The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. In doing so, business, as a primary driver of globalization, can assist to ensure that markets, technology, finance and commerce uphold their basis responsibilities to people and the planet and advance in ways that benefit economies and societies everywhere, for the long-term.

**Human Rights**

**Principle 1**: Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2**: Make sure that they are not complicit in human rights abuses.

**Labor**

**Principle 3**: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4**: The elimination of all forms of forced and compulsory labor;

**Principle 5**: The effective abolition of child labor; and

**Principle 6**: The elimination of discrimination in respect of employment and occupation.

**Environment**

**Principle 7**: Businesses should support a precautionary approach to environmental challenges;

**Principle 8**: undertake initiatives to promote greater environmental responsibility; and

**Principle 9**: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**

**Principle 10**: Businesses should work against corruption in all its forms, including extortion and bribery.
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About this report

This report covers Alcatel-Lucent Enterprise Corporate Social Responsibility activities from January 2020 to December 2020. This is Alcatel-Lucent Enterprise’s first report.

This Corporate Social Responsibility (CSR) Report will share how we are managing and measuring progress against our CSR goals, as well as to respond to a broad set of stakeholder expectations and inquiries we may receive during the year. This report does not cover commercial information. Data includes primarily our business operations in France and the Americas, as well as inclusive activities across our sales and marketing offices. Some data has been rounded. The data is subject to internal and external audits in-line with our Operating Model and Quality Management System. The report has been measured against the Global Reporting Initiative (GRI) Standards Sustainability Reporting Guidelines at the Core level. A GRI Standards index can be found on page 39.

Report boundaries, methodology, and materiality

The Alcatel-Lucent Enterprise CSR team requests and consolidates relevant data and information from the respective departments, individuals and systems within ALE, and the contents herein have been prepared and reported to the best of our knowledge for the report ending 31 December 2020.

The material issues included in this report are considered relevant within the boundary of the ALE International organisation. This was assessed by reviewing whether the impacts occurred inside or outside the organisation, per the GRI 102-46 Guidelines that define topic boundaries. Any cases of exclusions are explicitly noted.
CEO Statement

ALE International, marketed under the Alcatel-Lucent Enterprise brand, is a company that cares about its business impact and is committed to help make the world a better place. In October 2019, we joined the United Nations Global Compact confirming our support and implementation of the ten principles on human rights, Labour, environment and anti-corruption. These principles are reflected in the Alcatel-Lucent Enterprise code of conduct which is the cornerstone of our ethics, integrity and compliance commitment. We believe that monitoring the social and environmental impact of our business activities, and enriching our local and global communities, are essential responsibilities to meet our strategic objectives, and are the basis for our sustainable growth.

We are building a strong framework around the UN Sustainable Development Goals (SDGs) to serve as a blueprint to help us achieve a better and more sustainable future for all. In March 2020, employees voted for the SDGs we believed ALE should address first. Gender equality, Responsible consumption and production and Climate action were the top three SDGs identified. Two programs have been launched to address them: Together and Go Green.

Alcatel-Lucent Enterprise has been an equal opportunity employer for more than 100 years. We value diversity and seek to embrace the richness of individual differences. We do not tolerate discrimination. Our Together program ensures the focus on diversity and inclusion, and seeks to evangelise and progress gender equality in our industry and beyond.

Alcatel-Lucent Enterprise is committed to delivering new technologies that contribute to protecting our natural capital, building sustainable cities, and limiting global climate change. We strive to phase-out environmentally harmful chemicals through our design selection, while ensuring better compliance through intelligent data collection. Our Go Green program focuses on helping reduce our environmental footprint as a company, and as individuals, and positions Alcatel-Lucent Enterprise to play a key role in the protection of our planet.

2020 was a year of unparalleled disruption in our lives. At the onset of the pandemic we promptly adapted our travel and remote working practices around the world, with the objective to ensure employee safety. Our strong spirit and ALE culture stood out as we reinvented our new normal. We were able to maintain business continuity and supported partners and customers during these difficult times, with our services and cloud-based solutions.

I have many reasons to remain optimistic about what we can achieve working together in 2021. I am also confident that Alcatel-Lucent Enterprise will do our utmost to fulfill our commitments to our partners, customers and communities around the world.

Jack Chen
Chief Executive Officer, Alcatel-Lucent Enterprise
Our organisation

ALE Headquarters are located in Paris: 32 Avenue Kléber, 92707, Colombes, France

Other locations/regions in 2020: France (Brest, Illkirch); USA (Calabasas); Remote locations North Europe (EUNO), South Europe (EUSO), Asia-Pacific (APAC), North America (NAR) focused primarily on sales and marketing activity.

Our business is focused on marketing, design, development, production and sales of telecommunications systems, applications and network switching. Our equipment is intended for companies, technical and commercial support, after-sales service and related software.

Our vision: To deliver the customised technology experiences our customers need, and our mission is to make everything connect by delivering digital age networking, communications and cloud solutions tailored for our customers’ success.

Our strategy: Focused on tailoring solutions to meet our customers’ industry, providing built-in security, with limited environmental impact. We offer flexible business models: in the cloud, on premises, and hybrid. More than 100 years of innovation have made us a trusted advisor to more than 830,000 customers around the world.

Our values: We strive to succeed based on three core values:

- **Speed and agility**: Make informed decisions quickly, take calculated risks, commit to a plan and execute it, focus on great results, make things simple, and learn quickly from our mistakes
- **Customer centricity**: Make our customers, partners and colleagues our first priority, listen, understand, and care about their needs
- **Reliability**: Be accountable for our actions and build relationships based on trust

Our history and ownership

From 1919, to the present day, Alcatel-Lucent Enterprise history has been nurtured by mergers, expansion and technology empowerment.

In 2014, the Alcatel-Lucent Group separated into two companies. ALE International, which delivers enterprise communications, networking solutions and services, and Alcatel-Lucent, which provides equipment to telecoms service providers. The same year, long-term investor, China Huaxin Post and Telecom Technologies, became the majority shareholder in ALE International. Alcatel-Lucent was purchased by Nokia in 2016. ALE International is now fully-owned by Huaxin, retaining the Alcatel-Lucent brand name through a licensing agreement with Nokia.
Corporate Social Responsibility and sustainability are part of what defines us as a company. We are committed to help make the world a better place.

Innovation at ALE

Our goal is to cultivate an environment where creativity and serendipity thrive throughout the company and beyond.

The ALE Brewery - Innovation Center is the ALE internal incubator that supports and fosters intrapreneurship and open innovation. The ALE Brewery grows projects through: Inspiration, ideation, incubation and industrialisation.

Disruptive business innovation can emerge from anywhere, both inside and outside of the company. It is fueled by a strong innovation community made up of inspired ALE employees, students, partners and clients.

Open innovation is making enterprise borders more porous. ALE has developed a number of initiatives to encourage the bi-directional flow of business innovation both inside of our own ecosystems, as well as outside.

ALE regularly organises hackathons around the world. These events help us:
• Spend time with our clients and partners to better understand their hospitality, transportation, healthcare, education, and finance needs
• Grow our communities and initiate meaningful collaborations
• Learn from end-users to improve services provided by Rainbow™ by Alcatel-Lucent Enterprise, and Alcatel-Lucent Enterprise OmniAccess® Stellar Location-based Services (LBS)
BRINGING TALENT TOGETHER TO IMAGINE THE WORLD OF TOMORROW.

ALE believes that disruptive ideas come from combining talent. ALE encourages employees to participate in hackathon events, to nurture the ideation funnel, and to help bring together technology and business know-how. ALE has participated in the Hacking Health program since 2016 and is a key partner of the Hacking Health Camp hackathon in Strasbourg, France. The experience gained through participation in these events is unique and provides ALE with the insight, knowledge and expertise to be at the forefront, helping to create the future of healthcare.

Open Innovation program with universities:

- University Partnership Program (UPP): Building partnerships to develop innovative technology.

- To imagine the world of tomorrow, we must take a step away from our daily perspectives. The ALE UPP takes an innovative approach to partnering by provide today’s students with the tools to imagine, develop, and test the products and services that will impact tomorrow’s societies.
**CSR at Alcatel-Lucent Enterprise**

*Alcatel-Lucent Enterprise takes pride in its commitment towards Corporate Social Responsibility (CSR). Some enterprise social obligations are regulated by the law. These include obligation linked to human rights and the environment. Others are considered voluntary. These include integrating philanthropic practices into the business strategy and operations; compliance and consistent operations within the principles of the law; and adhering to the strictest standards for global environmental protection.*

The ALE CSR team is managed by dedicated resources that report to the Executive Management Team (EMT). The team is complemented by the CSR Review Board, comprised of key members of our EMT (or representative), who review and approve strategy, act on a consultative basis when issues are raised, review the CSR report, and support the integration of CSR throughout the organisation.

**Management approach**

Many CSR aspects are incorporated into standard business practices such as corporate policies and established processes. This ensures that we always act responsibly and in compliance with all national and local laws on topics such as labour, health and safety, anti-bribery and anti-corruption, ethics and the environment. In addition, local country policies are implemented where required.

Many of our CSR priorities are addressed in the ALE Code of Conduct, the cornerstone of our business ethics, integrity and compliance commitment. There are supporting policies that deal with anti-corruption, anti-fraud, intellectual property, data privacy, export control, security, sustainable procurement and partner engagement. They provide evidence of our adherence to fair business practices.

ALE International takes pride in its commitment to compliance; consistent operations within the principles of the law; adhering to the strictest standards for global environmental protection; and its efforts to seek continuous improvement to our place in the market.

ALE International has signed-up to, and support the Ten Principles of the United Nations Global Compact. We have confirmed we have implemented those principles. We are committed to making the UN Global Compact and the principles part of our strategy, culture and day-to-day operations of our company. We are also committed to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the 17 Sustainable Development Goals.

As sustainability standards, international regulations and customer expectations constantly evolve, it is imperative that companies show continuous improvement by participating in regular sustainability assessments. To align with global best practices, ALE International has subscribed to the EcoVadis assessment since 2016. This is an external assessment focused on 21 sustainability criteria, grouped under Sustainable Procurement, Environment, Labour and Human Rights and Ethics. In our most recent assessment, for example, we are classified in the Top 7% of companies in our peer group for Ethics, as a manufacture of equipment. It is ALE’s goal is to seek continuous improvement in a changing market.

ALE addresses aspects related to corporate social responsibility through it alignment to the UN Global Compact, with ISO 9001, ISO 27001 certification; and for our external manufacturers, through their ISO 9001 and ISO 14001 certifications, as well as ongoing management.

We are committed to protecting the environment and operating in a way that reduces our impact on the environment. ALE designs products with the lowest environmental impacts by respecting local, national and international legislation to track hazardous substances and to eliminate banned substances from our products.
The ALE Environmental Policy describes our measures and policies in place. Our dedicated Business Lifecycle (BLC) process guides the development of products from requirements through the development cycle, from transition to manufacturing, sales, product shipment and to end of life and end of support, as the final phase. An annual EcoVadis assessment, an external assessment for Labour and Human Rights, Environmental, Sustainable Procurement and Ethics, is carried out to provide measurement of our activity.

**Partners and suppliers**

We select our business partners, including our suppliers and contractors, based on merit, reputation and their ability to help ALE meet its business objectives, considering, among other things: price, quality, delivery capability, reputation for service, integrity, ethical standards and business practices, and social responsibility.

We include the following requirements in our contracts with third parties:

- **Privacy & Data Protection Policy**
- Anti-corruption policy
- Fair Labour policy
- Environment, Health and Safety (EHS) policy
- Proof of existence of a code of conduct consistent with the EICC, to sign the EICC, or to sign compliance with the ALE Code of Conduct.

**Monitoring and measurement**

- Compliance assessments and screenings when recruiting partners or suppliers
- Quarterly review with major suppliers and supplier performance evaluation
- Yearly business plan review with business partners

**Ethics and compliance**

- Led by our legal team, supported in many areas by Human Resources
- Includes General Data Protection Regulation (GDPR), and many global policies
- Speak up program

A high level of business ethics and Corporate Social Responsibility are part of what defines us as a company. At Alcatel-Lucent Enterprise we are committed to help make the world a better place, and making the world a better place begins with our own attitudes and behavior at work.

As a customer-driven company, we uphold the highest standards of ethics avoiding all corrupt, illegal, dishonest or deceptive business practices. ALE is committed to maintaining our customers’ trust and respect by delivering high quality, secure and reliable products, services, software and solutions.

- Total Quality Program and Quality Management: ISO 9001 certified
- Design, implementation and support of cloud-based solutions, security and data protection: ISO/IEC 27001 certified
- The ALE Privacy & Data Protection Policy describes our commitment to handle all personal data in a transparent, compliant and responsible way
Monitoring and measurement

- Quarterly “voice of the customer” survey
- Customer satisfaction surveys on service desk support

We seek to maintain the highest levels of business ethics, personal integrity and compliance. We respect all local laws in the countries in which we operate and have outlined, in the ALE Code of Conduct, the high-level expectations of all employees when conducting business. ALE employees and contractors are required to take the following actions:

1. Refresh awareness of ALE policies: As an ALE employee or contractor, everyone must be fully informed of what fraud is and how to fight it.
   - Code of conduct
   - Anti-fraud policy
   - Anti-corruption and hospitality policy

2. Report suspicious activity: As an ALE employee or contractor, anyone may see or hear something they suspect may be fraudulent. In such an event they are required to report the circumstances, or any suspicions, to the ALE compliance team and ethics committee at SpeakUp.

3. Complete the training module: As an ALE employee or contractor, everyone is required to complete the ALE training on fraud. This will help ALE demonstrate its awareness and preparedness regarding this matter.

SpeakUp: Report any concern

![Whistleblowing (SpeakUp) Statistics 2017–2020](image)

Employees are encouraged speak up to report any suspected or observed violations of the law, Code of Conduct, or company policy, to their direct manager or other members of the management team. We recognise that there may be circumstances when a person is not comfortable reporting the issue in this way, for example when they are concerned with the conduct of a direct manager, or when they would like to escalate a concern that has already been reported. We encourage an employee to send an email to SpeakUp.

The message will be assessed in strict confidence by a committee comprised of five members from different ALE teams to first determine the nature of the case.

- These include: Human Resources, CSR, Ethics and Compliance, Head of Business Office
- Any suspected or observed violations of the law such as a potential breach of compliance which could impact the company or the wider public, will be addressed by the ALE Compliance Officer, and our legal team if necessary

If you are in the USA, you should contact your immediate manager, ALE USA HR, and the Insperity Anti-Harassment Hotline. You can raise concerns, report problems, or make complaints without fear of reprisal. Anyone engaging in any type of unlawful discrimination will be subject to corrective action, up to and including termination. Any personal grievance, such as a concern with discrimination, harassment or witnessing of inappropriate behavior, will be addressed by the selected committee members.
Alternatively, if they prefer to make an anonymous report, they can complete the Ask Anything form on the Intranet. However, it should be noted that choosing to remain anonymous may limit ALE’s ability to investigate the matter fully, or notify the party of the outcome of the investigation.

If identification is made, we will treat the identity confidentially and share it only on a need-to-know basis, including those who are involved in the investigation process.

ALE will not retaliate against anyone who reports, in good faith, what they believe to be a violation of the law, Code of Conduct or company policy (regardless of the outcome of the investigation). Any instance of retaliation will be taken seriously and managed appropriately. However, abuse of the reporting mechanisms, such as false allegations or malicious complaints made in bad faith, may expose an employee to disciplinary sanctions.

These reporting methods should not be used in events that present an immediate or serious threat. If anyone requires emergency assistance, they are advised to contact their local authorities.

**Evaluation process**

Our goal is to immediately address any misconduct in the workplace objectively and fairly, while cultivating a positive work environment.

We believe that our employees are our most important asset, and that open channels of communication promote a positive work environment. We have created a reporting system to help foster a culture of integrity and ethical decision-making, and to minimise the potential negative impact of any misconduct on the company and our people.

• All disclosures will be treated seriously and consistently
• The committee will review the disclosure and appoint a lead within a maximum of three business days
• The committee lead will reach out to the employee who has reported the concern (if a name has been provided), to gather all the information required to understand the situation and offer support. It is possible that a suitable conclusion may be reached through an initial conversation, or there may be a need for a formal investigation.
• An internal investigation will be initiated in order to collect evidence and to identify whether a compliance violation or misconduct may have occurred
• An investigation generally consists of the evaluation of documents, as well as interviews with employees. During this process, we will comply with confidentiality and data protection requirements.
• After the completion of the investigation, the committee summarises the results for the Executive Management Team, including any corrective measures that have been taken, or planned, and share these also with the employee(s) involved.
• At the end of the investigation, we will anonymise any collected personal data, if necessary.
• All disclosures, relevant documents and investigation results will be saved in a secure site for record keeping and reporting purposes.

**Ethics and compliance: Risk assessments and IT security planning**

ALE has restrictions with regard to the type and quantity of information most prominently related to data privacy and GDPR regulation. There is a dedicated section in the ALE Information Security policy indicating that such type of data should only be collected in-line with specific business purposes (see extract hereinafter).

Periodic information security risk assessments are performed. Below is a screenshot of an older-style risk map. NB: It is confidential and too risky to security to include a current version. We have also expanded our ISO 27001 certification initiative which is based on risk analysis.
We have control procedure audits in place, issued under the scope of the ISO 27001 certification. Information security incidents can be reported to the Help desk, by anyone. We have incident response procedures in the form of a crisis management policy and guidelines, which is made available to every stakeholder, and updated on a regular basis. This document includes a data breach scenario. This is a highly confidential document which we are not allowed to disclose. However, there is a table of content screenshot included hereinafter.

Records retention is part of operations security described by the ALE Information Security Policy. This is a confidential document which we do not disclose. The only certificate that is required is with regards to media destruction (hard drives).
17.1.6 Privacy of Personal Information

ALE workers responsible for collecting personal data (any information that (i) relates to an individual and (ii) identifies or can be used to identify the individual) should only collect the minimum amount of information required in order to properly fulfill the specific business purpose, in agreement with the Data Privacy Officer. Personal data is not further processed or disclosed, including across countries and Legal Entities within the company, in any manner incompatible with those purposes. Personal data collected or held by ALE should be accurate and where necessary according to the purpose, kept up to date. Personal information is classified CONFIDENTIAL. Personal data which is transmitted to external systems is encrypted.

The aim of the ALE Information Security Management System, which is based on our Security Policy, aligned with ISO 27001 standard, is to measure and protect access to customer data. In addition, our access control policy governs the overall approach. As well, specific procedures related to applications also provide instruction about segregation of duty, administrative accounts, among others.

We organise phishing campaigns to demonstrate how a phishing attack presents itself so that our employees can be well prepared should an attack occur beyond our security procedures. A phishing attack can be implemented against anyone. The key is to specifically target a user to reduce their attention to a minimum. We received good results from our own ‘test’, however, it demonstrated that anyone can be a victim of a phishing attempt. Employee vigilance and ongoing reminders will be the main methods to prevent issues beyond the security perimeter.

![Percentage of phishing success per BU](image1.png)

 percentage of phishing success per BU

<table>
<thead>
<tr>
<th>BU Other</th>
<th>BU Sales</th>
<th>BU Finance</th>
<th>BU BD Network</th>
<th>BU Operations</th>
<th>BU HR</th>
<th>BU BD Communication</th>
<th>BU ISIT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

![Phishing campaign results](image2.png)

 phishing campaign results

<table>
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<tr>
<th>Number of users</th>
<th>Number of users that accessed the web page</th>
<th>Number of users that accessed and submitted data to the web page</th>
<th>Number of phished</th>
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</thead>
<tbody>
<tr>
<td>2127</td>
<td>855</td>
<td>637</td>
<td>604</td>
</tr>
</tbody>
</table>

Our supply chain: Sustainable procurement

ALE procurement reaches across the globe with more than 1,000 suppliers. Supplier selection follows our process and considers quality, timely delivery, reliability, warranty, safety, security, CSR and after-sales services and support, when making a procurement decision. We expect all our suppliers to comply with ALE Security Requirements and to embrace the social and environmental principles set forth in our Supplier Code of Conduct.

We ask our suppliers to annually commit/re-commit to our Code of Conduct, or one similar to EICC, or alternatively to complete an online self-certification defined by a set of criteria aligned with the ten UNGC principles. Our ambition is to request that our suppliers complete an EcoVadis assessment, to adhere to our expectations regarding responsible business practices. The self-certification is being updated to reflect the increased focus on modern slavery and the current legislative requirements.
All new suppliers in 2020 were screened against our Supplier Screening process, taking into account environmental questions. Socio-economic is expected to be included for new suppliers in 2021. We plan to review all existing suppliers based on these newest considerations. Based on our 2020 records, 50% of the annual spend was attributed to 13 suppliers.

### Suppliers (>75% of 1155, located in 15 countries)

<table>
<thead>
<tr>
<th>Number of suppliers</th>
<th>Country</th>
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<tbody>
<tr>
<td>272</td>
<td>France</td>
</tr>
<tr>
<td>171</td>
<td>USA</td>
</tr>
<tr>
<td>62</td>
<td>UK</td>
</tr>
<tr>
<td>60</td>
<td>Germany</td>
</tr>
<tr>
<td>53</td>
<td>Argentina</td>
</tr>
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<td>39</td>
<td>India</td>
</tr>
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<td>36</td>
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</tr>
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<td>33</td>
<td>Spain</td>
</tr>
<tr>
<td>30</td>
<td>Singapore</td>
</tr>
<tr>
<td>29</td>
<td>South Korea</td>
</tr>
<tr>
<td>26</td>
<td>Australia</td>
</tr>
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<td>24</td>
<td>Poland</td>
</tr>
<tr>
<td>24</td>
<td>Mexico</td>
</tr>
<tr>
<td>21</td>
<td>Switzerland</td>
</tr>
<tr>
<td>20</td>
<td>Italy</td>
</tr>
<tr>
<td>900</td>
<td></td>
</tr>
</tbody>
</table>

75% of suppliers based in 15 countries

### Supplier process, onboard, review (according to ALE internal process)

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<thead>
<tr>
<th>Year</th>
<th>Supplier name</th>
<th>Product/ end user</th>
<th>Key/ strategic</th>
<th>SRA</th>
<th>SPE</th>
<th>S??</th>
<th>NDA</th>
<th>DP?</th>
<th>Validity of contract</th>
<th>Supplier’s Code of Conduct</th>
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<td>End use</td>
<td>Key</td>
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<td>Done</td>
<td>Done</td>
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<td>Automatic 1-year renewal</td>
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<td>Supplier 2</td>
<td>End use</td>
<td>Key</td>
<td>Done</td>
<td>Done</td>
<td>Done</td>
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<td>Yes</td>
<td>No end</td>
<td></td>
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<td>2020</td>
<td>Supplier 3</td>
<td>End use</td>
<td>Key</td>
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<td>Done</td>
<td>Done</td>
<td>Yes</td>
<td>Yes</td>
<td>End of September 2021</td>
<td>Exhibit 14, ALE Statement of Business Principles, part of the GPA</td>
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<tr>
<td>2020</td>
<td>Supplier 4</td>
<td>End use</td>
<td>Key</td>
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<td>Done</td>
<td>Done</td>
<td>Clause 11.2 MSA</td>
<td>Aligned with MSA agreement</td>
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<td>Supplier 5</td>
<td>End use</td>
<td>Key</td>
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<td>Done</td>
<td>Part of contract (Section B)</td>
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<tr>
<td>2020</td>
<td>Supplier 6</td>
<td>End use</td>
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<td>Done</td>
<td>Name</td>
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<td>Yes</td>
<td>28/02/2023</td>
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<td>2020</td>
<td>Supplier 7</td>
<td>End use</td>
<td>Key</td>
<td>Done</td>
<td>Done</td>
<td>Done</td>
<td>Yes</td>
<td>Yes</td>
<td>End of March 2023</td>
<td>Yes, uploaded</td>
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</tbody>
</table>

### Our guideline for supplier selection: ISO 9001 and ISO 14001 certifications

Suppliers and partnerships are a critical part of the ALE Operating Model. As part of our selection process, which is in most cases performed by a Kepner-Tregoe matrix evaluation, we have strong expectations that our suppliers be ISO 9001 certified, as evidence they have a Quality Management System.

In addition, Alcatel-Lucent Enterprise has positioned itself to have an Outsourced Manufacturing strategy. Those partners are typically referred to as Tier 1 Electronic Manufacturing Services (EMS) providers.
As part of our environmental considerations, we expect our EMS providers to be both ISO 9001 and ISO 14001 certified. We request the certificates to provide evidence of the services. They need to be active, and we monitor the expiration dates as part of our certification tracking. The same rules apply for our repair centers.

<table>
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<th>Year</th>
<th>Supplier name</th>
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<th>ISO 14001</th>
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</table>

Our team created 133 new suppliers in 2020 on our system. 100% of the suppliers were accepted based on environmental and social criteria; none of the suppliers were found to have potential or negative impacts, or required further review against the criteria. Ongoing annual assessment and review will take place.
Human Rights and Labour

We protect the health and safety of our employees and contractors. We are committed to maintaining a work environment that is culturally diverse and free from all forms of discrimination, harassment and retaliation. We comply with all applicable civil rights, human rights and employment laws, wherever we work. ALE is committed to fostering an open dialogue with its employees and, when available, with their representatives, on important decisions directly affecting them.

- Led by HR team, supported by Office Management and legal teams
- Global and local internal policies and guidelines
- Together program
- We make the following internal policies and guidelines available to employees and contractors:
  - Environment, Health and Safety Policy (USA and Global)
  - Physical Security Management Policy
  - Recruitment Policy
  - Holiday Policy
  - Travel Policy
  - Employee Data Policy
  - Sales Incentive Plan (SIP) Policy and Enterprise Bonus Scheme (EBS) Policy
  - Invention, Patent and Utility Model Award Policy
  - Remote Working and Flexible Working Hours Policy

Data Protection and Information Security

At ALE, we respect and protect the privacy of our people, customers, third-parties, business partners and others, only using personal data when needed to operate effectively, or to comply with the law. The ALE Corporate IT Policy outlines the rules, standards and guidelines for the use and management of our IT resources. Our information security office monitors and manages the security of our infrastructure, while keeping employees up-to-date on threat awareness.

The ALE Security Directives derives the applicable security controls and measures for ALE Information Security Management System required for the ALE Security Policy [ALE_000100]. These directives list the rules and processes implemented to protect the information assets of ALE and ensure their confidentiality, integrity, and availability. It aims to create, consolidate and improve the users’ trust (employees, suppliers, customers) through Information Systems and the delivery of services:

- Ensure that all staff members are aware of their day-to-day responsibilities and fully comply with the Security Policy
- Describe the security principles (consistent approach to information security) and explain how they are implemented in the organisation
- Protect assets (information assets and supports) under the organisation’s control.

Our people and values
Why are culture and values so important for an organisation?

Culture is the essence of an organisation and its employees. It is the defining factor which makes every organisation different. It lives within every employee.

Values are the characteristics defined by an organisation to guide employees in their behaviors. Values drive the way we do business and support us to meet our goals both individually and collectively.

GO ALE!
OUR CULTURE AS THE BLUEPRINT FOR SUCCESS

Carla Haag
EMT Office
Alcatel-Lucent
Enterprise

Catherine Falkenroth
EMT Office
Alcatel-Lucent
Enterprise

ALE Values Day 2020

ALE values

Speed and agility

Q17 - My team acts with speed and agility
Answered: 1,400 Skipped: 126

Q28 - Our business processes enable us to be fast and efficient
Answered: 1,391 Skipped: 135

We should operate our company in a decisive manner. This means:

• Making quick, clear decisions. Once a decision is reached, no further discussion is required.
• Acting quickly and executing decisions with a defined plan and milestones. Stick to the deadlines.
• Simplifying processes and removing redundant activities
• Building an agile organisation. Responding quickly to market and customer needs.

Strategy Guide
Corporate Social Responsibility Report 2020
Customer-centricity

Q14 - In every decision, I take into account the customer and their needs
Answered: 1,404  Skipped: 122

Our customers and partners are our first priority. This means:
- Listening to customers and partners and caring about their needs
- Being innovative and creating value with our technology, portfolio and services
- Being the best by delivering business excellence and differentiating ourselves from our competitors
- Sharing success and excellent results

Reliability

Q20 - I understand the Alcatel-Lucent Enterprise strategic direction and business objectives
Answered: 1,397  Skipped: 129

Our people are our key assets. This means:
- Respecting each other and understanding that our differences are our strengths
- Trusting each other and building credibility in our trustworthiness
- Taking full ownership of tasks and being accountable for execution and consequences
- Encouraging collaboration between different parts of the organisation

Employee participation activities

On October 20, 2020 Alcatel-Lucent Enterprise celebrated our third ALE Values Day, which focused on our brand and marketplace.

Following an incredibly successful Get Moving Weekend sports challenge, teams gathered virtually, by geography: APAC, EU/NO, France, MEA, South Europe, CALA, and NAR. We gathered in Rainbow™ ‘bubbles’, to learn and play games which highlighted our strong ALE culture and spirit.

The following activities took place around the world:
1. Employees initiated a Rainbow™ viral instant message campaign. They selected a brand statement, copied it, and shared the knowledge with ALE colleagues. The hashtag for the day was: #LivingALEValues.
2. The new Brand Toolkit was launched on the Digital Library. Employees checked to see if they were ‘on-brand’ and took the Brand Quiz to achieve Brand Champion certification.
3. We completed the 2020 Employee Engagement Survey.
4. We shared some great video messages created for the 2020 ALE Values Day.
5. We launched the Go ALE! Values and Brand training course and encouraged everyone to view it.

2020 Employee Engagement Survey

After five years of conducting the Employee Engagement Survey, we moved to an annual schedule. The feedback received is as critical as ever, and we took the opportunity during the 2020 ALE Values Day to complete the year’s Employee Engagement survey. The result was a record completion rate.

Get Moving Weekend results

The Get Moving Weekend global sports challenge was a huge success. We raised funds for our two charities in the ALE Impact program: Mercy Ships and Qhubeka, and showed great creativity in developing team logos and motivating one another. There was amazing participation from employees around the world with 32 out of the 37 teams achieving and surpassing the 2020 km cumulative goal.

Prizes were awarded to all runners-up and winners. These included digital books and donations to a preferred ALE charity.

Performance management and development

In December of the previous year, our Human Resources team invite all People Managers to start with the Performance Management Process. The action needed includes planning the annual reviews with direct reports and taking any guidance on process from the Knowledge Hub as part of the People Manager Learning Program. Additional information is available in the Operating Model.

It is essential that ‘past year’ Performance Reviews are completed in SuccessFactors by the end of January. By end March, the ‘current year’ Goals are required to be discussed and set for Career Development.
Skills and development

Training Report 2020 ALE International France
Key figures of the training plan (skills development plan)

1.6 € INVESTED IN TRAINING
- SALARY COSTS: 661 K€
- OPCA PAYMENT: 607 K€
- EDUCATION COSTS: 360 K€

= 2.9 M% OF GROSS PAYROLL

902 EMPLOYEES TRAINED
- CBD-CCBD-NBD: 462
- SALES & MARKETING: 244
- SUPPORT FUNCTIONS: 196

12,371 REGISTRANTS

16.3 KH HOURS OF TRAINING
- LINKEDIN LEARNING: 6.6 KH
- KNOWLEDGE HUB: 4.1 KH
- O.F. IN-PERSON: 4.0 KH
- OTHER DIGITAL O.F.: 0.9 KH
- O.F. MIXTE: 0.7 KH

INCLUDING 75% IN DIGITAL FORMAT
92% completion rate versus theoretical duration

55% of the educational budget relates to digital training
98% of employees received at least 1 training session in 2020
2.5 days of training on average per person trained

A worldwide training center presence
To get trained next to your door

Consult the Training Center locator to get all locations

Strategy Guide
Corporate Social Responsibility Report 2020
Employee numbers and additional details:

**Headcount – 2020**

Headcount – Gender

Headcount – Region

Headcount – Age

**New hires – 2020**

New hires – Gender

New hires – Region

New hires – Age

**Attrition – 2020**

Attrition – Gender

Attrition – Region

Attrition – Age

Corporate learning programs
Click to complete your outstanding learning programs

Employee Skills Development

Operating Model
- e-learning modules

Learnt+ Week 2021
Diversity and inclusion

We believe that working together – in a diverse, inclusive and fair workplace – we can do everything better. The ALE Corporate Social Responsibility (CSR) program identifies employee initiatives which contribute to our goals. Together is one of the employee-led initiatives that seeks to achieve the business benefits that diversity and an inclusive workforce bring.

Our Together program is deeply embedded in our history. Together is the global rebirth of the Women’s Network Toget’her an employee-led program launched in Illkirch, France in 2013, as well as the StrongHer program that the former Alcatel-Lucent (now part of Nokia) championed.

The program is not “for women/by women” – it is for anyone looking to enrich their perspectives through diversity. There are many studies that show that diversity and inclusion positively impacts a company’s brand, culture, capacity to innovate, and financial results.

Our vision is to harness the power of diversity in driving ALE’s transformation and our objectives and goals are to foster an inclusive mindset and an organisational environment that enables all employees to understand the imperative for a diverse and inclusive workforce and leadership.

Events – Worldwide and Regional

In July 2020, we held our first global virtual event on diversity and inclusion, for all employees called Reconnecting Together. The goals were to raise awareness and to connect employees on a topic that was close to everyone’s heart.

- Around the regions, in EUSO, we delivered a Gender and Diversity Presentation with Q&A.
- In NAR, we held an Educational seminar and lunch networking groups;
- In APAC, there were virtual Cultural Education sessions held in Singapore, Malaysia and South Korea. In India, we held a Well-being Week.
- In 2021, we aim to align our activities with other Worldwide events, such International Women’s Day (IWD).
GoGreen Program

In March 2020, our employees voted for the United Nations Sustainable Development Goals (SDG) they believed ALE should address first. The following three SDG’s were chosen:

- Climate action: Take urgent action to combat climate change and its impact
- Responsible consumption and production: Ensure sustainable consumption and production patterns
- Gender equality: Achieve gender equality and empower all women and girls

As a result, the “GoGreen Program Vision” was created in July 2020 under the name “Environmental Action Program”.

Our 2020 organisation and achievements:

- Making our offices greener: Creation of a “go green guide” for office managers
- Making our products and solutions greener: Updating the intranet CSR page with information about our environmental policy
- Training and raising awareness: Creation of a learning path “make ALE greener”

GoGreen Program Vision

As we are working in the Telecommunication industry, we believe that ALE should focus its environmental strategy on reducing digital pollution, improving waste management and decreasing energy consumption.

Digital pollution includes the entire production process of our products and services, the consumer use, the recycling and the disposal of materials and electronic devices necessary for the use of the internet.

As we are on an Indirect Selling Model, we believe that ALE, as a supplier, should take the responsibility for the digital pollution of its products and solutions.

The GoGreen Team 2021 strategy will focus on these aspects and set goals towards 2030.

Career: Why do people want to work at ALE?

ALE offers an organisation where you can broaden your skills and enjoy excellent benefits, while delivering technology solutions our customers need. We’re changing how businesses buy, deploy, and use technology, delivering networking and communications solutions that make everything connect. Our vision is to deliver the customised technology experiences our customers need. ALE operates globally, providing world-class network, cloud, and communications solutions for customers in industries including education, healthcare, hospitality, transportation, government and more.
Our team is growing, with career opportunities in many fields and locations worldwide. We offer development programs to broaden skills, as well as a friendly working environment and excellent employee benefits, while you contribute to tailoring technology solutions that connect people, processes, and customers.

ALE is committed to providing equal employment opportunities in our company sites without any discrimination with regards to – but not limited to - race, ethnicity, gender, sexual orientation, age, socio-economic status, religious or political beliefs or disabilities. We value diversity and seek to embrace the richness of individual differences. We will not tolerate discrimination. One of our highest priorities is to achieve gender equality, represented by equal opportunities and pay for women and men. ALE has established policies aimed at reaching equality and promoting diversity and inclusion in our workplace.

Examples of Employee benefits information

- Parental leave: All ALE employees are entitled to Parental leave; some local country regulations may adapt this entitlement
  - In 2020, 6 employees took advantage of this benefit (5 female, 1 male)
  - At the end of 2020, 4 employees had returned to work (3 female, 1 male). It is too soon to know if all those that returned to work will also remain at ALE for 12 months or more following the return.
- The ALE Enterprise Bonus Scheme (EBS) is funded by the company achievements and rewards organisation and individual performance
  - The Sales Incentive Plan focuses on achieving growth and profit objectives for the Company and provides meaningful rewards for outstanding performance
  - The Company Car policy is applicable to all employees who drive a company car or receive a car allowance as alternative to the company car

Health and Safety

ALE seek to operate and to provide products and services in an environmentally responsible and sustainable way. Accordingly, ALE aims to ensure that its processes and products have a minimum adverse environmental impact with the legitimate needs of the business. ALE will engage with (local) stakeholders to develop and maintain decent workplaces, while providing flexibility to meet the needs of its business.

ALE also is committed to protect the Environment, Health and Safety (EHS) and wellbeing of its employees and the public. This being said, it is the responsibility and accountability of all ALE employees to achieve this aim.

Employees are expected to comply with the environmental policies, guidelines and principles set by the relevant local Labour authorities in all countries where ALE is active and has a permanent workforce.

Business divisions, people managers and employees have a joint responsibility to maintain a safe and healthy working environment, following the local regulatory, policy, processes and practices.

ALE will comply with applicable regulations where it operates and has physical premises. Real Estate specialists (on large sites), Legal Representatives and Office Managers will jointly lead this activity and are responsible to publish and communicate the local regulatory, policy and practices to the employees, where it exists, by local authorities.
The commitment to provide a healthy and safe working environment is achieved by fulfilling the following health and safety principles:

1. ALE employees to comply with all applicable environmental, health and safety local laws and regulations throughout the company to meet ALE local compliance obligations.

2. Legal Representatives and Office Managers to create employee about the importance of conserving the natural resources that each individual uses; as ALE recognise the need to use energy and other natural resources responsibly.

3. Legal Representatives, Office Managers and People Managers to promote pollution prevention, including recycling and minimising waste when the opportunity presents itself.

4. Legal Representatives, Office Managers and People Managers to prevent environmental, health and safety incidents at ALE operations and to respond swiftly and effectively should they occur, to ensure protection of ALE employees and the environment.

5. Local legal entities, Branches and Representative Offices to evaluate, through the Legal Representative and Office Managers, the local environmental, health and safety performance by undergoing and complying with the regular reviews and audits mandated by the local legal practices and processes.
Alcatel-Lucent Enterprise and the environment

Alcatel-Lucent Enterprise is committed to limiting the environmental impact of its products throughout the entire life cycle from design, procurement, use and through to disposal. The objective is to design our products in such a way as to limit their environmental impact during the manufacturing and use phases, and to increase recovery at the end of life.

The Environment, Health and Safety Policy reflect the commitment of all levels of the company hierarchy to comply with applicable environmental, health, and safety regulations. The obligations have been defined with customers, as well as the company requirements, to reduce any risk of pollution, as much as possible and improve environmental protection performance. The company also aims to provide employees with safe working conditions, market products that comply with the relevant regulations, and continuously improve the environmental, health and safety management systems at its sites.

This policy outlines Alcatel-Lucent Enterprise’s commitment to protecting the environment. It is an element of our overall CSR Framework (in conjunction with Human Rights and Labour, Ethics and Anti-Corruption, and ALE Impact Initiatives):

ALE operates its business in a manner that reduces the impact on the environment by:
- Developing energy conscious designs
- Complying with environmental laws and regulations and other obligations
- The conscious lifecycle management of our products and solutions, with proper recycling and disposal of products with considerations for environmental packaging. Where possible we will comply with the newer Circular Economy model as the economics of repair tolerate;
- Working with suppliers that provide evidence of environmental compliance and adherence to regulations for their components and systems.
- Engaging with manufacturing partners that have the same objectives and compliance in terms of environmental legislations and obligations in their manufacturing environment
- Ensuring documentation and declarations of ALE products and solutions compliance

Strategy

The ALE Quality Management System (and Operating model) provides an internal strategy and associated processes and procedures to ensure compliance with the many environmental factors and involved parties. We are committed to complying with all applicable environmental requirements and to adopting management systems that enhance our environmental adherence and performance.

As part of ALE Continual Improvement efforts, this framework is reviewed regularly to keep up-to-date with ever-changing laws and regulations, and if required, we will update the corresponding process, procedures and associated declarations of conformity.

The company has a strategy and practices in place to improve efficiency and effectiveness and reduce carbon emissions.
- We believe that, as a B2B global company, it is our responsibility to consider the environmental impact of our products and services while improving them. Our objective is to make our solutions and our company more ecologically-friendly and to encourage our Business Partners, our customers, and our employees to join us in this direction.
- Our goal is to reduce our environmental footprint by making our processes and products more environmentally friendly and encouraging employees to adopt a green attitude.
• To ensure success, we will focus on the two selected Sustainable Development Goals linked to environmental protection:

**Ensure Responsible Consumption and Production:** We work closely with the supply chain, procurement, business technology and quality teams to ensure we remain respectful of our planet in our value chain and in our products’ lifecycle.

**Climate Action:** We work closely with office managers, HR, and real estate teams to reduce our direct and indirect greenhouse gas emissions and to raise employee awareness in order to adopt a greener attitude in our daily life.

Our current priorities are:

• To raise employee environmental awareness so they adopt a greener attitude and share initiatives and ideas to reduce ALE’s environmental footprint.

• To collect information and promote what ALE is already doing to protect the environment.

The program is initially structured around four workgroups:

• Making our processes, products, and operations greener: Working with Global Operations and BTQ teams responsible for ALE’s Environmental Programs, Strategies, Product Compliance and Reporting, this workgroup will help collect and centralise information on the ecological footprint of our products and global operations, and help drive new initiatives that continue to reduce our ecological footprint.

• Making our offices greener: Responsible for implementing local ecological initiatives in our offices.

• Training and raising awareness. This team organises events and shares training courses to help raise awareness about the need to act for our planet.

• Communication and reporting. This team drives the internal and external communications plan to promote our achievements. It also supports the preparation of reporting to the UN Global Compact and EcoVadis.

Our Position:

• Control the environmental impact of the company’s product production sites

• Comply with environmental legislation: Product stewardship in the form of product end of life (WEEE), disposal of potentially hazardous materials (RoHS, REACH)

• Reduce the carbon footprint of our products. The efforts undertaken are aimed at reducing electricity consumption during the use phase, as well as evaluating their impact on the environment throughout their entire life cycle, from design to recycle.

• Treatment of end-of-life products
GHG reporting

ALE is continuously reviewing its position with respect to Green House Gas (GHG) emissions and seeking to identify, through our external manufacturing and external transportation suppliers and processes, where we are able to make further steps forward in the Business Ambition, towards the Paris Agreement.

We are considering a pledge to SBTi, once we have identified how we can apply the appropriate commitment measurements for Scope 1, 2 and 3. For example, for Scope 2, since 2017, our offices in France have reduced our CO₂ emissions by approximately 29% and our ambition is to move toward a higher percentage of renewable energy.

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*28.8% reduction since 2017
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### Domestic fuel oil fixed installation

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### Ambition to join:

**Environmental objectives**

**Ambition**: Reduce the environmental impact of products by:
- Adding carbon footprint data to eco-reports for new product families
- Reducing the energy consumption of flagship products (new and recent products on the market)

**Ambition**: Reduce carbon footprint and improving EHS performance by:
- Reducing our carbon footprint (CO₂ equivalent)
- Producing carbon-free equipment (renewable)
Controlling our environmental impact

ALE is committed to preserving the quality of the environment through a two-pronged approach; by integrating this approach right from the product design stage, and by maintaining control over its production sites. This commitment is shared with our suppliers and subcontractors.

Manufacturing partners

Our manufacturing partners are expected to observe the same behavior towards environmental practices and regulations. We do expect that they have ISO 14001 certification (specifies the requirements of an environmental management system).

ISO 14001 manufacturing site certification

ALE strives to reduce the impact of our Electronic Manufacturing Services (EMS) and their production sites on the environment.

Compliance with ISO 14001 is an important part of this approach. It ensures that:

• Legislative and regulatory requirements are known and met
• The environmental policy chosen is adapted to the activity of our entities
• The environmental impacts of the activity and the associated risks have been identified
• A structure and program(s) have been established to achieve the objectives of environmental protection
• The unit can adapt to changing operational circumstances

Compliance with this standard is a decisive criterion for the selection of our manufacturing partners. The main external production sites are ISO 14001:2015 certified. Current certificates are available and can be provided on request.

Compliance with this standard is also a guarantee that these manufacturing sites are committed to a program to reduce their impact on the environment.

Legislation compliance

ALE is committed to its customers and to complying with applicable environmental regulations, health and safety. To the best of our knowledge, ALE has not received any non-compliance associated with environmental laws and regulations.

Our internal controls allow us to verify that this objective is achieved. One control is auditing, which includes a periodic review and annual compliance survey.

The following explains how recent environmental regulations are applied.

WEEE

Conscious lifecycle management of our products and solutions

ALE has a dedicated Business Lifecycle (BLC) process that guides the development of products from requirements through the development cycle, transition to manufacturing, sales, product shipment and to the end of life and end of support as the final phase.

Packaging materials used during shipment of the products also must comply with the relevant regulations:

• EU Packaging Directive (94/62/EC)
• US Toxics in Packaging Restrictions (Consolidation of state level regulations)
Once the products are decommissioned, we also ensure proper disposal and recycling compliant with Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE) and provide a take-back option.

The European Union (EU) Waste Framework Directive (WFD) (2008/98/EC) also is part of a new circular economy and efforts that we will target to adhere to, as it makes economic sense for component repairs of our product portfolio.

**Documentation and declarations**

ALE provides documentation related to ROHS and REACH compliance in the form of ECO (Environmental Declarations) in accordance to the ECMA TR/70 or 370 model and a Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) statement listing which version of compliance and the Substances of Very High Concern (SVHCs) or any other declarations as requested.

Upon request we also deliver the EU declaration of conformity.

**Compliance with environmental laws and regulations and other obligations**

ALE keeps abreast of all the legislative and regulatory changes that apply to our products and solutions. In particular we developed special processes and procedures to deal with Restrictions of Hazardous Substances (ROHS) and REACH and we capture the relevant information from our supplier documentation and certification in our Product Life Management (PLM) system to document compliance with the requirements that enable us to generate the various declarations of conformity.

Relevant regulations:

- EU RoHS Recast (Directive 2011/65/EU)
- EU RoHS Recast Amendment 2015/863 regarding phthalates
- EU REACH Regulation (EC No 1907/2006)

ALE complies with the SVHCs reporting requirements as spelled out by the new European Waste Frame Directive and the necessary recording in the European Chemicals Agency (ECHA) SCIP database.
**RoHS**

The European Directive 2002/95/EC, known as RoHS, and its transposition into national law, bans a number of substances in electrical and electronic products to protect the environment, as of July 1, 2006. Directive 2011/65/EU (RoHS Recast) directly links the RoHS compliance of products to their conformity and to the CE marking as of January 1, 2013. By that date, ALE had completed the retrofitting of its equipment to this Directive by checking the composition of each component and sub-assembly through collaboration with its suppliers. The elimination of lead, present in current solder alloys, is important in areas that are delicate and require a specific approach. Alternative solutions to lead solder have not yet proven their long-term reliability. This significant difficulty is why lead used in solders for soldering infrastructure equipment was exempted in telecommunication. However, ALE has already qualified a new lead-free soldering process for its terminals.

**REACH**

ALE ensures a permanent regulatory watch. In particular we monitor developments in the REACH regulation (European Directive 2006/1907/EC). ALE has verified the use of the substances on the list of Substances of Very High Concern (SVHC), which is published on the ECHA website. After analysing the list, we have not identified any substances that would be used in our products, sub-assemblies or components and in no case at a level greater than 0.1% by weight. In addition, we are in constant communication with our suppliers on the need to be compliant with environmental legislation, and REACH in particular.

**Packaging**

The packaging of our products does not contain CFCs in accordance with the specifications that FTA International imposes on its suppliers with respect to dangerous substance restrictions. Concentrated levels of lead, cadmium, mercury, and chromium hexavalent in our packaging and their components do not exceed 100ppm in weight, in accordance with European Directive 94/62/EEC. Our product packaging also complies with Chinese regulations on marking products (China RoHS Regulation GB-18455-2001).

**Our products ecological footprint**

**Energy efficiency**

ALE knows that improving the energy efficiency of its products creates a significant benefit to the environment and an economic gain for customers. We have assessed the environmental impact of our products throughout their entire life cycle. The study showed that the equipment use phase consumes the most energy. Considering energy efficiency during the design phase reduces the environmental impact in a significant way. ALE’s data switches and telephones consume significantly less energy than those of our major competitors. Consuming less energy allows us to reduce the energy costs of the equipment itself and also additional equipment such as back-up batteries, and inverters, or air conditioners. In addition, the acquisition cost of emergency or air conditioning equipment is reduced when deploying energy-saving equipment.

ALE products (predominantly applicable to switches) are designed to minimise power consumed during operation, and to provide high-efficiency solutions with regards to power consumption. The products are designed to conform to requirements defined by 80 PLUS® and ENERGY STAR®. Key elements in the design and operation of ALE products include:

- Power supplies in ALE products have a design guideline to exceed the criteria defined by the 80 PLUS® power supply certification. Power supplies meeting the 80 PLUS® requirements deliver more than 80% power efficiency. For most ALE products the power supplies conform to the 80 PLUS® Silver requirements with 85%+ efficiency and some conform the 80 PLUS® Gold requirements with 87%+ efficiency.
• ALE products typically support the IEEE 802.3az Energy Efficient Ethernet (EEE) standard. EEE reduces the power consumption associated with Ethernet links during periods of low data activity. The goal is to reduce energy consumption by 50%.
• Dynamic Power over Ethernet (POE) allocation ensures that POE usage only consumes the power required by the powered devices. This functionality allows for maximum product power consumption efficiency.
• When possible products (mainly switch products) have implemented Adaptive Active Cooling which allows fan speed to vary, based on temperature inside the product and to reduce energy consumed.

End-of-life equipment management

Collaboration and supplier direction

To ensure that procurement or sourcing of components or systems complies with the regulations (and as part of the Environmental Strategy), ALE has created a specification directed to its suppliers to require compliant materials and corresponding declarations.

Alcatel-Lucent Enterprise’s Restricted Materials Specification provides details for components and materials supplied to ALE with regard to:
• Applicable legislations governing restricted materials
• Applicable materials restrictions
• Applicable material disclosure requirements

These requirements and restrictions are mandatory for components and materials supplied to ALE for use or integration in Alcatel-Lucent Enterprise’s products and solutions.

Principles

The management of end-of-life equipment waste is defined by the European directive 2002/96/EC, known as WEEE. The text has been subject to a specific transposition adapted to the regulatory context of each member state of the European Union. In each of the states, the trade-in conditions are now specified upon the sale of the equipment. France allows a degree of flexibility on the terms and conditions for the taking back and management of the recycling of professional equipment. This trend is similar in other state members.

Where local regulations allow, ALE has entrusted its Business Partners with collection and recycling operations for end-of-life equipment. The proximity between the BP and its client was an important criterion in the choice of this operating model. Our Businesses Partners are committed to implementing procedures which respect the legislation of the country where they operate. For the other cases, ALE has set up an internal process to respond to collection and recycling requests made by our customers. This process is based on a partnership with Veolia Environment, while respecting the environment as well as the standards and regulations of the country in which it operates.

Operations

In the interest of ALE and its customers, the service details and their financing, as well as responsibilities, need to be precisely defined. These include: Decommissioning and equipment servicing, disassembly, partial reuse, packaging, collection and recycling. ALE and the Business Partner adapt their service and clarify their responsibilities according to this definition. Our objective is to provide the customer with a consistent take-back and recycling service that enables them to:
• Respect the environment
• Have a reliable solution for taking back ALE products at the end of their lifecycle
• Comply with waste disposal regulations in a safe, efficient and effective manner and optimised for cost.
In summary, ALE and its partners are committed to providing customers with a flexible offer for recycling, in compliance with the WEEE Directive and its regulations, in the member states of the European Union. As explained above, the precise content of an offer will be determined after discussion with the customer, in order to respond to their specific needs.

**EcoVadis sustainability assessment**

In 2019, we achieved EcoVadis Silver (52%) certification with satisfactory sustainability practices. And we achieved Top 7% of ‘manufactures for ethics’.

We continue with our annual corporate social responsibility evaluation assessments and await the result of our 2020 activity. This evaluation is based on the ISO 26000 standard, as well as the principles of the Global Reporting Initiative and the United Nations Global Compact.
Philanthropy - ALE impact

Alcatel-Lucent Enterprise is committed to enhancing and serving the communities where our employees and customers live and work.

- Voluntary and employee-led programs are part of our culture and values program.

Our mission

To positively impact our global community by delivering communications and infrastructure solutions to help those in need.

Program charter

- The program is voluntary and employee-led
- Employees are encouraged to work with organisations and causes in which they believe
- ALE will foster - under the culture program - a unique and structured CSR program that fully aligns with ALE’s strengths and objectives
- ALE’s corporate contribution to any initiative will be considered on a case-by-case basis

Initiative selection

ALE can uniquely contribute communications and networks expertise, and has the business objective to grow its vertical and cloud business. Initiative selections will be reviewed based on the following criteria:

- Support of a non-governmental organisation (NGO, non-profit, voluntary citizens’ group)
- Addressing a vertical and/or cloud focus
- Requiring communications and/or networks to meet their own NGO’s objectives
- Vetted by the ALE legal team

Mercy Ships (#MercyShips)

Mercy Ships, is our first partner initiative to optimise the care pathway of their ships with real-time communications

Mercy Ships is an international charity that operates a fleet of hospital ships in developing nations since 1978. They work with host nations to improve the local healthcare delivery system while serving the surgical needs of the host country and providing a variety of training opportunities for medical professionals. Mercy Ships is an organisation that clearly aligns with ALE’s core expertise including: Hospitality, healthcare, transportation and education. Communications and networks are key factors for Mercy Ships to deliver their programs and provide the highest level of care to each of their patients and meet the needs of their students while on the ship. Alcatel-Lucent products are already on board.

Since the commencement of our involvement, our goal has been to raise funds for Mercy Ships to upgrade their International Support Centre (ISC), deploy professional services and ALE solutions to equip their ships with communications equipment to allow them to provide the highest level of care to those they serve. We have been able to raise additional funds during the ALE Values Day and to deploy Professional Services and Alcatel-Lucent Enterprise equipment to build the new ship, Global Mercy. Our goal is to continue our partnership to ensure ALE’s core strengths contribute to the overall impact of Mercy Ship’s programs.
Qhubeka (#Qhubeka)

Qhubeka is a charity in South Africa that moves people forward with bicycles. People earn bicycles through the programmes, improving their access to schools, clinics and jobs.

A bicycle is a tool that helps people to travel faster and further, and carry more. In the face of extreme and persistent poverty, bicycles can change lives by helping address socioeconomic challenges at the most basic level – helping people to get where they need to go. The hand at the back of the jersey is a reminder that every Qhubeka bicycle is a helping hand up to a Qhubeka beneficiary. To us, as sponsors of the team, it symbolises the power that bicycles have in changing lives. By supporting Qhubeka, we help children access education, and help support skills development and job creation in South Africa.

Qhubeka is an Nguni word that means “to progress”, “to move forward”. Bicycles help people move forward. Bicycles help change people’s lives. They are an accessible, reliable, affordable form of personal transport. The programmes run by the charity include: Learn-to-earn; Work-to-earn; Health; Community Safety.

A bicycle saves time and money. Data collected by our Garmin Mobility Project showed that learners with bicycles travel three times faster by bicycle than on foot. For a child walking to school daily, a bicycle:

- Dramatically reduces travel time to school
- Increases on-time arrival
- Improves academic performance
- Improves attendance
## GRI Content index

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<td>102-40 List of stakeholder groups</td>
<td>Employees, Customers, Sales Channel Partners, Investors, Suppliers, Industry Analysts, Government and Regulators, Communities</td>
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<td>102-41 Collective bargaining agreements</td>
<td>ALE International employees are global and each country carries with it local employment laws and norms. Due to data privacy legislation in many countries, we do not have an exact percentage of employees. We estimate 65% are covered, primarily in France and Germany.</td>
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<td>102-42 Identifying and selecting stakeholders</td>
<td>Customers and partners. The visibility of environmental sustainability continues to increase in customer and partner requests for proposal (RFP), supplier qualification, and contract processes. Employees, Industry analysts, Investors; Sustainability data aggregators, like Ecovadis</td>
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<td>102-43 Approach to stakeholder engagement</td>
<td>Corporate social responsibility and sustainability are part of what defines us as a company. We are committed to help make the world a better place. We need feedback from our stakeholders to ensure that we are developing the company to meet their needs and our objectives.</td>
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<td>Partners and suppliers 2020 Employee Engagement Survey. Annual employee survey, as well as external customers surveys (Quality) are actioned, to obtain information and identify action plans for future development. Regular Culture-board assembles to review plans</td>
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<td>102-53 Contact point for questions regarding the report</td>
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<td>This report has been prepared in accordance with the GRI Standards: Core Option</td>
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### Material topics

#### 200 series (Economic topics)

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Alcatel-Lucent Enterprise
Corporate Social Responsibility/Sustainability Report

Headquarters – France
ALE International
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