



STATEMENT ON MODERN SLAVERY

AN INTRODUCTION TO HUAWEI:

WHO WE ARE AND WHAT WE DO:

Huawei is a leading global information and communications technology (ICT) solutions provider headquartered in Shenzhen, Guangdong Province, China. Huawei's ICT solutions, products and services are used in more than 170 countries and regions, serving nearly 3 billion people around the world. Huawei is a major investor in the UK and currently supports 7400 jobs directly and through its supply chain.

STRUCTURE OF ORGANISATION:

Huawei Technologies Co., Ltd. is a wholly owned subsidiary of Huawei investment & Holding Co., Ltd. Reference to "we", "our" or "Huawei" in this Statement on Modern Slavery ("Statement") refers collectively to Huawei Technologies Co., Ltd., a company incorporated in China, and its direct and indirect subsidiaries including Huawei Technologies (UK) Co., Ltd. ("Huawei UK"), a company incorporated in England & Wales and the primary trading entity operating in the United Kingdom. Although not all entities in the group are subject to the requirements of the Modern Slavery Act 2015, Huawei adopts a group-wide approach to its policies and procedures on slavery and human trafficking.

HUAWEI'S POSITION ON MODERN SLAVERY:

Huawei is committed to ensuring that there is no modern slavery or human trafficking within its supply chains or in any part of its business. Huawei's Anti-slavery Policy reflects its commitment to acting ethically and with integrity in all of its business relationships and in implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere throughout the business.

Huawei Technologies Co., Ltd. is a signatory to the United Nations Global Compact ("UNGC"), which is a principle-based framework for businesses, stating

ten principles in the areas of human rights, labour, environment and anti-corruption. Since joining the UNGC in 2004, Huawei's dedication to the highest international standards have been recognised by customers and external organisations, such as China's IPE and the United Nations Global Compact China Network.

Huawei recognises the risks of modern slavery due to the complexity of global supply chains within the ICT industry and has taken steps to ensure that such practices do not take place in its business nor the business of its suppliers of goods or services.

PREVENTING MODERN SLAVERY, HUAWEI'S STRATEGY:

INTERNAL COMPLIANCE:

Huawei will not tolerate forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. As part of Huawei's hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. All work must be voluntary and workers shall be free to leave work at any time or to terminate their employment.

WHISTLEBLOWING:

We encourage all officers, employees, workers (including but not limited to secondees, temporary workers, consultants and agency staff), consultants, contractors and agents to report any concerns or malpractice. Our policies facilitate an open and honest working environment allowing disclosure to be made to our senior management without fear of victimisation or less favourable treatment. Employees can file concerns and complaints through the following channels: the Committee of Ethics and Compliance (CEC); Business Conduct Guidelines violation hotline; HR services complaint and

suggestion hotline; grievance mailbox regarding performance appraisals; complaint/ whistle-blowing mailbox regarding procurement, and complaint/whistle-blowing mailbox of engineering inspections.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT, MONITORING AND COMPLIANCE:

Huawei adheres to the Electronic Industry Code of Conduct (“EICC”) which promotes compliance with various international standards while maintaining high standards of business ethics.

Huawei is committed to ensuring sustainable supply chain management practices and it continues to update its Supplier-Corporate Social Responsibility Agreement (“CSRA”); with elements focussing on labour, health and safety, the environment, business ethics, and management systems. All of Huawei’s suppliers are required to sign said agreements and is a prerequisite to any supplier being on boarded. Huawei participates in the joint audit cooperation (JAC) organised by our customers in order to make audits more accurate, thorough and efficient. Feedback from these audits are integrated into our procurement corporate social responsibility (“CSR”) processes.

ON-BOARDING, AUDITING AND APPRAISING OUR SUPPLIERS:

In accordance with Huawei’s CSRA, a screening, qualification and reviewing process is in place to identify any potential risks within the supply chain. Huawei’s suppliers are subsequently expected to extend these requirements onto their own vendors.

Huawei audits supplier performance on implementing CSR principles every year and categorises suppliers into “low”, “medium” or “high” risk. Suppliers that are identified as either medium or high risk are required to perform self-checks in order to identify and create correction plans. All issues are logged and tracked in the Supplier Corrective Action Requirement (SCAR) system. Huawei maintains records of all forced labour non-

compliances and have publically disclosed these figures in the annual sustainability report since 2014. Huawei aims to improve overall sustainability and, in order to implement this actively with suppliers, to improve rather than impose an immediate termination of contract.

After an audit has taken place suppliers are subject to performance appraisals. Suppliers are classified into one of four grades (A, B, C or D). This is based on the supplier’s sustainability performance and represents each supplier’s performance level in descending order. Rather than automatically terminate low performing suppliers, Huawei will help the supplier identify the root cause and identify ways to solve it via targeted actions within a specified timeframe. Huawei’s corrective requirements are carefully monitored to help our suppliers improve their results. In relation to suppliers with poor performance, Huawei may take the following actions: report the noncompliant activities to the relevant authorities; reduce the procurement quotas and requirements with such suppliers; and ultimately terminate the supplier’s business relationships with Huawei.

More information can be found, as well as summaries of our findings, on our website and our annual sustainability reports, which are also published online (see footnotes section¹).

INDUSTRY PARTICIPATION, CO-OPERATION AND ENGAGEMENT:

To quote Huawei’s Statement on Conflict Minerals: “as a member of the Global e-Sustainability Initiative (GeSI), Huawei is committed to global social responsibility and implements ethical procurement to promote sustainable development of the supply chain.” A link to Huawei’s Statement on Conflict Minerals can be found in the footnotes section².

¹ http://www.huawei.com/en/sustainability/win-win-development/develop_supplychain#product4

² <http://www.huawei.com/en/about-huawei/declarations/statement-on-conflict-minerals>

Huawei is also a part of the China Electronics Standardisation Association and has an active role in setting the CSR standards for the electronics industry. Since 2009, Huawei has hosted several Global Supplier Sustainability Conferences and Regional Supplier Conferences. At these events, Huawei's stakeholders are able to share experiences, including learning about best sustainability practices and optimising their sustainability management. Huawei has been recognized by the China Company Evaluation Committee as No.1 in the top 500 enterprises for CSR in China.

In line with Huawei's customer expectations, Huawei is subject to a third party CSR assessment each year performed by EcoVadis. From here, Huawei is able to fully communicate their CSR practices through the extensive feedback provided by EcoVadis. In 2015 and 2016, Huawei was awarded by EcoVadis a compliance rating of CSR GOLD, the highest compliance rating.

LOOKING TO THE FUTURE:

In order to assess the effectiveness of the measures it has taken, Huawei will regularly review and continue to optimise its policies and procedures in relation to modern slavery and human trafficking. Huawei will include updates on any further improvements and actions it has taken in future statements.

APPROVAL & SIGNATURE:

This Statement is made pursuant to Section 54(1) of the UK Modern Slavery Act 2015 for the financial year ended 31 December 2016.

Dated:



Ms. Sun Yafang

**Legal Representative and
Chairwoman of the Board**

Huawei Technologies Co., Ltd.