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Seeking Win-Win Development

Win-Win

- Care for employees and offer varied career paths that help realize their individual value
- Build a healthy and safe working environment through safe operations
- Improve continuously to enhance customer satisfaction
- Cooperate closely with suppliers and play a leading role in terms of sustainability across the industry chain
- Proactively make social contributions to countries and communities in which Huawei operates



Maintaining sustainability is a shared responsibility of all stakeholders throughout the industry chain, including Huawei. We communicate extensively with all stakeholders including employees to increase awareness and capability of sustainability, improve continuously to enhance customer satisfaction, and

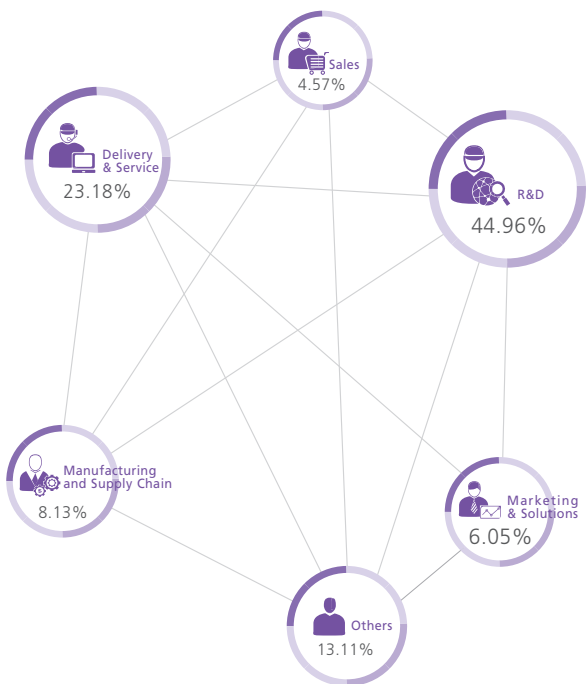
become involved in community activities and development initiatives. Through these efforts, we create value for our employees, customers, suppliers, and the communities where we operate and contribute to the harmonious and sustainable development of society.

5.1 Caring for Employees

Huawei considers our employees to be our most valuable assets and the key to retaining our competitiveness and leadership position in the long run. Employee health, safety, and benefits are at the top of our mind. We provide reasonable and timely rewards to dedicated employees. To better support Huawei's continued business growth, we began transforming the human resource (HR) model in 2009, changing it from a function-based platform to an employee-centric three-pillar platform that enables employees to develop faster and better. This HR transformation project was nearly completed in 2013, providing appropriate career paths for our diversified workforce to realize their individual value.

As of December 31, 2013, Huawei had more than **150,000** employees engaged in various business segments, of which R&D staff accounts for 45%.

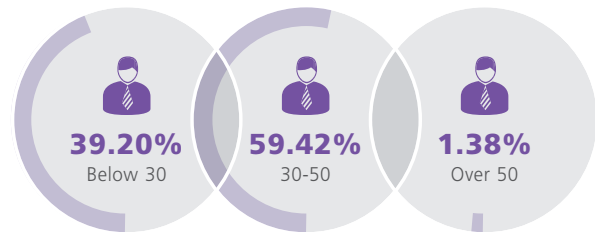
Workforce allocations to each operational field



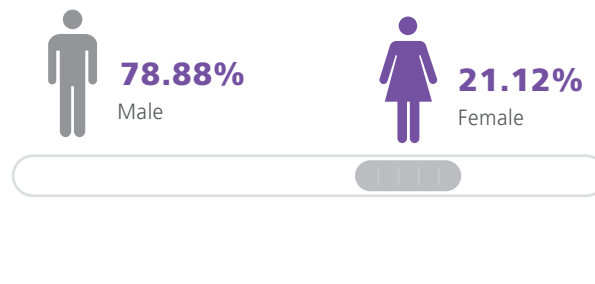
Workforce Diversification

From 2011 to 2013, the attrition rate of female employees decreased year on year. As more women joined Huawei, the percentage of female employees increased steadily to 21.12% in 2013. To support female employees' career growth, Huawei has adopted a female manager development plan that gives female employees priority for promotion when they have the same qualifications as their male counterparts. In 2013, female managers accounted for 9.1% of all managers.

Age range of employees in 2013



Ratio of female employees to male employees in 2013





Huawei emphasizes the development of local hires in countries where we operate. Our recruitment policy prefers to source talent locally and does so in compliance with local laws and regulations. In doing so, Huawei promotes local employment and drives the economic sustainability of households and society.

The percentage of local hires outside China has increased in recent years to reach 79% in 2013. In countries outside China, 20.7% of our mid-to-high-level managers were local hires in 2013. At present, we have nearly 30,000 non-Chinese employees from 160 countries and regions worldwide.



Employee Capability Development

Employees are the foundation of the company. Enhancing their capabilities not only benefits individuals but also contributes to the company’s growth. As part of our initiative to help employees grow and realize their individual value, Huawei offers equal and extensive opportunities for learning, training, and promotion. Huawei provides general learning and development programs and also cross-functional professional capability development programs to help employees increase their knowledge and expertise. The total training person-time totaled 1,162,848 in 2013, with average training hours of 37.29 per employee.

Year	Total Participants	Total Training Person-time	Average Training Hours Per Employee
2011	60,176	849,170	40.65
2012	76,833	1,136,930	20.67
2013	81,358	1,162,848	37.29

Employee training statistics from 2011 to 2013

Huawei has instituted an eLearning system to provide online interactive training that assists employees to enhance their capabilities. As of 2013, our employees have attended the eLearning training 3.32 million times.

Huawei provides two career development paths; namely, the management path and the professional path. These paths allow employees to play to their strengths and interests in their pursuit of personal growth. All employees were appraised in terms of performance and career development in 2013. Outstanding employees are eligible for prompt promotion.

Competitive Compensation and Benefits

While complying with minimum wage requirements as stipulated by local laws, Huawei has established a relatively competitive compensation system. Through long-term cooperation with Hay Group, Mercer, Aon-Hewitt, and other consulting firms, our Human Resource Management Department regularly investigates compensation data and promptly adjusts employee compensation in accordance with the investigation results, the overall performance of the company, and the individual performance of each employee. Huawei ensures no gender bias in its setting of compensation standards. In accordance with our corporate compensation policy, we review and modify Huawei's compensation plan annually in order to strike a balance between market competitiveness and cost of compensation.

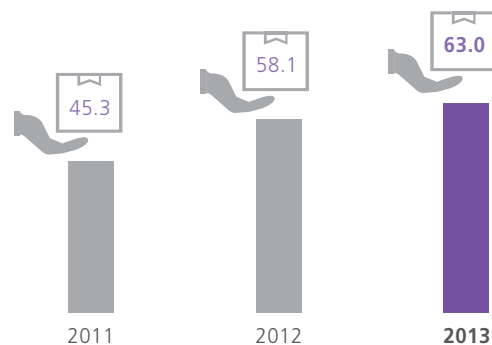
At Huawei, employees' bonuses are closely linked to the business performance of the company, the business performance of their department, and individual performance.

Under our long-term incentive mechanism, Huawei shares benefits with employees worldwide and grows with them. Our long-term incentive mechanism aligns the personal contributions of employees with the company's long-term development, fostering the continuing success of Huawei.

In 2013, the Time-based Unit Plan (TUP) covered 2,184 local hires in 68 countries outside China. In addition, the TUP covered certain non-Chinese employees working in China. In 2014, we will expand the TUP to more employees worldwide, especially local hires outside China, in order to share with them the benefits from Huawei's growth.

Huawei has established a comprehensive employee benefits system that provides a safety umbrella for all of our employees around the globe. In addition to providing mandatory insurance, Huawei purchases a series of commercial insurance plans for employees, including commercial personal accident insurance, critical illness insurance, life insurance, medical insurance, business travel insurance, and medical rescue plans for special circumstances. Huawei has taken further steps to enhance the global employee benefits system by optimizing the insurance and benefits regulations for local hires outside China. Investment in global employee benefits in 2013: CNY6.3 billion.

Investment in global employee benefits from 2011 to 2013 (CNY100 million)



Respect for Employees and Protection of Their Fundamental Rights and Benefits

In compliance with relevant laws and regulations, Huawei prohibits forced labor and child labor, and has established non-discrimination policies. Huawei never discriminates against employees on the basis of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status when recruiting, training, promoting, and distributing compensation and benefits to them. We respect the freedom of our employees to choose their own religious beliefs and safeguard personal privacy.

5.2 Health and Safety

Huawei prioritizes employee health and safety. We have implemented an occupational health and safety management system and developed management processes and operational guides to prevent accidents in workplaces, manufacturing, firefighting, employee services (logistics), and engineering delivery. In addition, Huawei has appointed a Chief Health and Safety Officer and set up a vocational health and safety leadership team that periodically communicates with representatives of Huawei’s Union and resolves issues related to employees’ health and safety.

Global Environment, Health, and Safety (EHS) incidents from 2011 to 2013

Item/Year	2011	2012	2013
EHS incidents	29	89	60

At Huawei, we encourage employees to take good care of themselves and others. In 2013, we rolled out a large-scale health awareness campaign entitled Looking for Huawei Health-Conscious Employees, which attracted over 10,000 participants. In addition, Huawei actively organizes health examinations for employees, follows up on health problems found in examinations, and provides guidance for employees until they recover. The percentage of employees who attended the health examination in 2013 was 6% higher than in 2012.

Manufacturing Safety

In 2013, we developed nine sets of operational safety specifications for leased venue management. There were zero injuries in all of our manufacturing facilities outside China. In addition to the three end-to-end risk identification and mitigation campaigns, we performed routine safety checks with a focus on high-risk jobs relating to fire control, freight elevators, and hazardous chemicals. As a result, the injury frequency rate was 0.11 per million man hours, and safe, stable, and orderly production was ensured without any critical production accidents on site.

Looking for Huawei Health-Conscious Employees



Look for Health-Conscious Employees and a Better Me



Diversified activities for health promotion

Employees are a strong driving force behind Huawei’s development, and we consider employee health to be a precious asset of Huawei. In October 2013, Huawei’s Health Service Center planned and initiated the 1st “Looking for Huawei Health-Conscious Employees” contest alongside Huawei’s eight research centers in China and healthcare partners. This initiative aimed to disseminate health concepts, promote healthy weight loss methods, and increase employees’ health awareness.

A wide range of activities were carried out simultaneously in our Shenzhen headquarters and eight research centers in China, including bodybuilding exercises, hiking, health guru shows, and fun sports games. Dieticians and fitness instructors were invited to give lectures and provide guidance on healthy diet and body shaping methods. The contest attracted 3,739 employees in total. The Health Assembly online group with over 7,000 members has been visited 72,228 times. After the contest, employees become more health-conscious and grow healthier through exercises.

The Looking for Huawei Health-Conscious Employees contest has increased employees’ attention to health. We are delighted to see more employees actively practice the health concepts discussed in the campaign. They are spreading positive energy with their actions and progress.

—Huawei Chief Health and Safety Officer

Safety of Working Environment

In 2013, we continued to build a healthier and safer working environment. We devoted great efforts to improving the quality of indoor air and drinking water. Specifically, we completed a pilot program to modernize air conditioners inside meeting offices in the Shenzhen B campus and Beijing Zhonghai Plaza. We also purified water step by step based on the solution provided by an internationally renowned water processing company.

Fire Control Safety

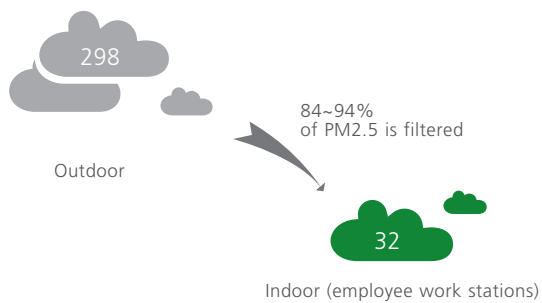
In 2013, Huawei extensively deployed a region-specific fire control responsibility system worldwide. We organized 26 representative offices in China and some of our overseas representative offices to develop fire emergency solutions. Specifically, we organized 86 fire drills. During these drills, 97,109 employees were evacuated, accounting for 88.3% of employees on-site. As a result, only 11 fires risks and hazards occurred throughout 2013, without any fire disaster or injury.

A Better Working Environment

Huawei always attaches great importance to employees' physical and mental health. We are committed to creating a comfortable working environment that ensures employee health and safety. In 2013, Huawei EMT issued the *Resolutions on Measures for Improving Working Environments*, which requires us to improve the quality of indoor air and drinking water in compliance with high standards. In August 2013, our Internal Service Management Department set up a project team to comprehensively improve the working environment with the assistance of a specialist company from Europe.

Reduction of PM2.5

Our Beijing and Langfang campuses had installed high-voltage electrostatic air purifiers by November 2013. The results are encouraging: The density of particulate matters with a diameter less than or equal to 2.5 micrometers (PM2.5) has been reduced to below 35 ug/m³ inside rooms. In 2014, we will continue to install these air purifiers in other campuses.



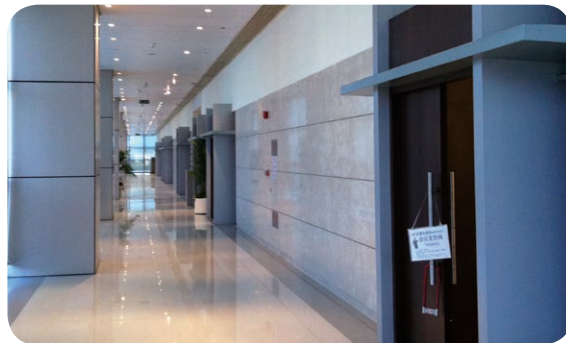
Modernization of air conditioners in meeting rooms

In 2013, we completed a pilot program to modernize air conditioners inside meeting rooms in the Shenzhen B1 campus, Beijing Zhonghai Plaza, and other campuses. Huawei entrusted a third-party testing company to evaluate the air quality in renovated meeting rooms. Testing results reveal that air quality in these rooms is improved significantly: The volume of fresh air has increased to 50 m³/person (GB standard: 30 m³/person) while the density of CO₂ has been reduced to 500 ppm (upper limit set by European standard: 1000 ppm).



Improvement of drinking water quality

In 2013, we cooperated with an internationally renowned water processing company to modernize our water purification systems step by step based on the partner's water purification solutions for central and end-point water processing systems. We have qualified three drinking water treatment integrators and five tap water purification integrators. At present, we are piloting small- and medium-sized solutions for integrated water purification in the Shenzhen J Campus.



Employee Service Safety

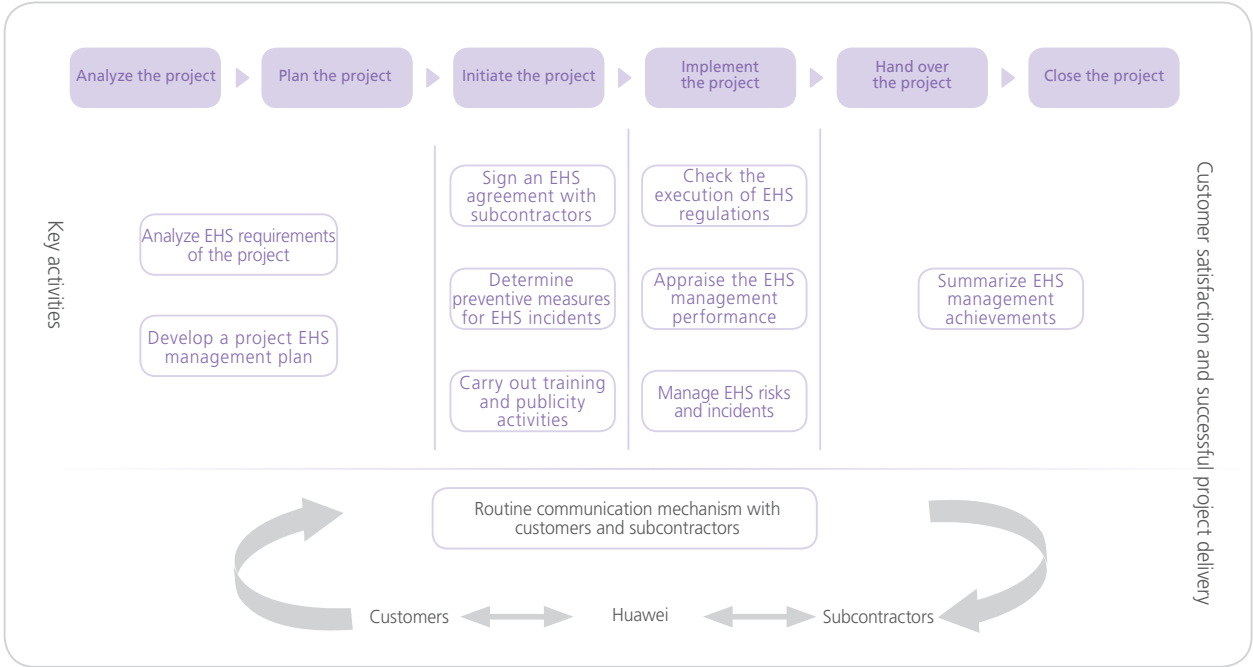
By adopting market-oriented operating models, Huawei meets employee needs for security, catering, transportation, and other services. In offering quality services, we always put safety first.

- **Food safety:** Huawei continued to provide a wider variety of food choices, improve food sourcing processes, and manage food safety, thereby preventing food poisoning incidents. Huawei hosted the first Food Safety Week in April 2013, which encouraged all employees to monitor food safety for a healthier life.
- **Transportation safety:** Huawei further enhanced vehicle safety management by launching the EADMIN system for vehicle management in 80 countries globally. The system enables Huawei to keep track of statistics about vehicles, drivers, accidents, car insurance, and vehicle dispatching. In China, over 1,000 employee shuttle buses are managed by GPS which monitors the running of buses in real-time. In countries outside China, more and more GPSs are being installed on Huawei's official cars. We require our transportation subcontractors to comply with the redline requirements for minimum transportation safety standards, thereby improving the safety of vehicles.



Safety in Engineering Delivery







To meet customer requirements and comply with applicable laws and regulations, Huawei has set up specialized departments for EHS management of subcontractors and engineering delivery activities. As a result, our delivery staff are protected against health hazards, and our engineering delivery activities will not adversely affect the environment. Huawei has developed four EHS management strategies for delivery projects: “practice EHS leadership and build an EHS culture and atmosphere,” “require subcontractors to implement EHS,” “apply the EHS redline standards and comply with EHS absolute rules,” and “warn about accidents ahead of time, report violations, and hold violators accountable.” These strategies are set to achieve the EHS goal of “zero accidents, injury, and pollution” during project delivery.



Overview of Huawei’s project safety management

For high-risk areas, such as transporting equipment, working at heights, and operating powered-on equipment during project delivery, we have developed “six EHS absolute rules for delivery projects” as the EHS management red lines. All delivery personnel must obey these rules.

EHS Absolute Rules for Delivery Projects

- | | |
|---|---|
| <p>Do</p> <ul style="list-style-type: none">  Wear a seat belt when driving  Wear protective equipment when working at heights  Operate powered-on equipment only when qualified | <p>Don't</p> <ul style="list-style-type: none">  Never work under alcohol or drugs  Never exceed speed limits when driving  Never use the phone when driving |
|---|---|

Top-3 safety issues in project delivery and preventive measures:

<p>Top 1: Road safety</p> 	<ul style="list-style-type: none"> ▪ Set road safety requirements: vehicle safety requirements, driver safety requirements, and safe driving requirements ▪ Organize training on driving safety: training on applicable laws and regulations, promotion of safety awareness, and the driver safety manual ▪ Conduct daily vehicle checks: tires, windshield wipers, engine oil, and other checks ▪ Convene routine safety meetings for all drivers ▪ Maintain a list of all drivers and vehicles
<p>Top 2: Safety of staff working at heights</p> 	<ul style="list-style-type: none"> ▪ Develop safety guidelines for working at heights ▪ Organize safety training in construction sites ▪ Formulate checklists and conduct self-checks before working ▪ QCs/SEs conduct spot-checks on a regular basis ▪ Issue red cards and yellow cards for non-compliance
<p>Top 3: Safety of staff operating powered-on equipment</p> 	<ul style="list-style-type: none"> ▪ Only qualified electricians who have received professional training and obtained relevant certification can perform electric operations ▪ Use protective devices as required and electrical tools that meet safety requirements ▪ Check electrical equipment and wires to detect safety hazards before working ▪ Ensure that all electrical equipment and wires are visibly marked as such ▪ Never use damaged wires, plugs, sockets, or any damaged parts

Huawei has also developed control measures to prevent other risks in engineering delivery, such as fires, mechanical safety hazards, working on stacks, and manual and freight handling. Additionally, we have strengthened employee training on safety awareness and ensured that staff working in different scenarios are sufficiently qualified to reduce accidents.

Building security leadership is crucial for security management in engineering delivery. Huawei’s executives have become increasingly concerned about security management and set an example by participating in security management at construction sites. In 2013, Huawei executives at the regional vice president level and above paid 77 visits to project sites for security checks.



Huawei's executives are conducting security check at the engineering delivery site

Subcontractors play an important role in Huawei's project construction and delivery. Huawei always emphasizes the safety management of subcontractors and manages the entire lifecycle of subcontractors, from introduction, contracting, on-site management, performance management, to exit. In addition, Huawei has issued EHS redline standards, absolute rules, and regulations for red and yellow cards to strengthen the safety management of subcontractors.

In 2013, we specifically reviewed our safety system, conducted special on-site inspections, and ended our business relationships with unqualified subcontractors. As such, our subcontractor safety performance significantly improved in 2013, as evidenced by a 33% decline in the critical accident occurrence rate than 2012.

"Health and safety is a top priority at Huawei and we have insisted that health and safety management becomes embedded tools and practices in our everyday work programs."

— Huawei CEO Ren Zhengfei



5.3 Customer Satisfaction Management

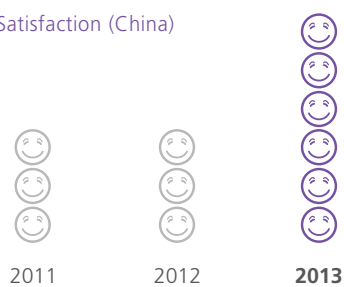
We strive to provide high-quality, secure, and affordable products and services to our customers and consumers. We work towards integrating product and service sustainability into every routine task across the company, thereby protecting consumer rights and improving customer satisfaction.

Continuous Improvement for Higher Customer Satisfaction

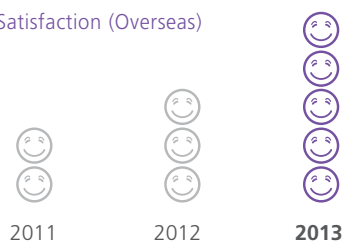
Huawei has set up regions and representative offices in major countries and continents around the world as we proactively seek to establish and maintain mutually-beneficial relationships with our customers. We listen attentively to customers and better understand their needs by establishing multi-layer customer-facing organizations and communication channels through such activities as customer-facing strategic summits, user service conferences, receptions for customers who come to visit or audit Huawei, service hotlines, routine visits, open discussions, and third-party satisfaction surveys.

Third-party customer satisfaction survey results

Customer Satisfaction (China)



Customer Satisfaction (Overseas)



<h4>Open Discussions</h4>	<h4>Third-party Satisfaction Surveys</h4>
<p>In 2013, we organized 856 open discussions globally with 237 high-value customer groups.</p>	<p>Huawei entrusted third parties with our global customer satisfaction surveys. In the carrier field, the 2013 survey covered 221 customer groups in 112 countries outside China and 27 representative offices in China, collecting feedback from 11,960 customers in total. We enlarged the survey scope to cover channel partners and vertical industry customers of the Enterprise BG and Consumer BG. In the consumer field, we carried out a satisfaction survey among handset and service consumers on a trial basis to learn about their perception of our handset products and services.</p>
<h4>Service Hotlines</h4>	<h4>Audits by Customers</h4>
<p>We have established 9 LTACs that provide comprehensive assistance for our operations in over 170 countries. These centers handle and resolve customers' technical issues. Contact personal at these centers are reachable by phone or email. In 2013, Huawei received 77,395 pieces of feedback from customers through the hotlines, of which 248 were negative. We have analyzed the causes and made improvements.</p>	<p>Since 2003, Huawei has successfully passed the comprehensive audits and reviews conducted by 33 of the world's top 50 carriers as well as by enterprises and industries. The items covered include financial stability, quality, delivery, supply chain management, cyber security, risk management, sustainability, and business continuity. We enjoy wide recognition from our customers in these fields.</p>

We design our main business processes around customer expectations to ensure that all customer requirements can be incorporated into appropriate processes and addressed in a timely and closed-loop manner, thus satisfying their needs.

Huawei attaches great importance to protecting the privacy of customers. Huawei has never infringed on the privacy of any customer nor received any significant customer complaint related to product safety. Huawei is improving our customer satisfaction and continuing to earn the recognition of more customers who see Huawei as a strategic partner.

Product Safety and Reliability

Product safety directly impacts the health and safety of our customers and consumers. Therefore, we do everything in our power to enhance product safety, and continuously innovate to provide high-quality, safe, and reliable products, thereby increasing the satisfaction of customers and consumers.

■ Noise Reduction

Huawei continuously invests in technologies that locate and control product noises, and has carried out extensive research to improve product sound quality. Given that loudness reflects the strength of noise, we employ noise control technologies to reduce noise volume and improve sound quality without lowering the required sound pressure level, resulting in a superior audio experience. For example, we reduced the loudness of a router by three sones while lowering its sound pressure level by 1.7 decibels (A) only. As a result, we have significantly decreased the strength of noise without substantially reducing the sound pressure, making the noise less audible to the human ear.

Huawei closely tracks the latest noise reduction technologies in the industry. We have participated in the International Congress on Noise Control Engineering, and cooperated extensively on noise control with universities and research institutions in and out of China.

Huawei's Environmental Acoustics Lab has obtained ISO 17025 certification from the American Association for Laboratory Accreditation (A2LA) and China National Accreditation Service for Conformity Assessment (CNAS). The Lab has also been recognized by international authoritative testing agencies such as UL, MET Laboratories, and National Technical Systems (NTS). Equipped with advanced acoustic testing and analysis devices, our Environmental Acoustics Lab provides hardware support for researching noise control technologies.

■ Electromagnetic Radiation

With a rigorous mechanism for electromagnetic radiation control and through scientific innovations, we ensure that the wireless communications equipment designed and produced by Huawei complies with associated laws and regulations.

As electromagnetic radiation monitoring and control requirements grew increasingly stringent, we continued to help customers meet these requirements during product deployment in 2013. In China, we repeatedly helped customers detect electromagnetic radiation in residential areas to address local residents' worries about the radiation emitted by nearby base stations. The electromagnetic radiation of small devices for households and small enterprises is well below the limits stipulated by the relevant standards.

In 2013, we strengthened research on electromagnetic radiation and improved our capabilities in this regard. As a result, we significantly enhanced the quality of consumer products and facilitated the R&D, production, and sales of new products in the consumer market.

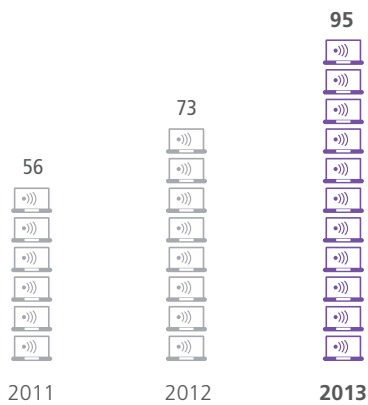
1. Huawei enhanced its testing and certification capabilities targeting specific absorption rates (SARs) for higher frequency bands so that our WLAN 5 GHz products can meet global access requirements.
2. The SAR Lab of Huawei's Global Compliance and Testing Center is recognized by our key customers for its strong testing capabilities.
3. The SAR Lab has been able to conduct hearing-aid compatibility (HAC) assessments in accordance with the latest laws, meeting HAC requirements for those with hearing impediments for using handsets and hearing aids.

■ Ergonomics Engineering

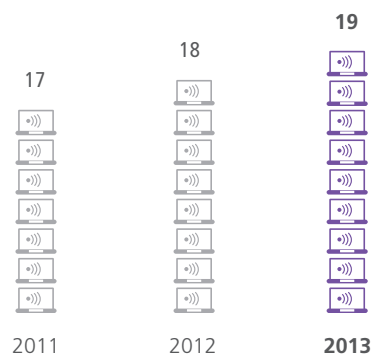
Huawei runs a dedicated ergonomics engineering design team that utilizes user-scenario-based product safety design concepts to enable our products to suit users' engineering habits and technical requirements while reducing potential product-related risks to health and safety. (Note: User scenarios, which are used as early input in product design, include the environments in which products are used as well as the skills, habits, and behavior of users when using the products.)

As of the end of 2013, we analyzed user scenarios of major carriers in 19 countries in North America, Europe, Africa, and Asia. Our analysis helped us fully understand the engineering delivery habits and user habits in these countries. By adopting the innovative user-scenario-based design, we have been able to develop products that are easy to install and use. Based on our in-depth understanding of user scenarios, we applied ergonomics engineering in product design to make our products conform to the engineering habits and skill requirements of users.

User scenarios analyzed by Huawei globally



Number of countries in which user scenarios have been analyzed



Ergonomics Engineering Projects

Active Antenna System (AAS)

The Huawei Active Antenna System (AAS) is a highly integrated modular product designed to suit the “One Site, One Antenna” trend that is prevalent among customers and in the market. AAS products are mainly installed at heights. With integrated architecture, an AAS can be hung at its top and fixed at its bottom, requiring no cabling for blind mating. As such, safety at heights has improved considerably, and the time it takes to install and maintain an AAS has been reduced by over 50%.

- 1) AASs have been deployed in 30 sites for major carriers across the five continents worldwide.
- 2) Thanks to the integrated architecture, the AAS can be transported more easily than traditional antenna feeders. Two people can transport an AAS easily. Far fewer tools are required for installing AAS at heights compared with traditional antenna feeders. Additionally, AAS installation is far simpler.
- 3) The AAS can be hung at its top and fixed at its bottom, representing a groundbreaking installation method in the industry. One engineer alone can complete installation at heights in 10 minutes, greatly improving safety, efficiency, and ease of installation. The deployment and installation efficiency in a single base station has been improved by 70%, and the manpower required has been reduced by 50%.



Overview of AAS rollouts worldwide



Easy installation at height by an engineer

- 4) AAS maintenance is simple and efficient. The blind mating design of the radio frequency (RF) module requires no cable connection or water-proof handling. The efficiency of maintaining a single base station is 94% higher than before, significantly reducing the time required for maintenance and the duration of service interruptions.
- 5) Given that site acquisition becomes increasingly difficult, customers tend to house several multi-mode and multi-band devices in a single base station. The antenna installation platform is easy to clean. AAS reduces the number of required boxes by 75% and wind resistance by 20%.

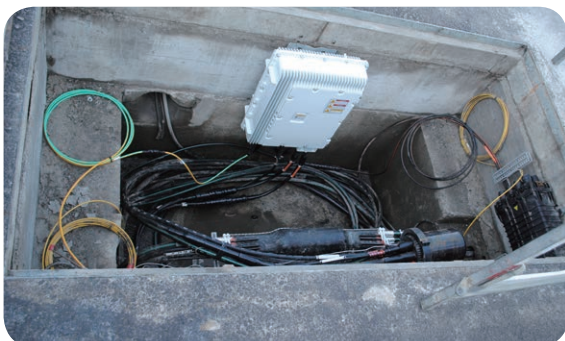
Multi-Dwelling (Business) Unit (MXU)

Huawei is the first company to deploy active communications equipment for manholes on a large scale, and has proposed new approaches that global carriers can draw on in building copper networks. Given that the space in manholes is limited and internal environments are harsh, we launched an innovative solution that enables equipment installation outside manholes and provides a superior user experience. In 2013, the solution was deployed in the UK, Switzerland, and Italy.

- An overall equipment protection level of IP68 means that our equipment can survive harsh external environments such as flooding and sludge;
- Sophisticated and fast aerial connectors are used for external wires and cables, reducing the workloads of hardware installation engineers because they do not need to open manhole covers for cabling;
- Wires can be quickly connected outside manholes, reducing the working time inside manholes and making users more comfortable;
- Maintenance and replacement can be completed outside of manholes, reducing issues with ponding, sludge, odor, and darkness.

AtomCell

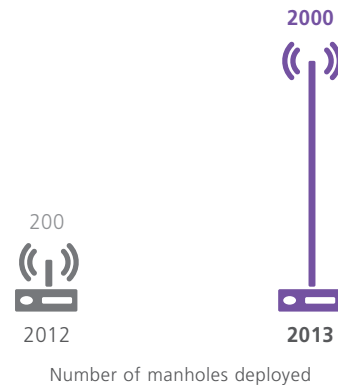
The Huawei AtomCell base station is a flexible solution suitable for scenarios where site locations for macro base stations are



Operating equipment outside the manhole



Easy, flexible deployment



Number of manholes deployed

difficult to acquire. AtomCell provides network coverage at city hotspots and in dead zones in rural areas to deliver a superior user experience.

- AtomCell is the world's most integrated, smallest, and lightest base station. It can be installed as a whole or piece by piece, because the associated modules and the main equipment can be installed separately. As such, installation personnel feel more at ease when installing, cabling, and performing maintenance at heights.
- The entire set of AtomCell can be installed within a space of six liters. No site location is needed for AtomCell because it can be flexibly installed on walls and vertical poles (including rods for public services), minimizing the impact on the environment and residents.
- With integrated lift handles and a pre-mounting function, AtomCell is easy to install. An engineer can complete hardware installation within 30 minutes using only one tool, representing an efficiency improvement of 50%.

5.4 Supply Chain Management

The steady and healthy development of the supply chain is the key to the sustainability of the entire industry chain. Customers, Huawei, suppliers, and their vendors build an ecosystem together that can be healthy only when each part is healthy. Hence, Huawei not only works hard to achieve sustainability but also drives suppliers to conduct sustainability management and capability development, making improvements along with our suppliers.

Huawei supply chain sustainability management involves labor, health and safety, environmental protection, business ethics, management system, in addition to other topics. We require that all suppliers must follow their sustainability agreements with Huawei when conducting any business activities and must obey international regulations and standards on business activities as well as the laws and regulations of the countries where they operate.

We go beyond compliance and customer requirements, analyze root causes of sustainability issues and make improvements together with suppliers, explore high-value opportunities, enhance the capabilities of suppliers, improve procurement efficiency, reduce business costs, and strengthen competitiveness. In addition, we cooperate closely with suppliers to explore business innovation opportunities, develop new products, expand into new markets, and work out new business models. We also encourage our suppliers to work with Huawei to facilitate energy and water conservation, emission reduction, environmental protection, and innovation, contributing to building a low-carbon society and circular economy.

In 2013, we transformed from focusing on “customer-oriented risk management in supplier CSR” to “efficiency management in supplier sustainability”, and we integrated sustainability into business processes, thereby setting the trend for sustainable development in the industry chain. Huawei’s sustainability management focuses on four aspects, as shown in the following table.

Risk Management	Efficiency Management	Business Innovation	Industry Cooperation
Focus on high potential risk suppliers and manage suppliers on a level-by-level basis to incorporate sustainability risk management into the end-to-end procurement process and supplier lifecycle. Direct continuous improvement efforts amongst suppliers during business interactions, effectively monitor and control risks, and demonstrate industry-leading practices.	Go beyond compliance and customer requirements. Analyze root causes of suppliers’ sustainability issues, explore high-value opportunities, enhance the capabilities of suppliers, improve procurement efficiency, optimize business processes, reduce waste, reduce business costs, and strengthen competitiveness.	Incorporate forward thinking while cooperating closely with partners. Explore business innovation opportunities to promote sustainability, develop new products, expand into new markets, and work out new business models to fully incorporate sustainability into our business strategy and brand.	Pay attention to systemic problems of the industry, select typical sustainability topics, organize cross-industry dialogue and cooperation activities, participate in formulating industry rules, set industry benchmarks, lead sustainable development trends, and demonstrate the company mission and brand image.

New Supplier Qualification

Sustainability qualification is an integral part of Huawei’s new supplier qualification process. All new suppliers must pass the sustainability qualification to ensure that their system management and control capabilities meet Huawei’s requirements. Huawei audits the performance of suppliers in terms of labor, human rights, the environment, social impact, and their ability to comply with the *Supplier Sustainability Agreement*.

The audit result categories are Pass, Conditionally Pass, and Fail. Candidate suppliers who fail the audit cannot be endorsed. If sustainability issues are identified during the audit, Huawei requires the supplier to take corrective and preventive actions. Then Huawei will conduct a second audit. Only candidates who pass the audit can be Huawei suppliers.

In 2013, 70% of candidates passed the audit the first time. The remaining 30% were required to take corrective and preventive actions, and received a follow-up audit. Only candidates who pass the second audit can become Huawei suppliers and all suppliers who pass the audit must formulate plans to ensure continuous improvement.

To ensure fairness, justice, honesty, and integrity and to prohibit bribery, unfair competition, and fraud, Huawei signs the *Honesty and Integrity Agreement* with each supplier during the new supplier selection process.

Year	Number of New Suppliers	Number of Audited New Suppliers
2011	55	55
2012	48	48
2013	38	38

Note: All new suppliers have passed the new supplier qualification

Routine Supplier Management

Supplier Sustainability Agreement

Huawei requires all suppliers to sign the *Supplier Sustainability Agreement*. Level of compliance with the agreement is one of the factors that Huawei considers when appraising the performance of each supplier. In 2013, 95% of suppliers signed the *Supplier Sustainability Agreement*.

Huawei reserves the right to investigate or audit suppliers at anytime to assess whether they are complying with the requirements specified in the agreement. Huawei also requires suppliers to extend the same requirements to their vendors, and eventually to the entire supply chain.

Supplier Risk Assessment

Huawei adopts a hierarchical method to manage the sustainability efforts of a large number of diversified suppliers across different geographic areas. Huawei conducts a prioritizing assessment for all approved suppliers based on the following factors before classifying them into high, medium, and low potential risk suppliers: country or area where a supplier is based; product type; business volume and relationship; performance in sustainability; potential environmental risks; risk management system and capability. In 2013, Huawei conducted risk assessment for 735 suppliers.

Table: Suppliers risk assessment results

Year	Number of Assessed Suppliers	Number of High Potential Risk Suppliers	Number of Medium Potential Risk Suppliers	Number of Low Potential Risk Suppliers
2011	633	19	144	470
2012	686	45	56	585
2013	735	28	146	561

Note: The numbers of medium and high potential risk suppliers are likely to increase as Huawei raises its sustainability assessment criteria for suppliers.

Supplier Audits

Huawei integrates sustainability requirements into the procurement process, involving sustainability audits in supplier qualification, selection, assessment, performance management, business fulfillment, and exit mechanisms. When managing supplier sustainability, we conduct on-site audits for high potential risk suppliers and sampling audits for medium potential risk suppliers. We also implement joint audits with our customers. In 2013, we conducted on-site audits for 28 high potential risk suppliers and 57 medium potential risk suppliers, and completed 100% of scheduled audit plans.

Table: Suppliers that underwent Huawei's on-site audits from 2011 to 2013

Year	Number of High Potential Risk Suppliers	Number of Medium Potential Risk Suppliers
2011	19	68
2012	45	56
2013	28	57

In 2013, Huawei implemented joint audit cooperation (JAC) with British Telecom, Deutsche Telekom, and other customers. We selected typical suppliers in each category for joint audits and drove them to make improvements.

In addition, we attended the JAC Forum in Shanghai and shared our experiences in supply chain sustainability management.

■ Supplier Performance Management

We regularly appraise the sustainability performance of each supplier based on the results of sustainability audits, the effectiveness of improvement measures, and updates to sustainability efforts. Supplier sustainability performance is evaluated based on key factors such as labor standards, health and safety, environmental protection, business ethics, and management systems, and the redline requirements for sustainability, covering a total of 15 indicators.

Suppliers are classified into four grades (A, B, C, and D) based on their sustainability performance, which represent their performance level in descending order, as shown in the following table.

Grade	Criteria	Evaluation
A	90≤Score≤100	Excellent
B	80≤Score<90	Good
C	70≤Score<80	Qualified
D	Score<70, or a major redline issue	Unqualified

For suppliers who have received sustainability audits in the past year, the audit results can be directly used as their performance appraisal results. If a supplier has a persistent redline issue with high risks, major CSR issue, or failure to pass customers' audits, Huawei's CSR team can directly assign the supplier a D grade.

Huawei determines the extent to which it does business with each supplier according to their sustainability performance. Suppliers with good performance will receive higher procurement quotas and more business opportunities, while suppliers with poor performance will have lower procurement quotas and less business opportunities. Depending on the situation, Huawei instructs unqualified suppliers to correct existing issues within a specified timeframe and may even terminate business relationships with suppliers that have exceptionally poor performance.

■ Supplier Capability Development

Developing the sustainability capabilities of suppliers is a basic supplier management activity conducted by Huawei. Internally, we help train our managers who are responsible for supplier management, in order to ensure that they have the required expertise. In 2013, Huawei trained 14 professional CSR auditors, 120 procurement managers, and 66 SQEs. Externally, we continue to promote the CRCPE five-step approach (Check, Root Cause Analysis, Correct, Prevent, and Evaluate), in order to guide our suppliers in

analyzing the cost and effectiveness of certain approaches and the root causes of sustainability issues, identifying opportunities for improving their management systems and capabilities, and actively incorporating sustainability into their business and daily operating activities to boost efficiency and reduce costs.

We also organize various CSR training courses and workshops to improve the sustainability knowledge and capabilities of suppliers. In 2013, more than 400 people attended CSR training courses. Holding supplier sustainability conferences is an effective way to improve suppliers' sustainability knowledge and capabilities. Each year, Huawei convenes the Global Supplier Sustainability Conference, which invites customers, NGO members, and suppliers' executives. The Global Supplier Sustainability Conference has become a platform that enables suppliers to understand customer needs, grasp sustainability development trends, and share experiences.

Collaboration on Sustainability Means Better Business

On September 25, 2013, Huawei hosted the Fifth Global Supplier Sustainability Conference in Shenzhen under the theme of Collaboration on Sustainability Means Better Business. The event attracted 341 attendees, including representatives from government agencies and NGOs, sustainability experts, executives of 170 suppliers, and carrier customers (including British Telecom, Deutsche Telekom, Orange, and Vodafone).

Huawei Rotating and Acting CEO Eric Xu addressed the audience, and emphasized the need for Huawei to collaborate with suppliers worldwide for win-win development. Customers and NGOs shared ideas about the trends and requirements for sustainability. Representatives from suppliers presented their best practices in sustainability. The conference was well received by attendees.



Global Supplier Sustainability Conference

Building a Greener Supply Chain

Supplier Environmental Performance

Since 2006, Huawei has been a part of the Green Procurement Program initiated by the Shenzhen Environmental Protection Bureau. As part of this program, we use the statistics on enterprise environmental performance released by the governmental department to help manage our suppliers. In 2013, we continued to deepen our communication and cooperation with the Institute of Public and Environmental Affairs (IPE; an NGO), and applied environmental protection data about Chinese enterprises managed by this organization to our supplier management activities. We keep track of suppliers' environmental protection risks on a monthly basis, conduct special audits for suppliers providing high-risk products, such as PCBs and batteries, and encourage them to make improvements to minimize environmental risks in the supply chain.

Huawei Green Partner Certification

The Huawei Green Partner (HW GP) Program inspires suppliers to systematically manage environmental protection efforts and attend to their green initiatives throughout product lifecycles ranging from green design to green manufacturing. By controlling the use of restricted substances from the outset, we contribute to a greener supply chain.

In 2013, Huawei upgraded the HW GP standards to GP2.0 by adding the requirements for the environment management system as well as energy, water, and greenhouse gas management. In 2013, 34 suppliers passed our HW GP certification.

Reducing the Carbon Footprint in the Supply Chain

Reducing carbon emissions has become a key concern of our customers. Suppliers are required to reduce their carbon

footprint in addition to improving energy efficiency and cutting operational costs. Huawei collaborates with suppliers on making innovations in environmental protection, energy conservation, and emissions reduction to develop a greener supply chain.

In 2013, Huawei launched a pilot program to help four suppliers in different product categories to improve their energy efficiency and carbon emissions. We established a supplier capability development team to provide suppliers with on-site assistance and training courses on assessing carbon emissions based on our experience and methods, helping suppliers reduce their carbon footprint.

After conducting a series of energy conservation and emission reduction activities, the four suppliers achieved outstanding improvements. In 2013, they saved over 25 million kWh of energy and reduced carbon emissions by over 23,000 tons.

Supplier	Energy Saved (Million kWh)	Carbon Emissions Reduced (Ton)
Supplier S	8.457	7,800.5
Supplier C	10.165	9,375.5
Supplier D	6.115	5,639.8
Supplier H	1.110	1,023.7
Total	25.847	23,839.5

In 2014, we plan to increase the suppliers in the program to 20. We will work with more suppliers to achieve energy conservation, make emission reduction innovations, and reduce carbon emissions in order to build a greener supplier chain.



Issuing the Green Partner certificate to suppliers



Coaching suppliers in energy conservation and emission reduction



Prohibiting the Use of Conflict Minerals

Conflict minerals refer to tin, tantalum, tungsten, gold, and other minerals that are mined in conditions of armed conflict, notably in the Democratic Republic of the Congo and adjoining countries. The profits from the sale of these minerals finance ongoing armed conflicts in countries where they are mined. Huawei recognizes the weight of such issues and has taken action to help mitigate these instances. Since 2002, Huawei, in tandem with our customers, has investigated matters of conflict minerals in the supply chain. Huawei published the *Statement on Prohibiting the Use of Conflict Minerals*, pledging to never knowingly procure or support the use of conflict minerals. Huawei requires all its suppliers to boycott conflict minerals and also asks them to extend this requirement to their vendors.

In May 2013, we updated our conflict mineral questionnaire based on the latest requirements of Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), and started the first phase of investigation into over 200 suppliers. By December, 2013, 191 suppliers (more than 85% of the total) completed the questionnaire, covering all raw material categories. In January 2014, Huawei will start the second phase of investigation into 331 suppliers, which will be completed by March, 2014.

As a member of United Nations Global Compact (UNGC) and GeSI, Huawei prioritizes meeting our global social responsibility and implements an ethical procurement system to promote the sustainability of the entire industry chain. In conjunction with GeSI, industry organizations, customers, and suppliers, we seek a sustained solution that resolves the issues surrounding conflict minerals.

Industry Cooperation

Communicating and cooperating with industry players are key factors when it comes to improving supply chain sustainability. Through communication and cooperation with industry-leading peers, we better understand the industry's latest requirements and best practices about sustainability, broaden our ideas, and raise our supplier management level. In 2013, by deepening communication and cooperation with customers, industry organizations, academia, and NGOs, we shared our experiences about sustainability improvement and better understood the latest updates in the industry. We attended the JAC Forum in Shanghai, where we shared our experiences in supplier CSR management; we invited government agencies and NGOs (such as IPE) to talk at the Huawei Global Supplier Sustainability Conference, where we shared our CSR requirements; we implemented joint audits with our customers to raise the sustainability management level of suppliers. We also communicated and cooperated with Humboldt University (Germany), Waseda University (Japan), and Monash University (Australia) on sustainability initiatives.

5.5 Social Contribution

At Huawei, our charity activities are designed to attain four goals: bridging the digital divide, creating opportunities through education, promoting environmental initiatives, and contributing to the communities where we operate. Specifically, we contribute to local communities by supporting charity, education, environmental protection, health, and disaster relief efforts. We aim to become part of local communities, create value for them, and help them achieve prosperity and sustainability.

An Overview of Huawei's Major Social Charity Activities in 2013

US

- Supported the K to College non-profit organization

Venezuela

- Donated Huawei MediaPads to outstanding students

France

- Launched the SmartExchange program to promote mobile recycling
- Partnered with the Institute of Civil Service to support young people

Spain

- Launched the SmartBus program to promote the responsible use of ICT

United Kingdom

- Supported the Prince's Trust Foundation

Portugal

- Launched the SmartBus program to promote the responsible use of ICT

Kenya

- Partnered with SlumCode to fight against digital illiteracy
- Partnered with Red Cross as its strategic relief partner
- Supported the Lewa Charity marathon

Tanzania

- Promoted e-education in schools

Uganda

- Supported a charity marathon to protect the environment

Nigeria

- Supported the ICT training of 1,000 girls
- Supported the Nungtso Charity Fund

South Africa

- Supported the Khulisani Foundation to promote ICT education



- Hungary**
 - Supported top ICT students through the Huawei Innovative Leaders of Tomorrow Scholarship
- Belgium**
 - Launched the InnoApps Challenge to foster youth entrepreneurship
- Turkey**
 - Supported the region of Van in cooperation with the Ministry of Education, Turkcell and Turkey Education Association (TEV) for post-disaster relief

- China**
 - Guaranteed to stabilize communication in Ya'an after the 2013 earthquake and donated 3,000 handsets to the quake-stricken area
 - Launched the Dream Library Program in mountainous areas
- India**
 - Supported students enrolled in Chinese universities through the Huawei Maitree Scholarship Program
- Philippines**
 - Implemented the Instant Network with Vodafone Foundation in disaster-stricken areas following Typhoon Haiyan
- Japan**
 - Supported the Charity Relay Run to support community activities in the disaster areas of Tohoku
- Singapore**
 - Launched the country's first Gigabit Passive Optical Network (GPON) Training Center
- United Arab Emirates**
 - Supported a charity marathon to raise awareness about education

- Australia**
 - Supported the Children's Hospital to train nurses
 - Supported the Tour de Cure Foundation to fight against cancer

Creating Opportunities Through Education

Huawei enthusiastically supports ICT education in communities where we operate because we believe that knowledge creates opportunities and that education drives sustainability. To transfer knowledge and create opportunities, Huawei has established ICT training centers, and provided scholarships, internships, and study trips for top college students.

China Study Trip, as Part of the Telecom Seeds for the Future Program in the UK



Nineteen UK undergraduates who participated in the China Study Trip in 2013

"We at Huawei believe that it is our duty to raise awareness and understanding about China amongst UK students, and to show them the exciting global opportunities offered by careers in science, technology, engineering, and mathematics. By creating these cultural and business links with the next generation of science and technology leaders, we fuel the future development of the ICT industry in the UK and highlight Huawei's responsibility as an ICT leader."

— CEO of Huawei UK

Huawei UK is determined to uplift the educational experiences of young people in the UK. Our team has created a cross-cultural and technically-focused experience for UK undergraduate students, improving their employability with global market exposure and ICT training. Working closely with the education sector, career departments at Britain's leading universities, and UK policy-makers, Huawei launched the China Study Trip in 2011. The program highlights our commitment to transferring knowledge to the next generation of ICT leaders and helps stimulate student growth in a confidence-building business environment.

The program, now in its third year, has sent 38 British students to China, and has inspired subsequent Huawei programs in France, Luxembourg, Spain, Italy, Germany, Norway, Australia, Singapore, Indonesia, Japan, and the United Arab Emirates.

The students come from Britain's renowned schools, including the universities of Oxford, Cambridge and Southampton, and University College London, and are selected through a rigorous application process. Nineteen British students, studying science, technology, maths, law, business, and politics participated in the five-week program in 2013. The selected students first spent two weeks at Beijing Language and Culture University building confidence in Mandarin and acclimatizing to Chinese culture. This cultural immersion was followed by practical training at our



MP David Willetts chats with students at our September 2013 Reception

Shenzhen headquarters, where students attended ICT training seminars, toured factories and R&D facilities, and learned more about Huawei's business culture and values. Huawei UK office plans to send 25 students from an even wider group of British universities to China in 2014.

Stakeholder feedback about this event was very positive, highlighting the long-term benefits of cross-cultural dialog and practical skills provided. Alim Thawer, an Oxford University student and 2012 program participant, said the program was "one of the most valuable and enjoyable experiences of my life so far." Professor Debra Humphris, (former) Pro Vice-Chancellor of Education at University of Southampton, noted that "Huawei has created an outstanding opportunity for students to spend time with a leading global company, in one of the most dynamic economies and influential nations. Based on the feedback from our students, the Huawei summer placements are an outstanding experience, combining culture, language, and business."

"A fantastic opportunity for undergraduate students to spend time in China benefiting from valuable hands-on experience with one of the world's leading technology companies."

— David Willetts, Member of UK Parliament, Minister for Universities and Science, and supporter of the China Study Trip

As we look to the future, we hope to improve the sophistication of the study trip and give an even more meaningful and personalized experience to future participants. We know student interests, expectations, and technical abilities vary, and we will work to provide a fulfilling and intellectually interesting program for each student. We also plan to discuss developing a career trajectory program to supplement this work experience and offer students an opportunity to work with Huawei and our industry partners after graduation.

Telecom Seeds for the Future

The China Study Trip is a sub-project and exemplification of our global social contribution program Telecom Seeds for the Future. The program runs in over 20 countries, providing scholarships, hands-on training, internships, and study trips to students with ICT expertise and a greater understanding and interest in the future development of the ICT industry. In 2014, roughly 400 students from across the globe will participate in the Telecom Seeds for the Future program.

Telecom Seeds for the Future enabled us to partner with the Institute of Technical Education and launch the Broadband Technology and

Services Training Center in September 2013 – Singapore’s first Gigabit Passive Optical Network training center. Here students can receive hands-on laboratory and proficiency training, cultivating and supporting Singapore’s ICT industry.

We are also committed to providing equipment for Malaysia Super Corridor, Malaysia Knowledge Workers Development Center and to several local universities to open training labs and accredited test labs. Since 2011, we’ve provided resources to train 6,600 Malaysian telecommunication professionals and are on track to train a total of 10,000 professionals by 2016.



Malaysian students hold up their training certificates

Telecom Seeds for the Future

- 10,000+ ICT students, establishing ICT talent pools
- 20+ countries, participating in the program
- 70+ universities, enhancing ICT curriculum
- 45+ local ICT training centers, transferring ICT knowledge

Huawei SmartBus Program – Get on the Future Generation

Huawei’s SmartBus is a mobile classroom installed with ICT equipment that provides students with mobile learning and helps them learn about ICT. Inside this modern classroom, large wall-mounted LCD TVs and touchscreens educate students about safely using new technologies, and exhibit Huawei’s leadership, innovation, and R&D capabilities. In the center of the bus there are several desks, where students can use 12 Huawei smartphones, 12 Huawei MediaPads, and 4 Mi-Fi routers to study ICT training courses.

Huawei officially launched the SmartBus Program in Spain and Portugal in 2013.

Spain

Huawei launched the SmartBus Program in Spain on December 21, 2012 under the auspices of the Minister of Industry, Energy and Tourism and the State Secretary for Telecommunications and Information Society. The program teaches children aged 10 to 13 to effectively use ICT equipment and learn about ICT. The mobile classroom visited 18 locations in Madrid, Sevilla, Segovia, Valencia, and Zaragoza.

On April 4, 2013, the SmartBus Program came to a successful conclusion, lasting over three months and spanning 5,000 km. The program trained more than 20,000 people from 85 schools on how to use social networking and browse the Internet in a safe and responsible manner.

The Spanish government endorsed and praised the program, remarking that the cutting-edge video, audio, and human-machine interaction technologies on the SmartBus create an excellent mobile classroom.

Portugal

Huawei officially launched the SmartBus Program in Portugal on November 20, 2013. We will spend a month delivering training courses for over 3,000 students from 19 schools in Lisbon and Porto on how to use ICT equipment safely and responsibly.



SmartBus in Spain

Pan-European Smartphone App Challenge Fosters Youth Entrepreneurship



Female developer prize winner Elizabeth Cotton pitches her app CANEAT



The top five contestants receive awards from Pierre Mairesse and the Huawei Brussels team



InnoApps Challenge winner Tomaž Ščavničar holds up his first place prize

"Through the InnoApps Challenge, we hope to attract young talent and empower young people to develop their ideas while also fostering more youth entrepreneurship in Europe."

— President of Huawei's European Public Affairs and Communications Office

According to the European Commission, over 5.6 million young people are out of work in Europe today, with some of the worst hit countries, like Spain and Greece, seeing youth unemployment rise to above 50%. At the same time, 900,000 unfilled ICT vacancies are projected by 2015, so young people in Europe need urgent assistance to obtain the skills these vacant jobs require. At Huawei Europe, we strive to support the communities where we work and live and foster a strong economy by encouraging the growth of ICT job skills, reducing unemployment, and unlocking youth potential. We believe innovation and entrepreneurship will drive socioeconomic development. Thus, we created the InnoApps Challenge in 2013 to help inspire young people in Europe to change the world around them.

We partnered with Microsoft and the European Young Innovators Forum (EYIF) on a four-month, pan-European competition to challenge students and young professionals to design and develop innovative smartphone applications to improve the world around them. The initiative was supported by DG Education and Culture of the European Commission.

Young entrepreneurs from 15 European countries submitted app ideas relating to the 2013 theme of social inclusion: help people develop electronic and technical skills (e-skills), encourage entrepreneurship and collaboration, and share knowledge across European cultures.

- 50+ Youth Applicants from 15 European countries
- 5 finalists competing for the €5,000 app commercialization support prize

All entrepreneurs were offered two technical support webinars and the top five finalists were invited to a mentoring workshop in Brussels. Here the entrepreneurs had the chance to meet with judges one-on-one and receive feedback on their pitch presentations and business ideas before taking the stage. For many of the young finalists, this was their first experience speaking in front of a large and distinguished audience.

Awards were presented by Pierre Mairesse, the European Commission Director for DG Education and Culture. Judges included:

- Maria Luisa Fernandez Esteban, European Commission DG Education & Culture
- Ruud de Jonge, Western Europe Windows Phone Lead at Microsoft
- Arne Herkelmann, Head of Europe Device Portfolio Management Department at Huawei
- Robert Hopman, Global App Marketing Manager at Human Developers
- Elly Plooi, Former MEP and Founder of the European Internet Foundation



The esteemed InnoApps judges listen to the finalists pitch their app

The InnoApps pitch day was combined with a TECY (Technology, Education, Culture & Youth) event organized by the European Commission, Facebook, and Digital Europe. The joint event drew a crowd of more than 200 attendees, including European Commission officials, NGOs, and industry peers. The morning session highlighted European policy discussions on youth, technology, and unemployment, including the *Learning by Creating* panel featuring Tony Graziano, VP of the Huawei Brussels office. The InnoApps Challenge in the afternoon helped remind policymakers of the practical possibilities available to young entrepreneurs.



Huawei VP Tony Graziano speaks on the *Learning by Creating* panel

While all five finalists won a Huawei phone and benefited from the mentoring workshop, the top two finalists and top female developer will have their apps featured in the Windows App Store and embark on an InnoTourChina experience. This tour is designed to inspire app winners with trips to Huawei’s innovation centers and Shenzhen headquarters, and offer a deeper understanding of both Chinese culture and Huawei’s corporate culture.

Tomaž Ščavničar, a twenty-five year old entrepreneur from Slovenia, won first place for his app, STARTI, which provides inexpensive ICT learning resources and technical training. According to Tomaž, “It was a great experience. We gained visibility and credibility by working with Huawei and Microsoft, and the challenge helped us go to market more quickly.”

Second place winner, Natalia Vicente, created TagTagCity, which helps local merchants and cities create an online digital presence. She was excited about “working with two of the biggest names in technology – Huawei and Microsoft.”



Second place winner Natalia Vicente pitches TagTagCity

In an effort to highlight a female technology role model and attract more young women into technology, EYIF’s Jana Vecerkova developed the Top Female Developer award. This award, won by 19-year-old Elizabeth Cotton from the UK, received excellent feedback from those involved in the challenge.

InnoApps Challenge 2014

Planning for the 2014 InnoApps Challenge is already underway due to the success of the 2013 pilot event. Stakeholders were pleased that the event provided real opportunities for young European entrepreneurs and opened communication channels to create deep partnerships amongst the organizations involved.

Sergej Koperdek, Advisor to the Director General of DG Education & Culture, praised the program as sending “a positive message that creates ripple effects amongst other young people.” Microsoft’s Ruud de Jonge said Huawei Brussels was an “absolutely great partner” and EYIF’s Jana Vecerkova said the InnoApps Challenge “created a new community” by linking so many young people to technology and entrepreneurship opportunities.

Following a brainstorming session with all parties, a new and more focused theme will be chosen for the 2014 challenge and the timeframe will be extended from four to eleven months. After considering youth and partner feedback, we also plan to further promote the InnoApps brand, develop additional university and local partnerships, create more in-person and EU-China cross-cultural opportunities, and increase the value of the initiative by providing winners’ companies with post-challenge marketing support.

For more information about the InnoApps Challenge, please visit our website: <http://innoapps.eu>



Contributing to Local Communities Where Huawei Operates

Huawei is committed to contributing to local communities in the areas of disaster relief, culture, environmental protection, health, and other charity activities.

Below is an overview of Huawei's social contribution activities.



Expanding cooperation with K to College in the US

Based on our successful cooperation with K to College in 2012, Huawei expanded our partnership with the organization on March 14, 2013 to cover southern California and provide school supplies to more than 200 students in San Diego. K to College is a non-profit organization that operates free school and dental supply programs for underprivileged students in California.



Promoting environmental protection in Kenya

On June 29, 2013, Huawei Kenya donated US\$100,000 to Safaricom Marathon, marking the seventh time that Huawei has sponsored the event. Donations for Safaricom Marathon are used to preserve the natural environment in Kenya.



Providing financial support to Sydney Children's Hospital

On July 4, 2013, Huawei Australia made donations to International Postgraduate Pediatric Certificate to support study on children's diseases. Since 2010, Huawei has been cooperating with Sydney Children's Hospital and other hospitals in the Asia Pacific to donate Huawei MediaPads that enable training for doctors and pediatric nurses in poor, remote areas that lack Internet connectivity.



Supporting disaster relief in the Philippines

In cooperation with the Vodafone Foundation, Huawei deployed an Instant Network in Tacloban, one of the areas seriously affected by Typhoon Haiyan. Huawei supported communications services for humanitarian relief workers and provided disaster victims with free phone calls to reach loved ones.

Huawei donated US\$30,000 to Ayala Foundation as well as 300 Huawei mobile phones to ABS-CBN Foundation. Our local employees gave generous donations and sent food and medicine to the Philippines Red Cross.



Implementing the 1,000 Girls ICT Training Program in Nigeria

In November 2013, Huawei launched the 1,000 Girls ICT Training Program together with the Nigerian Ministry of Communication Technology to train 1,000 girls in the first phase of the program. In the future, Huawei will expand the scope and reach of the program.



Collaborating with charity institutes in Zambia

In October 2013, Huawei Zambia and the International Women's Club (a renowned charity institute in Zambia) jointly held a large charity banquet in the InterContinental Hotel in Zambia. This marks the third year that Huawei Zambia has collaborated with high-impact local charity institutes to contribute to local communities where we operate. All funds raised at the banquet are spent on charity initiatives.

Huawei Implements the Dream Library Program in Mountainous Areas in China

The Dream Library Program is one of the “Dream Partner” initiatives launched by Huawei Device on renren.com, a social networking site popular with students. Under the program, Huawei called on the general public to donate books to children in mountainous areas to help them realize their dreams.

After more than four hours of travel on October 10, 2013, a Huawei team arrived at Yangjiao Elementary School in Tang County, Hebei Province – the first place we implemented the program. The team included Huawei employees and student volunteers from four universities in Beijing. With no dormitory

In addition to book donations, we also made students stronger by encouraging them to dream big at a young age – the program is not merely a charity activity.

Dream Library delivers an open class that inspires students to dream big. College student volunteers shared their own experiences and encouraged students to nurture their dreams. Pupils spoke freely about their dreams. After the discussion, the children recited the poem *Our Dream*. The program has given us the confidence to run similar initiatives in the future.



Huawei Dream Library



A Huawei employee is teaching students



Huawei employees donating books to students



Students talk freely about their dreams

or cafeteria in Yangjiao Elementary School, kids must walk as far as 5 km every day between school and home. The school's library is a tile-roofed house covering an area of less than 20 m². Outdated and worn-out books were replaced with new ones in a new Dream Library.

Underpinned by the belief that books can lead us into the future and that love inspires hope, Huawei will continue to empower students in remote areas to realize their hopes and dreams.