social Responsibility (CSR) initiatives in North America. Year-to-year, we will grow upon our promise to improve people's lives through corporate social responsibility. By working with our valued partners, we look forward to even greater contributions to society and to further enriching people's lives through communication.

North America Management Team

HUAWEI VISION, MISSION AND CORE VALUES

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.

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

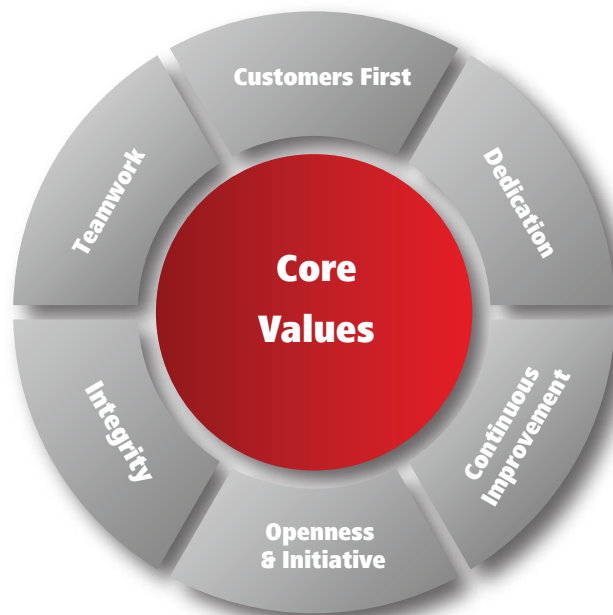
Driven by customer needs, we passionately pursue customer-centric innovations in an open manner. We believe that business success is the ultimate measure of the value of any technology, product, solution or process improvement.

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.



HUAWEI'S FOCUS IN 2009-10

Throughout 2009, Huawei launched a series of Corporate Social Responsibility (CSR) initiatives in North America with the goal of being a good corporate citizen to contribute to the harmonious and sustained development of our society, the economy, and the environment.

Social Contributions

Huawei's top priority is to reinforce social contribution activities. As an integral part of the society in which we operate, Huawei firmly believes in contributing back to the local communities in which we operate, and strongly encourages our employees to do likewise.

Extending Relief

Huawei's focus remains on protecting the environment and providing humanitarian relief. We join together with other organizations to contribute to the harmonious and sustained development of our society, the economy, and the environment.

Environmental Sustainability

Environmental sustainability is the wave of the future—and how to get there is the task of the present. Issues like increased energy costs, Greenhouse Gas emissions, and other green issues dominate the global stage and are leading companies to explore alternatives to business as usual, with an emphasis on energy efficiency. In an effort to address these issues, Huawei enhanced its CSR policy, which stems from the 10 principles of the UN Global Compact to promote corporate citizenship worldwide by developing an environmental sustainability strategy that starts with products and holds suppliers to CSR requirements.

Education

Huawei highly emphasizes its contribution to the local community and has been sponsoring, funding, and collaborating with universities across North America. Huawei has endowed education networks at many of the top-rated colleges and universities in North America.

People

Dedicated and passionate employees are Huawei's most valuable asset. Our goal is to provide Huawei employees with unique development opportunities as well as to promote the development of a wide variety of talents. Huawei strives to ensure that its diversity remains a competitive advantage by fostering a workplace that leverages, respects, and values individual differences.

Local Player

Huawei is emerging into new markets and has a growing footprint in North America. The company firmly believes in localization, from hiring locally to collaborating with local partners.

Employee Business Code of Conduct

Adherence to laws and ethical standards by each Huawei employee is one of the fundamentals that ensure our company's long-term and sound development. Huawei firmly abides by the principle of integrity and strictly adheres to ethical standards and to the laws that govern society.

SOCIAL CONTRIBUTIONS

Seeking to contribute toward a prosperous society and its sustainable development, Huawei has been engaged in various social contribution activities nationwide with the goal of being a good corporate citizen. Huawei's top priority is to reinforce social contribution activities and integrate corporate social responsibility functions into its local and global strategy. Huawei works to actively promote corporate social contribution using its technology and expertise in response to societal needs in areas, such as technology, telecommunications, environmental issues, education, disaster relief, and local community activities. Huawei combines its concern for profitable growth with its responsibility to promote a sustainable society by reconciling the best interests of society as a whole.



Employees "Close the Gap" on Hunger

More than 40 local Huawei employees helped fight hunger at the North Texas Food Bank (NTFB) in February, 2010. Employees sorted and packaged food for the Food 4 Kids program, which provides kid-friendly, self-serve food for elementary school children most at risk of going hungry over the weekend. Currently serving over 200 schools in 17 local school districts, the program provides nutritious food every weekend during the school year to approximately 4,400 children in the greater Dallas, Texas area. The NTFB is a nonprofit hunger relief organization that distributes donated,

purchased and prepared foods through a network of feeding programs in 13 North Texas counties. Without the 60,000 plus hours of invaluable volunteer help each year, the NTFB would be unable to provide food to the hundreds of thousands of hungry North Texans it currently serves. "Close the Gap" is the NTFB's three-year initiative to unite the community to narrow the food gap by providing access to 50 million meals annually. Last year, Huawei donated \$20,000USD to the NTFB to help fund their



“*The current down economy has hit North Texas families hard – demand for first-time clients alone has gone up 36 percent in recent months – that’s why we cannot thank Huawei enough for their \$20,000 gift.*”

—Jan Pruitt, President and CEO of the North Texas Food Bank.

efforts. Huawei’s gift to NTFB’s “Close the Gap” on hunger campaign provided more than 80,000 meals to North Texans in need.

“The current down economy has hit North Texas families hard – demand for first-time clients alone has gone up 36 percent in recent months – that’s why we cannot thank Huawei enough for their \$20,000 gift,” said Jan Pruitt, president and CEO of the North Texas Food Bank. “We could not do what we do every single day feeding the 53,000 families we see each month without amazing corporate partners like Huawei. Their donation provided the North Texas Food Bank with 80,000 meals! Huawei’s enthusiasm toward pitching in and giving back to those less fortunate makes us so proud to live in a community where acts of kindness are truly par for the course. Kudos!”

Helping to Make Life Better for Children

Children at Children’s Medical Center at Legacy in Plano, Texas, are smiling a little more thanks to a two-week long clothing drive sponsored by Huawei in February 2010. Local Huawei employees gathered up several large boxes full of new or lightly used clothing and donated it to Children’s, one of the largest pediatric healthcare providers in the nation. The clothes given

by Huawei provide some essentials to children who have to face certain realities while at the Medical Center.

Children’s is private and not-for-profit, and focuses on making children’s life better during its more than 360,000 visits each year. As the only academic healthcare facility in North Texas dedicated exclusively to the comprehensive care of children from birth to age 18, Children’s provides patient care ranging

from simple eye exams to specialized treatment in areas such as heart disease, hematology-oncology and cystic fibrosis. In addition, Children’s is a major pediatric kidney, liver, intestine, heart and bone marrow transplant center. To better serve the region’s growing pediatric population, the 72-bed Children’s Medical Center at Legacy opened in 2008 in Plano, Texas. Last year, Huawei donated \$20,000USD to Children’s Medical Center at Legacy to help with the center’s operational needs.

“*We are grateful to Huawei Technologies for their generous gift in support of Children’s Medical Center at Legacy,” said J. Peter Kline, President of Children’s Medical Center Foundation. “Corporate partners play a crucial role in supporting our mission to make life better for children.*”





Volunteering to Help Participants "Fight for Air"

Employees helped cheer on more than 400 participants at this year's "Fight for Air Climb" hosted by the American Lung Association. This was one of Dallas' most unique events, where hundreds of people huffed and puffed their way to the top of the Renaissance Tower in downtown Dallas for a great cause. It was more than the same-ole 5K, it was a vertical race to climb 53 floors! The American Lung Association works to prevent lung disease and promote lung health. Lung diseases and breathing problems are the leading causes of infant deaths in the United States today, and asthma is the leading serious chronic childhood illness. Smoking remains the nation's leading preventable cause of death. Lung disease death rates continue to increase while other leading causes of death have declined. As the foremost defender of clean air, the American Lung Association strives to mitigate the ill effects of poor air quality to protect those with asthma, emphysema, lung cancer and other chronic lung disease. The 2010 Fight for Air Climb in Dallas/Fort Worth raised funds and awareness to support education, research and advocacy programs so everyone can breathe easier.

Employees Volunteered to "Rock'n'Roll" for Susan G. Komen for the Cure®

Employees volunteered at the inaugural Rock'n'Roll Dallas Half Marathon, benefiting Susan G. Komen for the Cure, on Friday, March 12, 2010. Our employees gave out t-shirts to pre-register participants who came by the Dallas Convention Center to pick up their pre-event packets.

The event debuted in Dallas as part of the Rock'n'Roll Marathon Series and event coordinators expected over 13,000 registered runners from 47 states and 10 countries. The 13.1-mile race began on Sunday morning and the course ran through many of the city's urban and residential neighborhoods. The event benefited Susan G. Komen for the Cure to help fight against breast cancer. With global



headquarters in Dallas, Komen for the Cure is the world's largest grassroots network of breast cancer survivors and advocates dedicated to discovering and delivering the cure. Funds raised through the program support groundbreaking research and community outreach in the more than 18,000 communities Komen and its affiliates serve in the U.S. and around the world.

Lighting the Night for the Leukemia & Lymphoma Society

More than 50 local employees from the Richardson and Plano offices participated in the Light The Night® Walk benefiting the Leukemia and Lymphoma Society. The event was held on October 24, 2009 at the Campus at Legacy in Plano, Texas. The Light The Night Walk is a nationwide



two mile evening Walk to celebrate and commemorate lives that have been touched by cancer. Participants carry illuminated balloons, white for survivors, red for supporters and gold for those who have lost a loved one to blood cancer. The event is more than just a walk, the evening includes music, food, and family activities.



The March of Dimes largest fundraiser, March for Babies, supports lifesaving research and programs that save babies born prematurely or with birth defects. Now in its 40th year, March for Babies is expected to draw over half a million walkers nationally. Locally, over 25,000 people representing 300 companies and organizations will come together to participant in this event. Local Huawei employees gathered with thousands of others at White Rock Lake on Friday, April 16, 2010, to assist with set-up, including loading/unloading supply trucks, hanging signage, placing no parking signs in neighborhoods, placing signage along the route, etc.

Domestic violence greatly impacts the lives of its victims. The mission of the Genesis Women's Shelter



is to provide quality safety and shelter to battered women and their children through crisis intervention and to reduce the occurrence of violence against women and children in Dallas, Texas. Many women and children arrive at the shelter with only the clothes on their backs. Huawei's Plano and Richardson, Texas offices participated in a two-week long clothing drive in April 2010 to provide

those in need at the shelter with clothes and other basic necessities. Huawei's efforts helped the Genesis Women's Shelter raise the level of awareness regarding the effects of domestic violence.

Supporting Worthy Causes through Sponsorships

Cricket Charity
Golf Tournament
Benefiting
Rady Children's
Hospital-San Diego



Cricket Communications hosted a charity golf tournament on Tuesday, November 10, 2009 to raise funds for families dealing with cancer at Rady Children's Hospital – San Diego. Huawei was a Silver Sponsor for the event, which raised more than \$100,000USD for the Peckham Center for Cancer and Blood Disorders at Rady Children's Hospital.



Huawei Donates to Curing Kids' Cancer

The 4th Annual Curing Kids' Cancer Golf Classic, held May 3, 2009, presented by AT&T scored big for childhood cancer research - netting \$130,000USD. Huawei donated \$10,000USD to the cause. Curing Kids' Cancer donated the proceeds to the clinical research office at the Aflac Cancer and Blood Disorders Service at Children's Healthcare of Atlanta. Golfers from around the nation gathered at The Manor Golf and Country Club in Alpharetta, Georgia - joining ESPN's Lee Corso, PGA golfer Matt Kuchar and University of South Carolina Head Golf Coach Bill McDonald.

Scarborough Sharks
Midget AA
Hockey Club



The Scarborough Sharks hockey team is a community female hockey team in Scarborough, Ontario, Canada. The 2008-09, Sharks set the standard with a Provincial Championship and a trip to Calgary where they represented Ontario in the National Championship game. As woman's hockey continues to grow, the Shark's mission is to provide the knowledge and skills for athletes to compete at the next level, whether their aspirations are to play college and university hockey or to wear the Maple Leaf for their country. The core values include teamwork, dedication, accountability, respect, and maximizing abilities. In 2009, Huawei Canada was the solo sponsor to the Sharks hockey team. Huawei sponsored the games and trainings with \$2,000CAD dollars. The event continues to build a good relationship between Huawei and local Canadian communities.



11th Annual Richie Mann Invitational Golf Tournament Benefiting the Canadian Breast Cancer Foundation

Each year, thousands of Canadians are touched by breast cancer. It not only impacts the individuals living with the disease, but their families, friends and loved ones as well. At the Canadian Breast Cancer Foundation, people are working to create a future without breast cancer. As one of the largest single-day charity golf tournaments in Canada, Richie Mann Invitational Golf Tournament, has raised over millions of dollars for Canadian Breast Cancer Foundation in the past 11 years. Last year's event was a huge success. In 2009,

Huawei sponsored the event in Halifax and donated \$1,500CAD to the Canadian Breast Cancer Foundation. With the help of sponsors, Richie Mann was able to donate more than \$75,000CAD to the foundation.

18th Annual Bell Gala Benefiting SickKids Foundation



Established in 1972, the SickKids Foundation is the fundraising organization for The Hospital for Sick Children. The Foundation's fundraising is driven by the belief that improving the health and well being of children is one of the most powerful ways to improve society. SickKids is by far one of the busiest pediatric emergency departments in Canada and one of the Hospital's highest-demand resources, registering an average of one patient every 10 minutes. Donations are a critical source of funding for The Hospital for Sick Children. For the fiscal year ending March 31, 2009, SickKids Foundation made an investment of \$64.1 million in children's health research, education and care. A direct result of community support, this is the largest investment in pediatric health care and one

of the largest contributions to a hospital anywhere in Canada. In 2009, Huawei donated \$10,000CAD to SickKids through sponsoring the Bell Gala. Huawei will not only continue to sponsor the Bell Gala in 2010, but will also continue to build a long term relationship with SickKids in helping the foundation with various aspects.



Comic Vision Benefiting the Foundation Fighting Blindness

Comic Vision is Canada's most successful cross country tour of stand-up comedy and fundraising. A guaranteed hilarious evening of laughter, Comic Vision is hosted by The Foundation Fighting Blindness to raise awareness and funds for vision research discoveries. Every year, it brings together highly-educated professionals and corporate leaders in each of Canada's top markets and gives them a memorable night of entertainment combined with successful fundraising. Over the past 10 years, Comic Vision has contributed over \$1.5 million to the Foundation to invest in research for the treatments and cures of retinal blindness. Last year, Huawei donated \$15,000CAD to this event. In 2010, Huawei Canada will continue to support Comic Vision as a national sponsor.



“Our coat drive ended today and we were able to collect 30 coats for the needy. The collection included adult and children's coats,” said Thomas White, Project Manager, Huawei Rhode Island. “With the cold wave that has hit us these past few weeks we are sure that the coats will be put to good use. Special thanks to Bechtel who helped significantly with the donations.”

EXTENDING RELIEF

As an active corporate citizen, Huawei integrates its social responsibility philosophies into every aspect of its operations. Our focus remains on protecting the environment and contributing to society. We join hands with our partners and customers to contribute to the harmonious and sustained development of our society, the economy, and the environment. Whether it is disaster relief or contributing to communities, Huawei is committed to fulfilling its corporate social responsibility on a local and global scale.

Huawei Raises Funds for Victims of Hurricane Katrina

On August 28, 2005, Hurricane Katrina bombarded the southern coast of the United States with devastating effect. The hurricane was categorized as the largest natural disaster in the history of the United States. The damage was tremendous, and

the economic effects were far-reaching as well. Huawei jumped at the opportunity to help the victims and raised several thousands of dollars for the relief efforts.

China Earthquake Victims Receive Monetary Aid from Huawei

On May 12, 2008, a 7.9-magnitude earthquake hit Sichuan Province, a mountainous region in Western China, killing about 70,000 people and leaving over 18,000 missing. Over 15 million people lived in the affected area, including almost 4 million in the city of Chengdu. Huawei raised and donated more than \$11,000USD to help the victims of this tragic earthquake.

Huawei Supplies Monetary Aid to Haiti

When a tragic earthquake struck Haiti in January 2010, humanitarian needs were staggering, and Huawei was

thrilled to play a role in the relief efforts. Huawei's Seattle office raised hundreds of dollars and donated the money to World Vision to help provide urgent and immediate disaster relief to survivors. World Vision, a Christian relief, development and advocacy organization, has worked in Haiti for 30 years and has more than 800 staff on the ground. Huawei Canada actively engaged in a donation program that supported the Canadian Red Cross to assist in providing relief and aid to the victims of the Haiti earthquake. A Huawei portal was built for employees to donate online. Huawei Canada donated more than \$7,000CAD to the Canadian Red Cross. Considered the strongest earthquake to hit the region, The Red Cross responded immediately to provide shelter, food, clean water and medical care to the many people in need of help.



ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability is the wave of the future—and how to get there is the task of the present. Issues like increased energy costs, Greenhouse Gas emissions, and other green issues dominate the global stage and are leading companies to explore alternatives to business as usual, with an emphasis on energy efficiency. In nearly every industry worldwide, companies are looking to make their businesses more sustainable, more environmentally friendly, and telecom is no exception. In an effort to address these issues, Huawei enhanced its CSR policy, which stems from the 10 principles of the UN Global Compact to promote corporate citizenship worldwide by developing an environmental sustainability strategy that starts with products and also holds suppliers to CSR requirements.

There are four reasons that Huawei's Sustainability Strategy starts with our product. First, Huawei has focused on product energy efficiency because it has the largest impact on carbon emissions over the lifetime of network infrastructure equipment. Second, given our commitment to the UN Global Compact, you can count on Huawei to deliver a cogent solution. Today, the energy efficiency governance we have put into place is the governance on which we base a Corporate Social Responsibility strategy. Third, we are committed to standards work. Why? If you cannot measure it, you cannot control it. Standards prove that our designs are transparent and help to establish us as the technical leader in the energy efficiency area. Fourth, we see climate change response as a market driver. Huawei understands that carbon is a proxy for energy and energy is on the rise, that's why the entire company has focused on energy efficiency first and foremost.

According to the Smart 2020 report, though telecom currently only produces less than two percent of CO₂ emissions, if telecom companies continue on their current path, by the year 2020, telecom's carbon footprints will be two times that of airplanes—even accounting for mass growth of air travel in China over the next decade. These truths have led Telecom operators to the conclusion that energy efficiency is the only logical step—for the planet and for themselves. Because as public policies evolve due to government mandates, high OPEX and pressure from investors and consumers, Telecom operators are looking more and more to vendors to provide meaningful, lasting solutions that include not only delivering green products and solutions, but also making their companies green organizations themselves.

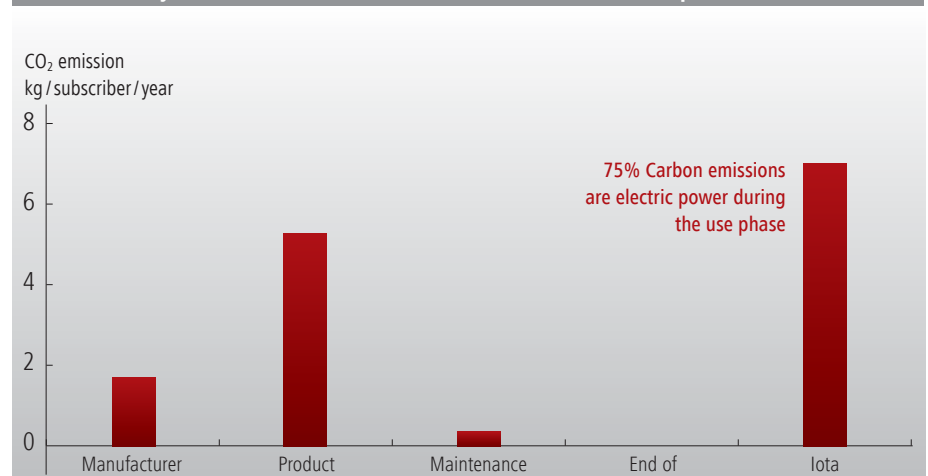
It is the nature of telecom products to contribute to about 85 percent of our customers' OPEX. But carbon is a proxy for fuel—and in our industry fuel is largely electricity, which can be renewable. This places telecom in the unique position of leading other industries on the road to global sustainability—by

creating energy efficient products, enabling alternative energy sources and by influencing other industries to be more environmentally friendly.

Because of the products endemic to the industry (i.e. telecommuting, videoconferencing and broadband), telecom has the chance to help other industries minimize their carbon footprints, even as we work to minimize our own. For example, when you look at LCA (Life Cycle Assessment) of telecom equipment, nearly 75 percent of carbon emissions come from electric power consumption by products during the use phase. The highest carbon intensity is during the operations phase. So, knowing that carbon is a proxy for energy and that energy is money, these carbon intense phases or components within the design can be evaluated to see if there is something that equipment manufacturers can do to in the design phase or with suppliers to lower the risk to profits while also lowering the impact to the environment.

As global industry looks to Telecom to solve the problem of rising CO₂ emissions, we

Lifecycle Assessment (LCA) of Huawei wireless site, per GSM subs

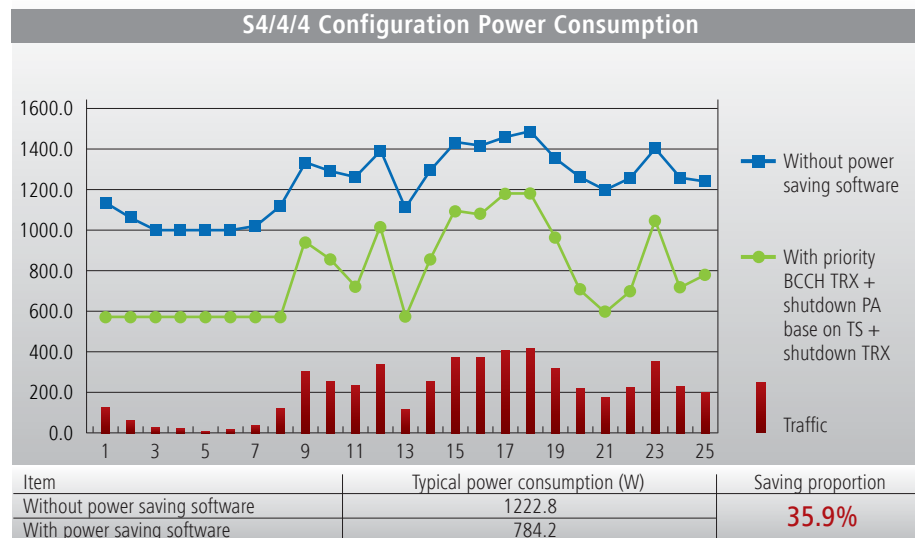


must start with the product that has the highest impact. Currently, the product with the biggest wedge of the pie is wireless.

The dominant power consumer in the wireless network is Base-station and at present, energy efficiency in base stations can be defined by addressing four different angles: dynamic software, optimized hardware, green base-station vs. green sites, decreasing sites vs. decreasing network. If all four angles were addressed, up to 80 percent of power consumption savings can be achieved.

Green or Dynamic Software

Dynamic software features were developed to minimize power consumption in mobile networks during off peak traffic or low utilization periods by switching base station transceiver and other unused resources to lower power mode. This energy-saving feature does not disrupt existing traffic or subscriber experience. Depending on network traffic patterns up and what option to shutoff, a band seeing low traffic or an entire base station shut down and traffic hand over from one technology to another (i.e GSM to UMTS), up to 60 percent of the static power consumption of the base station can be reduced. This software features provide favorable results from both an OPEX and carbon footprint standpoint when you consider how many different pieces of equipment are running simultaneously, the ability to translate calls from one system to another gives you tremendous flexibility for deciding what to power and when.

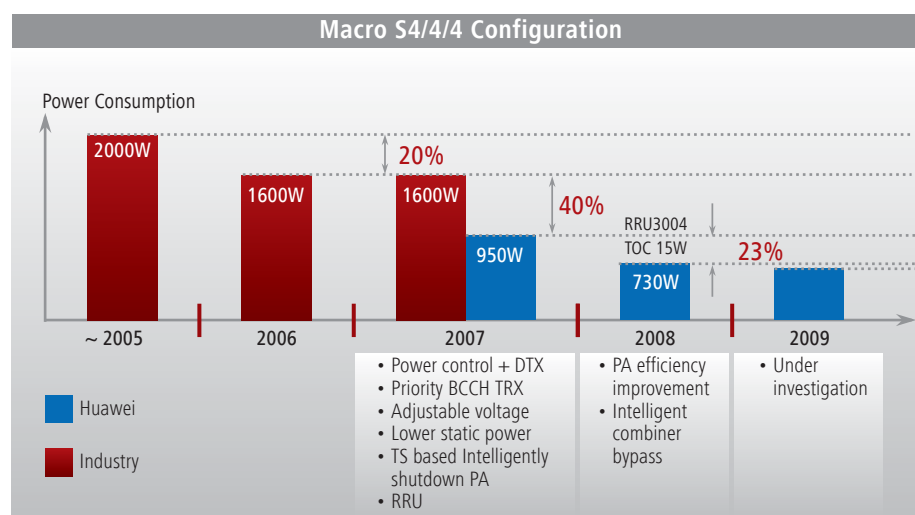


Impact of Green Software on BTS Power Consumption. Source: Huawei, 2009

Green Optimized Hardware

The centerpiece, the latest-generation base station (LGBS), is common platform Single RAN product. This solution incorporates the concepts of "Uni-Equipment", "Uni-Site" and "Uni-Operation" to deliver a future proof, multi-modal and convergent product for operators relying on one or more technologies to deliver wireless applications and services. Uni-equipment speaks to a converged platform that has a smooth and easy upgrade path. For example, all SingleRAN products are LTE ready. Uni-site entails the use of common elements to realize further cost savings in

the network. This allows Service Providers to deploy a multi-mode network at one time, sharing transmission, antenna and feeder systems. Uni-operation brings it all together via a common network management and operations platform. At the more basic level, the SingleRAN is also a modular, distributed base station architecture designed to maximize coverage while minimizing power consumption and reducing equipment foot print. It utilizes several techniques to conserve power, including the use of high-efficiency power amplifiers and multicarrier, distributed architectures, and intelligent power control. The end result is a high energy efficient base station.



Note: Industry comparisons are based on observed base station power consumption in a number of existing mobile operator networks utilizing previous-generation equipment. Equipment in these networks was primarily sourced from Huawei, though a few did include equipment from other vendors. Source: Huawei, 2009

Green Base Stations Versus Green Sites

This concept blends the idea of power-efficient base stations with the overall site design. Considering that up to 50 percent of the power required for a wireless site is just to keep the equipment from overheating, the ability to harden the base station component to run at high temperature with high reliability allow the use of fresh air and heat exchanger cooling. Enabling alternative energy sources can also utilize as a backup power source for commercial grids to eliminate the need for generators at sites or can be used as sustainable energy sources if combined with another renewable energy format such as solar, wind or fuel cell.

Other green site concerns involve tower structure materials and designs. Use of recyclable materials as well as modular designs can help reduce transportation and installation costs.

Decreasing Sites Versus Decreasing Networks

The first step in introducing efficiencies to a network is reducing the number of sites while maintaining coverage and capacity. Utilizing a modularized base station, it allows for the operation of multiple radio networks across a common base station



element. This is accomplished by software configurable modules that can operate in GSM, WCDMA, LTE, or even WiMAX modes. Not only are the number of sites reduced but so is the number of physical network elements. This multimode convergence of the wireless network forms one of the more important aspects of network optimization.

Present ideology in reference to wireless has a tendency to want to look at one area of the network at a time and try to address it, but this is actually the weakest format. The goal of the Telecom industry—operators and vendors—should be to look at the network end-to-end and to piece all the components together in the most efficient manner possible.

Huawei is one of the only vendors left today who still has manufacturing as part of their corporation. Because of this, they

are in the unique position of being able to follow through with end-to-end solutions. From the terminal in the consumer's hand to the base station to access to core, all can be combined with renewable energy solutions. Just by focusing on the heavy impact elements of this string of equipment, up to 80 percent power consumption can be saved.

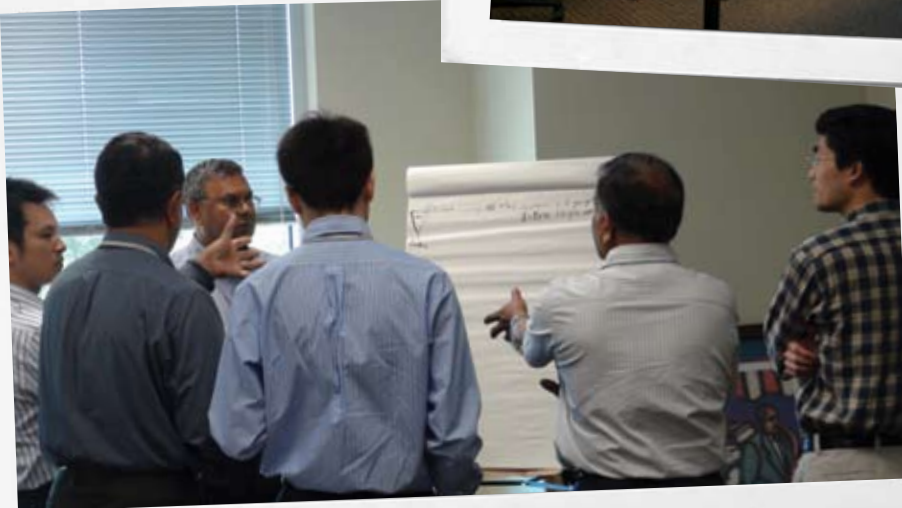
Energy efficiency is a necessity for companies doing business in the 21st century. From reducing OPEX to sustaining the environment to conforming to government regulations, the world looks at ICT as a green enabler to the telecom industry and other industries like transportation. Because of this, Huawei has focused on energy efficiency first and foremost.

EDUCATION

With its vast expertise and experience in telecommunications, Huawei looks to drive telecommunications penetration and support, as well as elevate local telecommunication expertise. Huawei highly emphasizes its contribution to the local community and has been sponsoring, funding, and collaborating with universities across the nation investing around \$5-7 million USD each year. Huawei has endowed education networks to many of the top-rated colleges and universities in North America, including Stanford University, MIT, UCLA, Columbia University, to name a few.

Huawei has also sponsored several major academic projects, such as the MIT Communications Futures Program, which defines the roadmap for communications and its impact on adjacent industries.

In addition, Huawei is a partner for OpenFlowSwitch, supported by the Stanford Clean Slate Program, which is used by many universities to deploy innovative networking technology in their campus networks. Huawei is considering the opportunity to sponsor the Convergence Innovation initiative conducted on Georgia Tech's extensive R&D/live-trial test bed for mobile and iTV applications and services.



PEOPLE



Huawei is a global operation, with a growing footprint in North America. At Huawei, we believe that a mix of backgrounds, values and perspectives is vital to the success of the company and its employees.

Dedicated and passionate employees are Huawei's most valuable asset and strongest resource. Huawei strives to ensure that its diversity remains a competitive advantage by fostering a workplace that leverages, respects and values individual differences. Our goal is to provide Huawei employees with unique development opportunities as well as promote the development of a wide variety of talents. In recognition of their contributions, Huawei has established policies to ensure that dedicated employees are given meaningful benefits in areas such as growth opportunities and remuneration, among others.

New Hire Programs

Training is an essential element of employee development at Huawei. Our holistic management and technical training programs were developed with the professional growth of every employee in mind. To help ease newcomers into their roles, offices in both the United States and Canada have implemented programs (based on the HQ Huawei University practices) such as a three-day New Employee Orientation Program covering a wide range of topics, including corporate culture, product knowledge, and application skills. In an effort to help new employees familiarize themselves with the company, a "Buddy Program" was introduced to partner new hires with experienced mentors who provide useful knowledge and advice to help newcomers

overcome any initial challenges in their new roles as well as informs new hires of expected criteria to achieve career goals.

Training

Huawei has local training centers to educate our customers and local employees on advanced management, technologies, products and processes. To help our customers remain competitive, Huawei provides a wide range of predefined and customized training services for all supported product lines. Huawei's North American Training Center includes two classrooms, a technical training lab with remote access capabilities, as well as an eLearning studio to support distance learning.

At Huawei, many training opportunities exist from informal to very structured. On the informal side, iShow brown bag sessions are usually held on a weekly basis covering topics of general interest to a broad cross-section of employees. Since there are select employees from China, language and cultural awareness are important. Special language assessment and speaking acquisition/proficiency classes are offered regularly. For topics like Cultural Awareness, seminars are led by business leaders for their respective groups giving them an opportunity to hear directly from members of their organization and



share their perspectives. Structured training is provided to specific target audiences. As an example, training is delivered to the Technical Sales population covering topics like Capability Improvement, Opportunity Management, Contract Quality, Bidding, etc.

Employee Recognition

The purpose of the Recognition Awards are to encourage excellence in Huawei by recognizing and rewarding exemplary individual and team achievements. Presented at the annual holiday party celebration ceremony by department heads, the Presidents' Award goes to employees with the highest contribution. Individual awards, such as the Most Valuable Player, illustrate exemplary accomplishments, outstanding customer service, quality of work, or extraordinary support of work goals and objectives. Huawei also presents employees with Team Awards for excellence in team performance, presented in team building events, as well as sales recognition awards, presented on a monthly basis.



Open Communication Channels

A wide range of channels have been established to ensure that employees feel a strong connection with the company. Every month, we have a special gathering to recognize and welcome new employees and celebrate birthdays. Huawei holds regular town hall meetings as a way for senior leadership to keep employees informed, engaged, and in sync with business goals and objectives. Executive dialogues are also held on a quarterly basis as a way for executives to engage employees on various company initiatives and strategies. The company produces a monthly employee newsletter to inform employees about company news, events, new employee spotlights, and other relevant company information.

Team Building

Teamwork is about creating a work culture that values collaboration. Huawei fosters an environment with better and open communication between employees and higher management. Huawei's executive management team hosts all-hands meetings to help open communication lines between employees. During these meetings, individuals play team building



games to build camaraderie. Games include blind-folding an individual and entrusting a colleague to talk him through an obstacle course.

In pursuit of managerial improvement and work/life balance, we arrange various social activities outside of work, including sport clubs, such as basketball, weekly soccer games and badminton competitions to help foster team building and strengthen employee relations. We cultivate our employee community with events, such as family days, year-end

holiday party celebrations with employee recognition, and other social programs.

Successful team building often translates into success for everyone. Working together for success, Huawei competed and placed third in the Corporate Division at the Annual DFW Dragon Boat, Kite, and Lantern Festival held on May 17, 2009 in Irving, Texas. More than 175 employees and family members from marketing and sales, and 58 employees and family members from R&D attended the event.

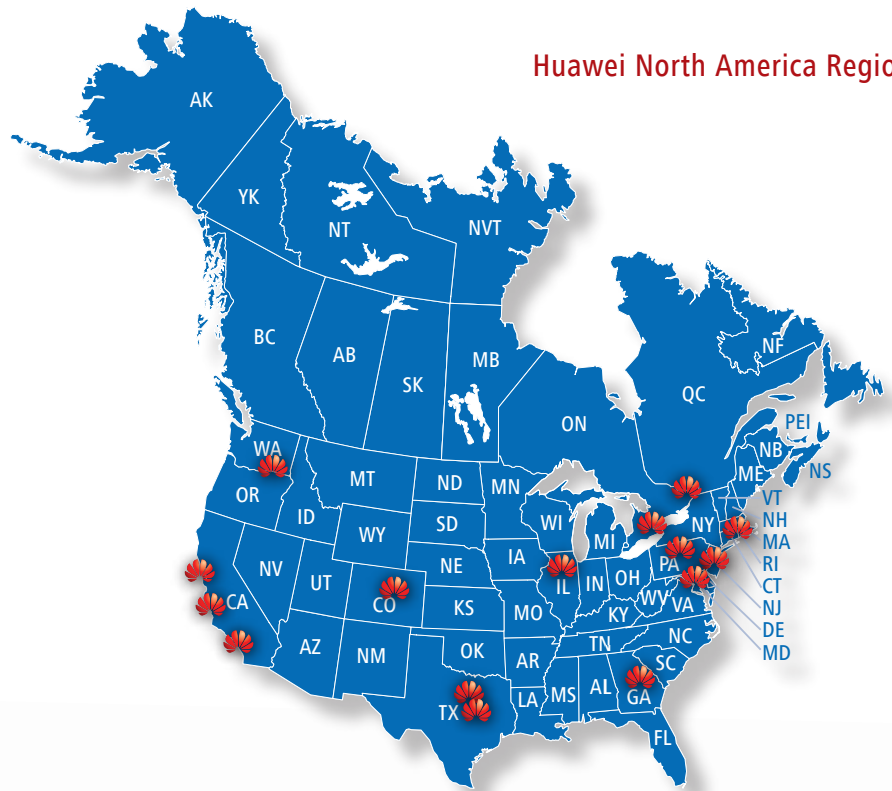


LOCAL PLAYER

Huawei firmly believes in localizing its global operations. As part of this approach, we have set up numerous regional offices in North American cities, such as Dallas, Chicago, Atlanta and San Diego. Huawei also has more than 8 R&D centers in North America, including facilities in Santa Clara and Ottawa. In North America, Huawei has grown from 180 employees in 2006 to more than 1000 in 2010. We have consistently achieved a local hiring rate of 75 percent amongst our employees, and local employees are increasingly taking on key technical and executive roles, including senior management positions. Each year, Huawei invests approximately 10 percent of the total revenue in R&D globally, and in the U.S., Huawei puts more emphasis in building the local R&D capability and providing U.S. customers with customized solutions. Since 2005, Huawei has continued to invest more than 20 percent of the revenue into R&D in the U.S. to ensure that it can recruit and retain the best talents in the industry.

Huawei has long-term cooperation with more than 390 vendors in North America, of which 18 vendors are Huawei's strategic partners. In 2009, Huawei made more than \$5.7 billion in purchases in the U.S., and the volume increases by 30 percent each year. For example, Huawei extensively purchases software, products, components, chipsets and services from world-class companies, including IBM, Oracle, Hewlett-Packard, Qualcomm, Dell, Texas Instruments, Microsoft, Motorola, Emerson, Sun Microsystems and ADI to name a few. In addition, Huawei has 38 certified service partners in North America including Bechtel, LCC, etc.

Huawei North America Region



Dallas Regional Chamber Momentum Awards

In October 2009, Huawei was selected to receive the Momentum Award in the National Employment Growth category. The Momentum Awards were established in

2003 by the Dallas Regional Chamber and Holmes Murphy and Associates to recognize businesses in Dallas/Fort Worth that have experienced significant business growth and are doing great things in the area.



EMPLOYEE BUSINESS CODE OF CONDUCT

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

Huawei Employee Business Conduct Guidelines

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

The guidelines require that each employee should: 1. Be honest and reliable when dealing with all business activities and relationships of the company; 2. Comply with laws and regulations that are applicable to Huawei's business activities; 3. Protect and appropriately use Huawei's assets, and respect the intellectual property rights of others;

4. Protect Huawei's interests, and appropriately deal with conflicts between corporate and individual interests; 5. Treat with respect and impartiality the differences in culture, religion and belief of customers, suppliers, business partners, and employees. The guidelines further elaborate the company's requirements of its employees in 18 areas, including internal business conduct, respecting the intellectual property rights of others, gifts and amenities, compliance with laws, conflicts of interests, and personal conduct.

Compliance with the National and International Export Control Regulations

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

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



ABOUT HUAWEI TECHNOLOGIES

Huawei is a leader in providing next generation telecommunications networks, and now serves 45 of the world's top 50 operators, along with over one billion users worldwide. The company is committed to providing innovative and customized products, services and solutions to create long-term value and growth potential for its customers. Working with our customers, we are committed to enriching people's lives through communication.

HUAWEI TECHNOLOGIES (USA)

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