

Annual Report on Fighting Against Forced Labour and Child Labour in Supply Chains

This annual report is prepared by Huawei Technologies Canada Co., Ltd. (hereinafter referred to as "Huawei Canada"), who is registered in Markham, ON, Canada, and with main business activities of maintenance and support services, software maintenance for telecommunication industry products and related products and technology development and researches.

This report is for the fiscal year ended 31 December 2023 and is prepared in accordance with the reporting requirements of Bill S-211, An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act").

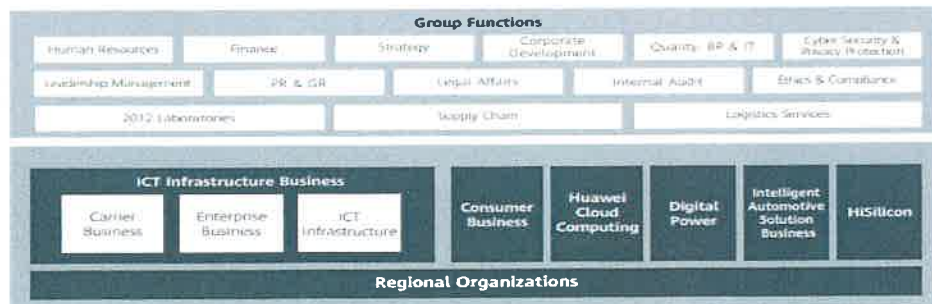
INTRODUCTION OF HUAWEI GROUP AND HUAWEI CANADA

Huawei Group is a leading global provider of information and communications technology (ICT) infrastructure and smart devices, headquartered in Shenzhen, Guangdong Province, P.R. China. We are committed to bringing digital to every person, home and organization for a fully connected, intelligent world.

To accomplish this, Huawei Group provides a broad range of ICT capabilities to help related industries go digital. Through continual innovation, we help industries digitalize their supply chains to more effectively cope with challenges and disruption. We firmly support free trade, open markets, and fair competition -especially the free trade of technology products. We are doing everything we can to drive the healthy development of global supply chains.

Huawei Canada is committed to work to support our operator customers to maintain the high-quality telecommunication networks. Huawei Canada also engaged in Research & Development investment in Canada, reinforcing our commitment to an innovative and competitive telecommunications industry and a thriving Canadian ICT ecosystem.

BUSINESS STRUCTURE



MANUFACTURE STRUCTURE OF HUAWEI CANADA

Huawei Canada purchases most of the products from supplier in Huawei Group and provides the necessary input regarding Canadian product requirements and customizations to Huawei Group. When a new product or technology is introduced, Huawei Canada requests the customer to provide forecast of the required volume.

Upon requirement from the supplier in Huawei Group, the Huawei Group's manufacturing representatives determine whether the manufacturing should be performed in-house or outsourced. The decision to outsource will usually depend on the IP confidentiality, complexity of the product to be manufactured and third-party manufacturer's capacity. Where manufacturing is outsourced, Huawei Group provides the overall management and ongoing input while third-party manufacturers will take the lead in production scheduling and the actual production. Additionally, Huawei Group provides third-party manufacturers with monthly forecasts and manages quality control in factories.

Huawei Canada is not involved in product manufacturing in any capacity. It does, however, ensure compliance with Canadian regulatory requirements by providing the necessary input to Supplier in Huawei Group (hardware as well as software).

LOGISTIC OF HUAWEI CANADA

Huawei Canada sources the wireless and wireline network equipment and software products it sells in Canada from the supplier company in Huawei Group. The day-to-day inventory management is undertaken by the planning teams of Huawei Canada, under the policies and processes established and maintained by the Huawei Canada and Huawei Group. Huawei Canada's planning teams focus on maintaining required inventory levels and meeting order volumes. In addition, the planning teams maintain and monitor a stock of spare parts. In 2023, Huawei Canada managed clearing of all long-term inventory.

With goods being typically delivered directly to customer, only some local finished goods stored at the warehouse leased by Huawei Canada from a third party and located in Mississauga, Ontario. In 2023, this warehouse housed only spare parts and Huawei Canada self-used products.

The transportation / shipment is outsourced to third-party logistics service providers. Shipment of goods and the tracking of shipments through to the customer location is mainly performed by such third parties under the supervision of Huawei Canada.

The management of sales returns with the customer is performed at Huawei Canada level. If a customer complains of defective equipment, Huawei Canada undertakes Return Material Authorization ("RMA") and replaces the defective equipment for the customer. The defective equipment is then either returned to Huawei Group in China or scrapped by Huawei Canada locally within Canada.

HUAWEI'S COMMITMENT AND POLICIES

Huawei is committed to ensuring that there is no forced labor or child labor within its supply chains or in any part of its own business operations. Huawei Caring for Employees Policy, Huawei Sustainable Development Policy and the Huawei Supplier Social Responsibility Code of Conduct all continue to reflect our commitment to acting ethically and

with integrity in all of our business relationships and in implementing and enforcing effective systems and controls to ensure that no forced labor or child labor is taking place anywhere throughout the business. Specific sections of these policies cover such areas as the strict prohibition of child labor, forced or involuntary labor, humane treatment, working hours, and compensation and benefits.

❖ **Employment Management**

Huawei is committed to providing an inclusive working environment for all employees. When formulating and implementing human resource management policies and local rules, processes and regulations, we make efforts to abide by Canadian local laws and regulations and industry norms. Huawei also respects the customs, beliefs and lifestyles of local employees, including setting up prayer rooms as an example, and strive to meet the needs of employees of different countries and religious beliefs. We have built auxiliary facilities such as gyms, coffee shops and nursing rooms to provide high quality facilities and human services to our staff.

Huawei Caring for Employees Policy specifies the general principles and requirements covering the care for all employees. Huawei Canada develops and releases localized policies based on Canadian laws and regulations. In addition, we have developed relevant processes, systems, and baselines to continually create an open, inclusive, respectful, and diverse employment environment.

We prohibit the use of child labor and forced labor and have effective measures in place to prevent the recruitment and use of such labor. Not a single instance of child or forced labor has been found at Huawei and we hold all our suppliers to this same standard, regularly conducting audits to ensure their compliance.

We have also established effective mechanisms to ensure that our employees' voices are heard and respond actively to their inquiries. For example, we gather our employees' opinions and suggestions through our Manager Feedback Program (MFP), the organizational climate survey, the manager open day program, and more. Employees can also report violations, file complaints, and seek assistance through multiple channels such as the dedicated complaint mailbox of our Committee of Ethics and Compliance (CEC) and our internal service hotline. Huawei keeps all reporters' information strictly confidential and prohibits any attempts to threaten or retaliate against reporters.

Huawei does not engage in any type of forced or involuntary labour. An employment relationship will only be established on a voluntary basis. Employees have the right to terminate the employment agreement with Huawei with due observance of a proper term of notice stipulated in local laws and regulations as well as corporate policies. We prohibit requesting job applicants to pledge any certificates or to pay deposits for the purposes of obtaining a job at Huawei.

❖ **Respecting Human Rights**

Huawei believes that connectivity is a basic right for every human being. We are committed to building better network

connectivity and providing convenient and affordable information and communications services to billions of people around the world using our innovative technologies. Ubiquitous broadband and connectivity will create jobs, promote development, decrease poverty, and improve quality of life. In addition, connectivity will help us respond to global challenges, reduce the human impact on the environment, and provide essential communications services to support rescue and relief efforts during natural disasters.

Huawei is committed to complying with applicable regulations such as the Universal Declaration of Human Rights, and our Caring for Employees Policy lays out the principles and requirements that we believe a good employer must meet to ensure employee care. These principles and requirements cover child labor, forced or involuntary labor, health and safety, diversity, non-discrimination, humane treatment, working hours, compensation and benefits, freedom of association, privacy protection, and learning and development. We have put in place processes, systems, and baselines to ensure that our employee care policy is effectively implemented. When it comes to hiring, remuneration, access to training, promotion, and termination or retirement, we never engage in or support any form of discrimination based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, marital status, union membership, political opinions, age, or any other condition that could give rise to discrimination. We prohibit the use of child labor and forced labor, and have effective measures in place to prevent the recruitment and use of such labor.

❖ **Supplier Evaluation**

Huawei has a comprehensive qualification process for all new suppliers, and carries out risk-informed annual audits on current suppliers. All suppliers are evaluated based on their sustainability performance, the results of audits, and the completion of any corrective actions. Huawei has a zero-tolerance policy towards the use of forced labor. If a supplier is found to have violated this policy, we will take disciplinary action against them like terminating our business relationship. To date, no use of forced labor has been discovered among our suppliers.

IDENTIFYING RISK

Our global management systems support the company-wide promotion of our corporate culture and corporate policies, and the effective management of our business and of our business risks.

Specifically, we have developed strategies to assess and address forced labour and child labour and related risks, in line with our associated policies.

Huawei conducts supply chain due diligence using a risk-based approach. We work with suppliers to identify corporate social responsibility (CSR) risks and opportunities, and take actions to prevent and mitigate CSR risks. Every year, we assess all major suppliers, which represent 90% or more of our procurement spending, and assign each supplier one of three risk ratings (high, medium, or low). We develop an annual sustainability audit plan to deal with suppliers that are assessed as posing medium or high risk. In addition, we perform onsite assessments on all potential suppliers to examine their sustainability systems. No company that fails the assessment is eligible for consideration to become a Huawei supplier. In 2023, we further refined our supplier CSR risk rating methodology. We now evaluate each supplier's CSR performance and the effectiveness of their risk prevention and management system by focusing on five

criteria: CSR performance rating, health and safety risk, environmental risk, labor risk, and audit results. We pay special attention to the improvements made by suppliers posing medium and high risks.

PREVENTING RISK

❖ Internal Control

Huawei continued to improve its internal control system in 2023, based on its organizational structure and operating model. The internal control framework and its management system apply to all business operations and financial processes of Huawei. The internal control system is based on the five components of the COSO framework: Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring. It also covers internal controls of financial statements to ensure their truthfulness, integrity, and accuracy.

❖ Regulatory Compliance

We have also worked hard over the years to build a compliance management system that aligns with industry best practices, including US Department of Justice's Evaluation of Corporate Compliance Programs, IDW German Institute of Auditors Compliance Management Audit Standards, and the corporate management system of Governance, Risk & Compliance, and with ISO 37301:2021 Compliance Management Systems Requirements (initially with its precursor, ISO 19600 Guidance). Huawei Canada has embedded compliance management into our business and processes with regularly reviews through 2023.

As reflected in our policies, Huawei will not tolerate child labour and forced labour. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services. We have detailed regulations and processes in place that cover each major phase of an employee's relationship with the company, including recruitment, employment, and exit. Our compliance management system and control framework are designed to ensure this remain an uncrossed red line. No incidents of child labour, forced labour have ever taken place in Huawei's history.

❖ Business Ethics

Huawei works hard to conduct its business with integrity and conform to business ethics standards and all applicable laws and regulations. This key principle is upheld by our highest levels of management. We have worked for years to build a compliance management system that aligns with industry best practices and embed compliance management into every aspect of our business activities and processes, and these efforts continue to this day. Huawei emphasizes a culture of integrity and invests heavily to make it a reality. As such, every Huawei employee is required to strictly adhere to our Business Conduct Guidelines.

❖ Supply Chain Responsibilities

Huawei endorses the United Nations' Guiding Principles on Business and Human Rights and is serious about the societal and environmental impact of our global procurement and supply chains. We have teamed up with customers

and suppliers to further the sustainable development of our global supply chains. In addition to incorporating CSR into activities across all of our value chains, we are constantly seeking new and innovative CSR practices. This helps us build our differentiated competitiveness and cost leadership. We consider CSR to be a key element of our Broad Quality principle and an integral part of our Quality First strategy. We offer premium prices to suppliers with better quality, and hope to inspire all suppliers to enhance their CSR performance. We have also built CSR into our global procurement process, from material and supplier qualification, selection, and appraisal to performance management and procurement fulfillment.

❖ Procurement CSR Management System



Huawei has established its procurement CSR management system based on the OECD Due Diligence Guidance for Responsible Business Conduct and the IPC-1401 Corporate Social Responsibility Management System Standard, and incorporated CSR requirements into our procurement strategy and business processes. We require all of our suppliers to comply with all applicable laws and regulations, and encourage them to promote diversity and improve their own CSR management by adopting globally recognized industry standards. Our Supplier CSR Agreement is prepared according to the Responsible Business Alliance (RBA) Code of Conduct and the Joint Audit Cooperation (JAC) Supply Chain Sustainability Guidelines. This agreement covers labor standards, health and safety, environmental protection, business ethics, and management systems. Huawei requires that all suppliers abide by the Supplier CSR Agreement and convey the same requirements to their own suppliers. We see the use of child labor or forced labor as red-line issues, and we have zero tolerance for violations of CSR red lines.

To support the strategic goal of sustainable procurement, we regularly deliver CSR training to all procurement staff. This training covers supplier CSR agreements, red lines, processes, and audit practices related to CSR in procurement. CSR requirements are incorporated into the performance indicators of all teams in our procurement department. In 2023, for Huawei Canada, zero supplier violations of CSR red lines were found and no subcontractors suffered any fatal environment, occupational health and safety (EHS) liability incidents.

Huawei's CSR red lines in procurement

1. Use of child labor
2. Use of prison labor (including using prisons as suppliers or subcontractors) or forced labor (including restricting personal freedom or detaining personal identity documents)
3. Violence, physical punishment, sexual harassment, illegal body searches, cross-gender body searches and other similar behavior
4. Salary payments below the local minimum wage
5. Negligence that leads to major fires or explosions
6. Working conditions that seriously endanger personal health and safety or lead to fatal field incidents
7. Illegal emissions of any hazardous or toxic wastes, including waste water, gas, and residue
8. Negligence that leads to media crises or serious mass disturbances, such as collective labor disputes, mass brawls, mass poisoning, unnatural deaths, or other incidents causing casualties
9. Unsafe and unhealthy working environments that lack effective measures to prevent potential health and safety accidents, or diseases that may be caused due to exposure in workplaces (e.g., collective infections)
10. Corruption or dishonest acts that violate the requirements of "no bribery, no gifts, no conflicts of interest, no falsification, no cutting corners, no fraud, and keeping promises".

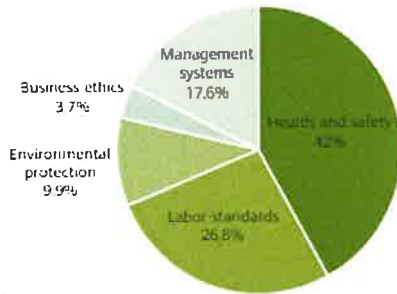
❖ Supplier Risk Rating and Auditing

Huawei's approach to supply chain management is defined by risk-based due diligence. We work with suppliers to identify and clarify CSR opportunities, and take actions to prevent and mitigate CSR risks. Every year, we assess all major suppliers, which represent 90% or more of our procurement spending. We assign each supplier one of three risk ratings (high, medium, or low) after a comprehensive assessment of indicators such as procurement amount, material category, supplier location, CSR performance score, and previous audit records. We develop an annual sustainability audit plan to deal with suppliers that are assessed as posing medium or high risk. In addition, we perform onsite assessments on all potential suppliers to examine their sustainability systems. No company that fails the assessment is eligible for consideration to become a Huawei supplier.

In 2023, we further refined our supplier CSR risk rating methodology. We now evaluate each supplier's CSR performance and the effectiveness of their risk prevention and management system by focusing on five criteria: CSR performance rating, health and safety risk, environmental risk, labor risk, and audit results. We pay special attention to the improvements made by suppliers posing medium and high risks. To better meet customer requirements, we have prepared and continued to update our Supplier CSR Audit Checklist in accordance with industry best practices. We conduct supplier CSR audits using internationally recognized methods such as onsite inspections, employee interviews, management interviews, documentation reviews, and online searches. We also use the Blue Map database developed by the Institute of Public and Environmental Affairs (IPE) to assess supplier compliance with environmental requirements. In 2023, seven suppliers resolved identified issues within a specified timeframe with the support of Huawei.

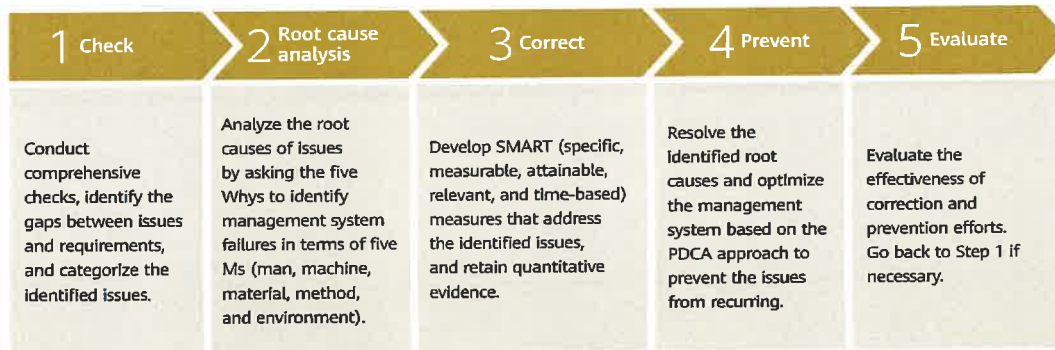
In 2023, we assigned CSR risk ratings to over 1,600 major suppliers using the new methodology. We also conducted

317 onsite CSR audits and more than 900 onsite EHS reviews on engineering subcontractors.



Supplier CSR risks identified in 2023 audits

If we find an issue during an onsite audit, we help the supplier resolve the issue through the CRCPE methodology (check, root cause analysis, correct, prevent, and evaluate). This methodology helps suppliers identify common problems and develop targeted solutions.



❖ Supplier Performance Management

Every year, Huawei appraises suppliers' sustainability performance as part of their overall performance appraisals. During this process, we also consider how they manage the sustainability of their own suppliers. Suppliers are classified into four grades (A, B, C, or D) based on their sustainability performance.

In 2023, we appraised the sustainability performance of more than 1,600 major suppliers. The amount of business we do with each supplier depends partly on their sustainability performance, which is also a factor considered in our tendering, supplier selection, portfolio management, and other processes. Where suppliers are equally matched in other factors, those that perform better in sustainability are given priority for share of business or business opportunities. The reverse is true for low-performing suppliers. Depending on the situation, we may instruct suppliers with poor sustainability performance to resolve existing issues within a specified timeframe. Alternatively, we may reduce their share of business or offer them fewer business opportunities. We may even terminate our business relationships with those that display exceptionally poor sustainability performance.

❖ **Supplier Capability Improvement**

As part of our efforts to help suppliers perform more sustainably, we regularly provide them with sustainability training and coaching. We also encourage our suppliers to adopt industry best practices and embed sustainability requirements into their business strategies to reduce operating risk and boost efficiency. We encourage our suppliers to learn from each other and grow together through benchmarking. Our Learning by Benchmarking model for suppliers has four main steps:

- **Setting priorities:** We ask suppliers about their CSR concerns, list the most common issues, and rank them in order of priority. **Identifying benchmarks:** We identify which suppliers perform best and analyze their best practices.
- **Sharing and learning:** We invite the benchmark suppliers to share their best practices and encourage all suppliers to learn industry standards and norms.
- **Implementation:** We ask experts to develop templates and checklists and help suppliers assess their own performance and introduce best practices.

In 2023, we invited 15 industry-leading suppliers to share their best practices in EHS, and more than 500 suppliers participated in these sessions. In addition, over 600 of our suppliers' safety managers passed Huawei's online exam on production safety and red lines.

❖ **Stakeholder Engagement and Cooperation**

Huawei maintains close engagement and collaboration with industry stakeholders. Together with the upstream and downstream partners in our supply chain, we drive CSR standardization, perform CSR-related due diligence, and make continued efforts to improve CSR management and supply resilience. We work hand-in-hand with our partners to build a responsible supply chain. In 2023, Huawei shared information on supply chain due diligence with more than 50 customers, including that related to supply chain traceability, forced labor, and due diligence on conflict minerals. Huawei also recommended suppliers for joint audits organized by the telecom carrier association JAC. We actively participated in industry exchanges on sustainability organized by customers. Through these exchanges, we learned from the advanced management experience of customers and other vendors, and shared Huawei's best practices in supplier sustainability management. Together, we aim to develop a more sustainable value chain.

❖ **Responsible Management of Minerals**

Huawei is committed to and works to drive the responsible procurement of products containing raw materials, including tin, tantalum, tungsten, gold (3TG), cobalt, and mica. We have established a risk-based responsible mineral management system in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct and the Chinese Due Diligence Guidelines for Mineral Supply Chain. The responsible management of minerals is an integral part of our procurement CSR management system, and has been embedded to supplier qualification, supervision, and auditing processes. As a downstream company in the mineral supply chain, Huawei does not directly purchase any minerals, and there are at least seven tiers between Huawei and mining companies. We require that our

suppliers do not purchase conflict minerals, and ask them to cascade this requirement to their own suppliers, in order to prevent or reduce the risk that minerals contained in their products may directly or indirectly support human rights abuses, harm the environment or personal health and safety, or breed corruption. Huawei also actively works with global industry peers through industry initiatives like the Responsible Minerals Initiative (RMI) and the Responsible Critical Mineral Initiative (RCI). Together with partners up and down the supply chain, we conduct supply chain surveys, create a complete list of all related smelters, and push these smelters to apply for or maintain the Responsible Minerals Assurance Process (RMAP) certification.

In 2023, in response to the RMI's call, Huawei added mica to its list of due diligence on responsible mineral management. This means that we now identify suppliers of six minerals: tin, tantalum, tungsten, gold (3TG), cobalt, and mica. According to the Conflict Minerals Reporting Template (CMRT) and the Extended Mineral Report Template (EMRT), we urge suppliers to identify and investigate all smelters within their supply chains, and our suppliers must require that no identified smelters purchase minerals from conflict-affected and high-risk areas (CAHRAs), and urge smelters that have not obtained the RMAP certification to get the certification within a specified timeframe when necessary.

OPENNESS AND TRANSPARENCY:

In 2023, Huawei continued to make a concerted effort to enhance transparency and communicate more proactively with the world:

- The Huawei executive team has continued to engage with the global community through a number of external events and speaking opportunities.
- Huawei Canada has implemented the openness and transparency within Canadian markets and communities.

MONITORING EFFECTIVENESS

In order to monitor the effectiveness of our strategy to prevent forced labour and child labour, Huawei has established an internal compliance channel, an investigation mechanism, and an accountability system. The internal audit department independently assesses the overall status of the company's internal controls, investigates any suspected violations of the BCGs, and reports the audit and investigation results to the Audit Committee (AC) and senior management. Huawei has also implemented a mechanism for internal control appraisals of Global Process Owners (GPOs) and regional managers, holding them accountable and pursuing impeachment when and where necessary. The AC and the Chief Financial Officer (CFO) regularly review the company's internal control status, and listen to and review reports on action plans for improving internal controls and plan execution progress. Both have the authority to request the relevant GPOs or business executives to explain their internal control issues and take corrective actions.

CONTINUING EFFORTS

Huawei Canada has taken the above actions to ensure full compliance and strengthen its position to forbidden the child labour and forced labour. Huawei has continued to expand our supply chain investigations and extended the assessments and investigations across internal operations. Huawei has worked to increase awareness both within the

business and with those whom we work, to develop an understanding of anti-use of forced labor and child labor, and the measures employees can take to prevent it from occurring within all aspects of Huawei's organization.

In March 2020, Huawei published its policy on Human Rights in its Annual Report bringing together principles and practices across the whole business.

We have also continued the assessment of suppliers in Canada with respect to their modern slavery act (MSA)-related reporting, initiatives and controls before aiming to trial this approach within other markets.

INCREASED AWARENESS: INTERNAL

Huawei's internal iLearning system is, in essence, the backbone of self-help training within the organization. Regularly, employees are required to complete mandatory training courses, both technical and legal compliance-oriented, which include presentation materials or videos followed by an exam to test the individuals' understanding of the key learning points. This year Huawei Canada repeated training to all staff to ensure awareness of the employee's right to whistle-blow should they identify a need to report any concerns of malpractice. The aim is to ensure that employees understand their rights within the workplace and their responsibility in participating to ensure that Huawei remains legally compliant in Canadian local market.

From 2020, Huawei published its policy on Human Rights in its Annual Reports, bringing together principles and practice across the whole business.

Huawei Canada is looking to take this a step further in developing an internal awareness program for managers to ensure fighting against forced labour and child labour is fully understood within the workplace and that all employees are aligned.

INCREASED AWARENESS: EXTERNAL

Huawei has committed to ensuring fighting against forced labour and child labour within its operations, including within its suppliers and business partners.

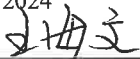
Huawei has also hosted numerous supplier conferences and training program in which representatives from key suppliers are required to attend. Huawei Canada has incorporated fighting against forced labour and child labour into the periodical supplier audit and agenda of meetings with suppliers with the aim of increasing awareness down our supply chain of the risks and to share good practices, extended to include such interventions in selected local operations in 2023.

APPROVAL & ATTESTATION:

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for Huawei Technologies Canada Co., Ltd.. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Period listed above.

The Report was approved pursuant to Section 11(4) of the Act by the Board of Directors of Huawei Technologies Canada Co., Ltd. on May 29, 2024.

Date: May 30, 2024

Signature:  _____

Name: Haiwen Wang

Title: President and Director

I have authority to bind the corporation.