



CORPORATE SOCIAL RESPONSIBILITY REPORT

Fiscal Year 2014

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Kevin Kennedy

President and Chief Executive Officer at Avaya, Inc.



MESSAGE FROM THE CEO

I'm delighted to introduce our first Corporate Social Responsibility report. The report provides an introduction to the positive social, environmental and economic contributions that we make through our work at Avaya.

With the ever-changing evolution of always-on technology, Avaya is uniquely positioned to transform the way people and businesses engage with each other. We enable our customers with real-time collaboration and unified communications products and services to reduce the time, expense and environmental impacts of business travel. These engagement technologies are designed to help our customers transform their businesses and improve workforce productivity and mobility, while allowing employees to securely use a variety of devices and communication channels to collaborate.

We aim to be the leader in our industry by addressing the unique needs and priorities of our customers. We have invested in open, mobile enterprise communications and collaboration platforms and are well poised to serve a broad range of needs, from servicing old phone systems to deploying transformative, leading-edge call center technology via the cloud.

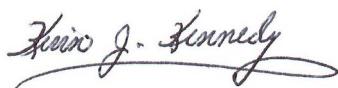
These engagement solutions also help education, emergency response and healthcare institutions impact more people. Our solutions and services create a powerful, 21st century-style education environment; help businesses and governments bring calm to unexpected tragedies and disasters; and connect patients to healthcare professionals during their times of need.

These are inspiring and motivating outcomes to the work we do with our customers and thanks to their success, I am proud that Avaya is making a difference. Our continued focus on flexible, cost effective and reliable solutions means that more customers, including midsize businesses, can adopt our technology and access these benefits.

During Fiscal Year 2014, Avaya specifically achieved the following outcomes:

- Exceeded our carbon reduction goal two years early by means of adopting our Avaya Scopia® desktop and mobile videoconferencing systems across the business. Within the first six months, more than 100,000 meetings had been held, with over 310,000 attendees participating in video calls, leading to a 44 percent reduction in travel and a 46 percent reduction in CO₂ emissions.
- Increased ocean freight shipping. Now, 83 percent of all Avaya products are transported via ocean rather than high emission air travel. While this has required extra planning, it has reduced the cost of transport and it has decreased the associated greenhouse gas emissions by as much as 47 times.
- Adopted a Code of Conduct based on the Electronic Industry Citizen Coalition, the best in the industry and extended our values to our partners and suppliers to influence important ethical and business conduct issues, including the health and safety of workers, labor rights and environmental practices.
- Achieved Best-in-Class status with our Net Promoter Score by enabling outstanding customer interactions.
- Supported more than 30 active Employee Activity Committees in 15 countries. These committees bring The Power of We™ spirit to all corners of the world through the organization of community social events, donation drives for charities and volunteer opportunities.

I'd like to thank our employees, customers and partners for the hard work that's making a difference in the world. We are energized and humbled to be our stakeholders' trusted advisor. It's a privilege and a responsibility that we do not take lightly.

A handwritten signature in black ink that reads "Kevin J. Kennedy". The signature is fluid and cursive, with a distinct "J" and "K" at the beginning.

Kevin J. Kennedy
President and Chief Executive Officer at Avaya

1 INTRODUCTION

ABOUT AVAYA

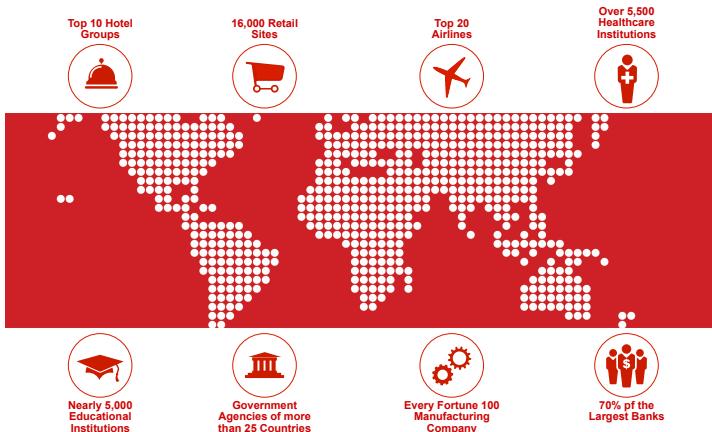
Avaya is a leading provider of contact center, unified communications and networking products and services designed to help enterprise and midmarket businesses improve customer and team engagement. At Avaya, our business is the business of human engagement. We believe when people engage, magic happens. Ideas are shared, problems are solved and real innovation is realized. Simply put, we believe engagement -- the positive, value-creating relationship derived from active participation, pervasive collaboration and quality experiences -- leads to increased productivity and higher revenue for our customers. Our unified communications, contact center and networking technologies aim to increase productivity and profitability for businesses of all sizes. Avaya technologies have helped prominent companies like Google, HP, Salesforce and VMware address their business engagement challenges and reimagine the way they work in the 21st century. For Fiscal Year 2014¹, Avaya generated **revenue of \$4.371 million** and employed **13,122 global employees**.

PRODUCTS, SERVICES & CUSTOMERS

We have a diverse customer base, ranging in size from small businesses employing a few employees to large government agencies and multinational companies with more than 100,000 employees. As of September 30, 2014, we had more than **300,000 customers** and installations in over 1 million customer locations worldwide. Whether or not users know it, they interact and depend on our solutions almost daily. In fact, more than 95 percent of the Fortune 500 can proudly call themselves Avaya customers.

Our customers operate in a broad range of industries, including financial services, manufacturing, retail, transportation, energy, media and communications, health care, education and government. We employ a flexible go-to-market strategy with direct and indirect presence in over **160 countries**. Our channel partners are a valued community. Partners better enable us to connect with small to midmarket businesses and as of

September 30, 2014, we had approximately 10,800 channel partners with approximately 75 percent of our total FY2014 product revenue coming from indirect sales.



¹ FY2014- Our company's fiscal year is from October 1 through September 30.

AVAYA CORPORATE RESPONSIBILITY

As a leading global provider of next-generation business collaboration and communications solutions, we utilize our technology and services to promote communication, innovation and collaboration to make our world a better place. At Avaya, Corporate Responsibility means doing the right thing while also considering the social, environmental and economic impacts of doing business. Simply described, Avaya is committed to four key elements:

- **MARKETPLACE** - Engaging in fair and ethical business practices with our customers, partners and supply chain;
- **WORKPLACE** - Developing a safe and desirable place to work for our employees worldwide;
- **COMMUNITY** - Positively impacting society as a whole and supporting the communities where we live and do business; and
- **ENVIRONMENT** - Implementing environmental stewardship practices at our global locations and keeping an eye on the future sustainability of our communities and planet;

We review, update and communicate our Corporate Responsibility targets and objectives annually. Additionally, our Code of Conduct sets the high standard for how we do business globally. Avaya employees, contractors and suppliers are required to adhere to company-wide regulations including the Avaya Code of Conduct, which highlights standards for:

- Product content and design;
- Health and safety practices;
- Worker protection and labor laws;
- Ethical behavior; and
- Management systems to ensure continuous improvement in these areas.

GOVERNANCE

Avaya Corporate Responsibility initiatives are led by the Senior Vice President and General Counsel, responsible for Worldwide Law, which includes our legal, governance, compliance and security teams. This role reports to the CEO and is a member of our Senior Executive Council. On a day-to-day basis, the initiatives are spearheaded by the Director of Corporate Responsibility.

The corporate responsibility strategy is discussed with the SVP on a quarterly basis and initiatives are implemented through cross-functional partnerships with Real Estate & Facilities Management; Sales, Marketing; Compliance and Supply Chain to advance opportunities that are mutually beneficial to Corporate Responsibility and department level goals.

ABOUT THIS REPORT

To guide the development of this report, The Global Reporting Initiative (GRI) framework (G4) has been followed and applied throughout. This is our first Corporate Responsibility Report and we understand the reporting process is a baseline. We are committed to continuous improvement and advancing our reporting capabilities in the future. While this report is not a complete 'in accordance with core' G4 report, this is a goal we are striving towards, therefore a GRI index has been included as an Appendix.

MATERIALITY & STAKEHOLDER ENGAGEMENT

While there are a variety of aspects and indicators Avaya could report on to measure Corporate Responsibility, a specific set of topics and metrics has been chosen to reflect those that are most significant to Avaya and its stakeholders. The selection of topics was informed by a materiality analysis that was undertaken by a cross-functional Avaya team that considered:

- The impact on the company's social, environmental and economic progress;

- The company's operating boundaries (includes facilities owned or operated by Avaya and activities for which Avaya has the ability to significantly influence or control);
- Industry trends, such as reporting best practices and material topics that have been identified for the information, communication, technology and software industries; and
- Topics of particular concern and interest to Avaya stakeholders, especially customers and employees.

The materiality analysis included the consideration of data and a series of meetings with internal stakeholders, including Human Resources, Sales, Marketing and Communications, Procurement, Real Estate, Compliance and other Avaya departments to determine which aspects are in our operational control. The following aspects were identified as being most material to Avaya:

Material Aspects for Avaya

Workplace

- Workplace Health & Safety
- Talent as a differentiator

Environment

- Product Energy Use
- Energy Consumption in Operations (&CO2 footprint)
- Product EOL (eWaste)
- Product Design RoHS, WEEE, REACH Compliance, DFE
- Positive Environmental Benefits of Product Use
- Packaging

Marketplace

- Ethical Sourcing & Supplier Performance
- Data Privacy & Security

Community

- Positive Social Benefits of Product Use
- Community Impacts

Moving forward, Avaya will continue to revisit the materiality process, evaluating these topics and updating them as appropriate.

2 WORKPLACE

We are proud of our strong, global company culture at Avaya. We're committed to developing a safe and desirable place for our employees to work and grow. Across the globe, we aim to create a positive company culture of Futuremakers ready to meet today's challenges head on.



It's easy to accomplish great work when diversity, risk-taking and innovative thinking are applauded. These values guide our employee engagement strategy. By offering opportunities for continued learning, professional development and honest dialogue with leadership, we hope to empower an agile workforce that is quick to adapt to an evolving industry.

LinkedIn released its annual list of its 100 most in-demand employers in October and Avaya debuted as an in-demand company. The top-100 list is based off the analysis of more than 35 billion interactions between companies and members on LinkedIn and reflects brand awareness and engagement among LinkedIn members. Other in-demand companies on the list include Google, Apple, Facebook, Tesla, Nike, Coca-Cola and Twitter.

TALENT AND DIVERSITY

Building the future of communications first starts with building the right team of people and providing the support they need to meet modern challenges. Through our history of mergers and acquisitions, we recognize the benefits and challenges in bringing various companies and company cultures together.

Avaya embraces its history and its goal to build a culture of Futuremakers. A Futuremaker is someone who:

- Is bold and takes informed risks;
- Makes fact-based decisions in the interest of the company;
- Responds with agility to competitive market conditions;
- Achieves cross-organizational effectiveness; and
- Acts empowered based on strong ownership and personal accountability

PROFESSIONAL DEVELOPMENT

Striking a balance between hiring external talent and developing skills for our existing employees continues to be an opportunity for us. Through our employee engagement survey and other methods of communication, we have heard loud and clear that our employees appreciate opportunities to develop their careers within Avaya.



DEPARTMENT-LEVEL TRAININGS

One of the ways career development is fostered at Avaya is through department-level trainings, which are designed to further the knowledge base and skill set of all employees within a department. From new employee orientation programs, such as the new hire boot-camp for sales personnel, to technical and department-level trainings, all trainings are varied in their form and function, as they're implemented according to the needs and interests of each organization.

For example, in FY2014, the Services organization launched a "Good to Great Management Development Program," a specialized skill training program, which resulted in 30,000 hours of trainings for 3,000 employees. The purpose of the training was to improve problem-solving skills and customer response times.

As a result of this effort, Services employees expanded their solution selling abilities and customer satisfaction increased by 9.6 percent.

The Worldwide Law organization also identified an opportunity to increase employee capacity development and business knowledge. The organization created an “In-House MBA” program. Curriculum included interpretation and analysis of financial statements, new product development, human resources, supply chain and commercial law. The organization invited CEO Kevin Kennedy, attorneys and business school professors, among other instructors, to lead the deep-dive sessions. Initially intended solely for the Worldwide Law organization, the program quickly drew interest from all corners of the company.

In FY2014, more than 14 hours of classes were delivered and routine attendance included employees from Law, Finance, IT, Operations and other departments.

PERFORMANCE REVIEWS AND GOAL SETTING

At a company-wide level, career development is a top priority. We believe that career development encourages a top-notch workforce and improves retention and so we encourage career development through regular performance reviews, which are required for all employees. During these reviews, employees and their supervisors are encouraged to discuss strategy, set goals and create professional development roadmaps.

Our company’s dedication to career development is further supported through the Career Development Portal and Avaya Learning Center, which offer numerous tools and hundreds of hours of online training modules designed to upgrade employee skills and promote internal advancement. These tools are available to employees for access at any time. The Avaya Learning Center was accessed 69,637 times by regular, full-time employees over the 12-month period from October 1, 2013 to September 30, 2014.

Additional trainings in the Avaya Learning Center include ethics and compliance training and trainings on health and safety. These trainings, coupled with department-level programs, keep employees current in an evolving industry and work environment.

CONVERSATIONS WITHOUT BARRIERS

In addition to quarterly all-hands broadcasts, where employees across the globe are invited to learn about the state of the company and address the executive leadership team with questions, CEO Kevin Kennedy hosts intimate quarterly breakfasts with employees called Conversations Without Barriers. Kevin invites 10 to 12 employees to eat breakfast with him and simply discuss what’s on their minds. There are no slides, no presentations and no hidden agendas.

This sort of program is unique to a large enterprise and we believe the opportunity for two-way dialogue is mutually beneficial to our workforce and our company. The conversations empower our employees, giving them strong ownership of the company, encouraging personal accountability and establishing mentorship at the top. They also allow our employees to bring their ideas, feedback and candid thoughts to the table.

Though the Conversations Without Barriers breakfasts take place at the Santa Clara, Calif. headquarters, Kevin and his leadership team host a similar program called Leaders on the Road when they travel. If our leaders are nearby an office location visiting partners or customers, whenever possible, they host informal, personal all-hands conversations and Q&As.

DIVERSITY

We value diversity and know that a diverse workforce is a strong workforce. Diversity at Avaya reflects our global nature and promotes innovation, giving our company a competitive edge in the market. We must reflect the communities we serve and with whom we do business. Customers want to see themselves in us. It's that simple. When they see themselves, barriers are broken and trust is built to enable open, transparent conversation. When we fail to make these connections we are at risk of alienation. We are committed to attracting and retaining a wide pool of diverse talent.

As of September 30, 2014, Avaya employed 13,122 full-time employees, in five regions across the world. Roughly 5 percent of employees are represented by collective bargaining agreements. Below is a snapshot of the Avaya workforce:

Table 1.

Avaya Headcount September 30, 2014 ²		
Category	Headcount	% of Headcount
Gender		
Female	2994	23%
Male	10128	77%
Age		
Under 30	1087	8%
30-50	8454	64%
Over 50	3561	27%
NA	20	0%
Region		
USA	5034	38%
EMEA	3703	28%
APAC	2817	21%
CALA	944	7%
CAN	624	5%

² Discrepancies with the employee totals are a result of missing age and gender data.

Table 2.

United States Headcount as of September 30, 2014		
Category	Minority	Non - Minority ³
Gender		
Female	29.9%	70.1%
Male	24.1%	75.9%
Total	25.8%	74.2%
Age		
Under 30	53.3%	46.7%
30-50	31.2%	68.8%
Over 50	16.8%	83.1%

³ In compliance with U.S. regulations, Avaya monitors its demographics in accordance with the parameters defined by the U.S. EEOC and establishes goals as appropriate.

The Avaya global workforce inherently includes a wide range of diversity dimensions, from nationalities, traditions, ethnicities and much more. Because of this, we benefit from contrasting opinions and worldviews. As we interact with one another, we develop new ideas, methods and perspectives. It is well proven that diverse, heterogeneous teams promote creativity, innovation and product development. Only by fully embracing our diverse workforce and maximizing the well-being and contributions of our people can we fully maximize the strength and competitiveness of our company.

On par with our industry peers, Avaya's female population is approximately 25 percent globally. We will continue to work on a strategy and execution plan to advance women and diversity in our practices and population. In FY2014 Avaya welcomed three new women leaders in senior management positions.

NEW WOMEN LEADERS AT AVAYA



MARY HENRY JOINS AVAYA BOARD OF DIRECTORS

Mary is a former partner and managing director with Goldman Sachs. She spent most of her 18-year career with the company covering the communications industry on behalf of the Investment division. She became a top-ranked analyst on Wall Street and was named an Institutional Investor All-Star analyst. Over the years, Mary has specialized in voice, data and video networking, communications software, optical networking, mobile communications and related technologies. This wealth of experience will be pivotal to Avaya as we continue to innovate and transform our customers' experiences.



ANDY CUNNINGHAM JOINS AVAYA AS CHIEF MARKETING OFFICER

As a distinguished businesswoman, Andy's track record working with Fortune 500 companies is well-recognized and well-suited to lead our marketing presence into the future. Andy came to Silicon Valley in 1983 to work for Regis McKenna and help Steve Jobs launch the Macintosh. Andy's accomplishments include successfully leading numerous marketing organizations, campaigns, category creations and product launches over the past three decades. Her insight and industry knowledge will help bring a fresh outside-in perspective that will enable us to reposition Avaya for success in today's competitive environment.



AMY OLLI JOINS AVAYA AS SENIOR VICE PRESIDENT AND GENERAL COUNSEL

Amy joins us from CA Technologies, where she held a similar position of responsibility covering all legal, governance, compliance, internal audit, security, risk management and controls. During her career, she spent 18 years with IBM Corporation, ultimately serving as vice president and general counsel for the Americas and Europe, with legal responsibility for 75 percent of IBM's global sales and a team of more than 200 attorneys located in 30 countries. Amy will lead the Avaya Law and Global Contracting organization, including Avaya Government Solutions, Ethics & Compliance, Corporate Security & Business Continuity Planning, Corporate Social Responsibility, Environmental, Health & Safety, Corporate Philanthropy, Global Trade Compliance and Government Affairs. Amy will champion our unwavering dedication to operating under the highest ethical standards, ensuring that a commitment to ethics continues to permeate Avaya at every level of the organization.

TALENT AS A DIFFERENTIATOR

In FY2014, Avaya continued two major diversity initiatives, one that addresses the need to attract and retain women and the other that focuses on early-career professionals. These programs are the Avaya Women's Leadership Forum and the Global Management Development Program.

AVAYA WOMEN'S LEADERSHIP FORUM (AWLF)



Multiple studies show that the technology industry is heavily skewed toward men with high attrition rates of female employees. The AWLF is a resource in promoting awareness, inclusion and professional development for women. The AWLF is a voluntary network open to all Avaya employees focused on providing support to the advancement of women in the workplace through speaker and discussion series. During FY2014, AWLF hosted five unique speaker series, representing 10 hours of leadership training, which were broadcasted company-wide.

GLOBAL MANAGEMENT DEVELOPMENT PROGRAM (GMDP)

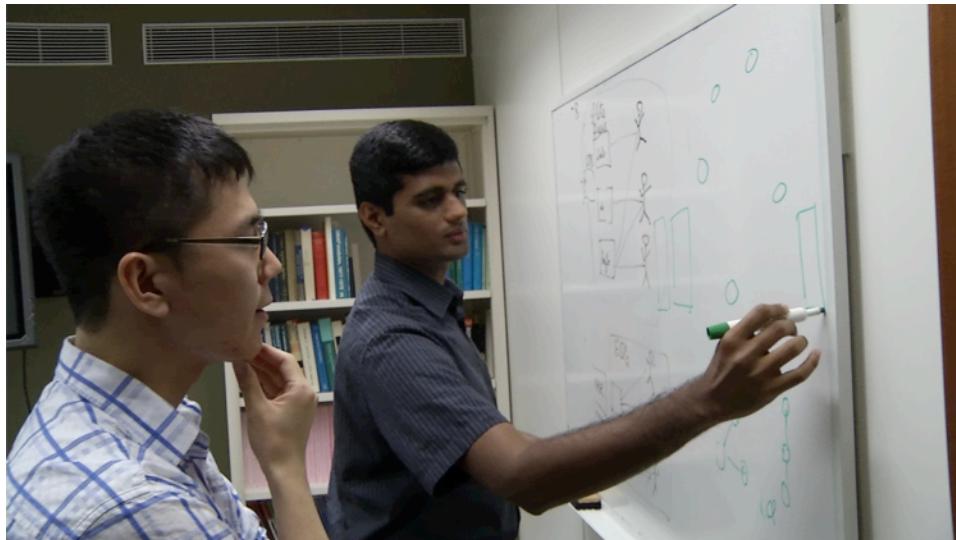
The GMDP is focused on attracting and retaining early-career hires. The program is a two-year career development opportunity that includes a job rotation, leadership and skills training and community engagement and outreach.



The program launched in January 2014. Currently, 125 employees are enrolled in the GMDP.

AVAYA INTERNSHIPS

Avaya hires interns to do meaningful work. In FY2014, Avaya hired 161 interns across various Avaya locations. We expose our interns to the full range of corporate experiences and opportunities so they get a real sense of what it's like to work inside a global enterprise.



HEALTH AND SAFETY

Avaya is committed to providing a healthy and safe work environment. Our EHS program includes regulatory and best management programs that cover the gamut of topics applicable to our operations. Many of these programs are geared toward our office-based employees, but some of our biggest risks involve our field technicians and sales staff who are on the road much of the time. We are in the process of updating our Job Hazard Analyses for specific groups of employees, as well as for site-specific hazards. This process allows us to verify we have the correct controls in place and provides an excellent method for documenting and disseminating information on hazards to employees.

INJURY, ILLNESS AND INCIDENT REPORTING AND INVESTIGATION

Avaya has established and implemented a health and safety incident tracking and reporting process to meet the needs of our global workforce.

When a significant incident occurs, the affected employee's supervisor completes an Accident/Incident/Imminent Danger Investigation Report. This information is used to identify the causal factors and implement corrective actions to prevent reoccurrence of the accident.



FIRE SAFETY COUNTS

In July 2014, 430 Avaya employees were safely evacuated from the multi-tenant office building located in Bangalore, India. A fire had sparked just a few floors above the office space, in a material storage room, as a result of an electrical short circuit. What started out as a small fire completely destroyed the floor and made the Avaya office space unsafe and uninhabitable. The fire was ablaze for nine hours. Fortunately due to the routine fire safety drills, early detection equipment, and a swift response and direction from local facility managers, Avaya employees evacuated the building within four minutes.

Avaya locations outside the United States (with more than 100 personnel) record and track monthly occupational injury, illnesses and incident data including:

- The number of cases that resulted in lost workdays;
- The number of lost workdays;
- The number of cases that required medical attention beyond first aid;
- The average number of Avaya associates on pay roll that month;
- The average number of contractor employees whose daily activities are directly supervised by Avaya that month; and
- A copy of the Accident/Incident/Imminent Danger Investigation Report if not previously submitted.

TRENDS IN OUR H&S PERFORMANCE:

Data shows that from 2011 to 2014 (YTD)⁴, our Total Case and Lost Workday Case Rates remain low compared to industry benchmarks:

- Total case rates decreased 36 percent from 0.56 to 0.36 injuries per 100 employees from 2011 to 2013 respectively.

⁴ Data reflects US operations on record with OSHA reporting requirements. YTD represents data through October 31, 2014. While Avaya does track data in other countries, the reporting requirements vary making the data inconsistent and incomplete.

- Lost workday case rates decreased 50 percent from 0.32 to 0.16 lost workdays per 100 employees from 2011 to 2013 respectively.
- As a result of implementing more thorough reporting procedures, we've seen a small increase in reported cases in 2014:
- Total injury and illness case rate increased from 2013 levels from 0.36 to 0.43 (YTD).
- Lost workday case rate increased from 2013 levels from 0.16 to 0.18 (YTD).

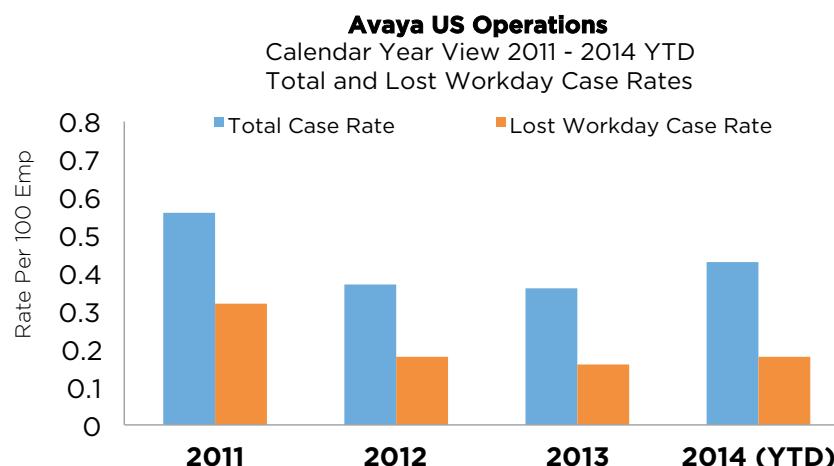


Figure 1.

Figure 2 below illustrates injuries by type. In 2013, the common cause of injury was slips, trips and falls, making up 35 percent of total cases, followed by ergonomic injuries at 17 percent.

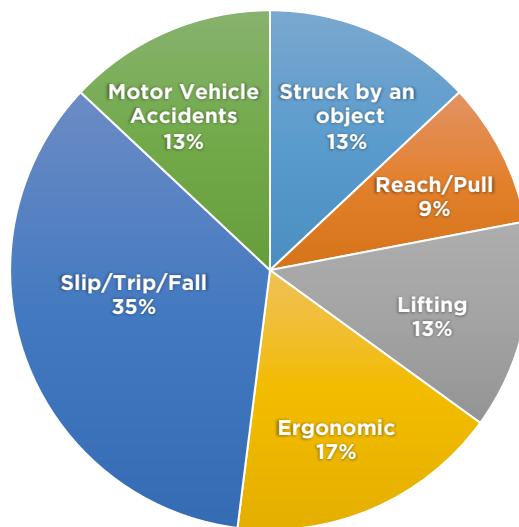


Figure 2. Injuries by event type

To enhance worker safety and prevent injuries, employees take safety training upon hire. Additional specialized safety trainings are required for service workers, supervisors and personnel handling special equipment.

3 ENVIRONMENT

We pride ourselves on our commitment to creating a sustainable future and we implement environmental stewardship practices at our global locations.



Our products and services play an important role in helping our customers implement more sustainable business practices; in particular, we empower our customers to reduce their IT footprint by migrating to the cloud and we change the way people work with our remote collaboration technologies.

We use our own operations to experiment with our new technologies and have exceeded our CO₂ reduction goal two years early by implementing solutions that allow for a more mobile workforce.

PRODUCT DESIGN

Avaya considers product design and stewardship throughout the life cycle of our products an opportunity to continually improve and reduce the associated environmental impacts.

There are a number of reasons environmental attributes of products are important, including:

- Customer expectations and competitive considerations;
- Environmental impacts and sustainability concerns;
- Emerging environmentally conscious product certification programs; and
- Regulatory requirements (e.g., battery recycling laws, material restrictions, product disposal and take-back laws)

Avaya has developed Design for Environment (DfE) Guidelines, Requirements and Checklists to help designers maintain compliance with legal requirements and consider environmental concerns associated with Avaya products throughout their life cycles, from raw materials extraction through end-of-life handling, and to maintain compliance with legal requirements.

The DfE process is included in our ISO 14001 Environmental Management System certification, which ensures DfE objectives have been properly incorporated into the design process. The core DfE aspects in our product design program include:

- Energy Efficiency
- Materials
- Recyclability & Upgradability
- Packaging

In 2014, Avaya revised its DfE Guidelines, Requirements and Checklist process making them action-oriented and easier to use with the goal to increase preferred material selection, drive design improvements and continue to reduce product environmental impacts.

Our DfE Checklist process ensures:

- Regulatory requirements and environmental considerations have been evaluated during the product design process,
- A basis for evaluating the environmental performance of products exists,
- Establishment of objectives and targets for improvement as required by our ISO 14001 Environmental Management System and
- A record for our Environmental Management System and Quality Management System audits.

ENERGY EFFICIENCY

Designing products and systems that minimize energy consumption is one of our core responsibilities to both our customers and the environment. Designing products for energy efficiency results in a number of benefits:

- Lower energy consumption and greenhouse gas emissions;
- Lower operating costs in markets where power is expensive; and
- Longer battery backup hold times, which increases reliability in the event of power outages in markets where electrical power infrastructure is less developed.

We design our products to use less bandwidth and to be open and interoperable so that they work seamlessly with products developed by other equipment manufacturers. Accordingly, our products offer some of the lowest total cost of ownership on the market. By making our solutions more affordable and simple for businesses to adopt, we will accelerate energy efficiency and capture wider environmental, social and economic benefits.



Energy use from office and communications equipment represents the fastest growing source of electricity consumption in the commercial sector. The energy efficiency of these products is of increasing concern to industry groups and regulators. This has led to the development of stricter energy efficiency standards and regulations. Avaya has been part of these discussions and voluntarily adopts ENERGY STAR® guidelines in the design of our products, where applicable.

DESIGNING PRODUCTS FOR ENERGY EFFICIENCY

Our products use energy in a number of ways, including: power supplies, data processing and transmission, display units and cooling fans. Our DfE approach considers how to improve energy efficiency in the product design from the product or system level to the circuit and integrated circuit levels. Considerations include:

- Designing for energy efficiency in the network as a whole (e.g. Reducing power consumption during periods of low data activity and putting devices into "sleep" mode when no data is being sent).
- Designing modular products so that power can be added as the system grows.
- Minimizing power demand of displays by using efficient LCDs and LEDs.
- Reducing or avoiding the use of cooling fans by designing the product to use passive air flows for cooling heat-generating components.
- Selecting energy efficient third party components and devices (e.g., disk drives, printers, PCs, monitors) that are incorporated into or bundled with Avaya products.
- Designing circuits and integrated circuits to minimize electrical demand.
- Using energy efficient power supplies.

MEASURING THE ENERGY EFFICIENCY OF OUR PRODUCTS

While we design our products to be energy efficient, the energy use profile of telephony and network equipment is very dependent on the individual characteristics of our customers' businesses. For example, many IP phones are used only a fraction of the day, whereas Contact Center phones can be used almost continuously. Individual product features can also vary significantly; for example, an IP phone might be wired or wireless. It may have a large or small LCD display. For these reasons, establishing standards for measuring energy efficiency is challenging.

We support the development of energy efficiency standards and are an active participant in the development of industry standards, including the ENERGY STAR® specification for Telephony equipment.

The ENERGY STAR® program requires equipment to be on average 43 percent more efficient than conventional products, while meeting certain functional design principles (see Box 1).

Avaya voluntarily adopted the design principles and early drafts of the design standards in 2009 but did not formally certify equipment. We also benchmark our equipment against best-in-class comparable products offered by other manufacturers, validating our findings using an independent third party to monitor and verify the product testing results.

For instance, our testing has focused on IP phones, which are among the largest energy users in an IP network, accounting for up to 80 percent of the network's energy consumption.

The test regime that was applied in a Tolly Report from 2010 reflects typical use phases of the equipment:

- Minimum: No PC connected, display manually adjusted to its lowest (dimmest) setting.
- Normal Off Hook: No PC connected, default display setting, phone in use.
- Normal on Hook: No PC connected, default display setting, phone not in use.
- Energy Saver On: This test scenario differed by vendors⁵.
- Maximum: PC connected transmitting traffic, phone in use with speakerphone on.

The results from the 2010 Tolly Report showed that our company's IP phones used significantly (40 to 60 percent) less energy than comparable phones on the market.

Box 1. EPA ENERGY STAR DESIGN PRINCIPLES

- Qualified products must deliver the features and performance demanded by consumers, in addition to increased energy efficiency
- If the qualified product costs more than a conventional, less efficient counterpart, purchasers will recover their investment in increased energy efficiency through utility bill savings, within a reasonable period of time
- Energy efficiency can be achieved through broadly available, nonproprietary technologies offered by more than one manufacturer
- Product energy consumption and performance can be measured and verified with testing

⁵ For Avaya, the energy saver feature in its LAN switch port was set to run "off hours" at only 10Mbps. This allowed the VoIP phone to be available if needed but reduced switch power. Cisco has a power saver mode in which the switch port is actually turned off during non-business hours, but this makes the phone unusable. Instead, testers minimized power draw at the phone by dimming the display but verifying that it was still visible.

Table 3. Average VoIP Phone Energy Consumption (Watts) Avaya 9600 Series IP Phones vs Cisco 7900 Unified IP Phone Series

Scenario	Power Consumption (Watts)		Energy Savings with Avaya
	Avaya 9600	Cisco 7900	
Minimum (No PC, Display off)	2.1	4.8	56.7%
Normal Off Hook (No PC)	2.6	5.3	51.8%
Normal On Hook (No PC)	2.5	5.3	52.5%
Energy Saver On (No PC)	2.3	4.8	52.9%
Maximum (PC Traffic, speaker phone)	3.1	5.9	47.3%
Average (All scenarios)	2.5	5.2	52.0%

Source: Tolly Test Report #210143 dated 2010

MATERIALS

As a global exporter and importer, Avaya is subject to many product and supply chain-related regulations linked to materials used in products. These include:

- Restrictions on the use of hazardous materials in products;
- Responsible management of products at end of life; and
- Sustainable use of packaging and management of waste.

Meeting these regulatory requirements is a core function of our DfE approach, which also requires designers to consider ways to:

- Minimize consumption of virgin materials;
- Minimize wastes associated with product manufacture and assembly;
- Design plastic parts to be easily disassembled, reassembled and cleaned; and
- Design hazardous and regulated materials out of parts for safe recycling and disposition.

Avaya is also pursuing Full Material Disclosure (FMD) with its supply chain to reduce the effort of assessing the presence of restricted and reportable substances as regulatory changes occur. During 2013, Avaya adopted IPC1752A, which is the standard form used by the electronics industry for collecting full material disclosure data. It is now a requirement for our suppliers to provide a full list of materials present in the components supplied, rather than just those required by regulation. This FMD data is an important foundation for Avaya to proactively screen the components it sources and to inform new product design.

Our commitment to FMD builds on its RoHS (EU Restriction of certain Hazardous Substances) and REACH (EU Registration, Evaluation, Authorization and Restriction of Chemical substances) compliance protocol, which includes collecting data for components and finished goods used in Avaya designed products as well as for Avaya-branded products manufactured and sold by partners. The protocol addresses current RoHS and REACH requirements and anticipates future expected changes. Specially trained engineers execute the RoHS and REACH program protocol, review the collected data and manage physical testing to ensure RoHS and REACH compliance.

RECYCLABILITY & UPGRADABILITY

Electronic waste (e-waste) is the fastest growing waste stream globally⁶, estimated to make up 5 percent of municipal solid waste worldwide. In Europe, e-waste is increasing almost three times faster than the total waste stream; and in developing countries, e-waste production is expected to triple over the next five years⁷. Unlike municipal solid waste, e-waste often contains toxic substances, such as mercury, lead, cadmium, arsenic, beryllium and brominated flame retardants. Without proper management and disposal, these substances can make their way into soil and groundwater.

A core aspect of our DfE objective is to reduce the amount of e-waste that results from our products. Our DfE guidelines help designers develop products that enable reuse and recyclability (see Box 2).

Avaya addresses the responsible management of our products at the end-of-life (EOL) phase through utilization of environmentally responsible collection and recycling processes. These processes reduce environmental impacts and meet the requirements of regulations, such as the European Union Waste Electrical and Electronic Equipment



(WEEE) Directive, for the regions where we do business.

Avaya employs a number of EOL management strategies such as collective e-waste take back schemes in the EU and our Authentic Avaya [Trade In Trade Up](#) and [Buy Back](#) Programs in North America. Our Trade In Trade Up and Buy Back programs enable customers to receive a cash rebate allowance to apply to the purchase of replacement equipment. We even allow some competitor equipment to be eligible for this trade in credit.

Table 4: Product Trade In Trade Up and Buy Back

Authentic Avaya Program	FY2014
Number of product units received through the Authentic Avaya program	9,233
Amount of cash back rebate offered to Avaya customers	\$326,327

⁶ United Nations, 2012

⁷ Greenpeace, 2013

In 2014, Avaya engaged in a global contract with SIMS Recycling Solutions to serve as its single service provider to support EOL management of its e-waste equipment in accordance with WEEE, batteries and packaging take-back laws in the EU, India, Peru and Puerto Rico. Additionally, SIMS will support environmentally sustainable EOL management of our own e-waste equipment globally.

Avaya locations or direct customers with equipment that needs to be recycled or deconstructed (junked/scrapped) can now engage with SIMS directly by requesting their support via their [web portal](#). Note that Avaya customers should contact the appropriate in-country Avaya representative first before reaching out to SIMS to ensure the most effective and timely service.

Detailed process instructions for this engagement are provided on the [Avaya EHS website](#) under "Product Design and Compliance."

Table 5: Product Recycled by SIMS⁸

July 2014 – October 2014	
Weight of Avaya products recycled (US)	62,796 pounds
Weight of Avaya products recycled (EU)	131,726 pounds

⁸Avaya entered into the contract with SIMS in July 2014.

PACKAGING

Product packaging engineers, product managers and project teams use our DfE packaging guidelines to make environmentally conscious decisions during the design of product packaging and the selection of packaging materials. The goal is to preserve the integrity of the products contained and achieve a minimum negative impact on the environment. The core principles to our packaging guidelines are the following:

- Reduce the total amount of packaging materials used;
- Reduce or remove toxicity by choosing the materials that have the lowest impact on the environment;
- Reuse as much of the packaging as possible;
- Recycle as much of the packaging as possible; and
- Use materials that contain recycled content.

Packaging designs consider overall weight and volume reduction to reduce warehouse space and the energy consumed for transportation. Besides reducing the amount of solid waste produced, material reduction helps to conserve natural resources and often results in lower costs.

DESIGN FOR RECYCLING

Avaya incorporates recycling into product packaging design and strives to:

- Incorporate parts that are easily removed or separated;
- Avoid the use of mixed packaging materials, which must be separated prior to recycling; and
- Include the material identification symbols, "Recyclable" on product packaging and "Recycled" where the packaging and materials include post-consumer waste.

ENVIRONMENTAL RESPONSIBILITY IN BUSINESS OPERATIONS

We are committed to implementing environmental stewardship practices at our facilities around the world. One of the ways this is evident is through our goal to reduce carbon dioxide emissions.

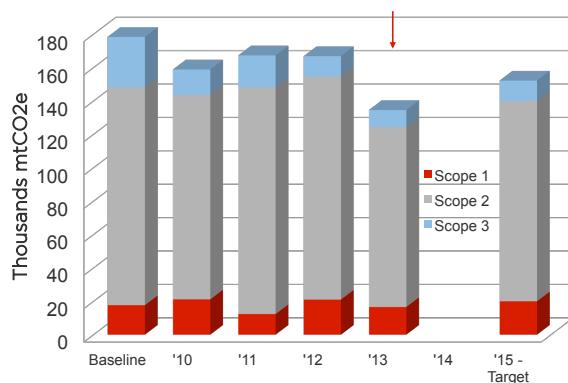
In 2009, we joined many Fortune 500 companies in declaring a voluntary goal to reduce carbon emissions by 15 percent by 2015. In 2013, more than two years early, we exceeded this goal, achieving a 25 percent absolute reduction from our 2009 baseline.

We track our direct (scope 1) and indirect (scope 2 and 3) emissions in accordance with the following activities, which are then converted into metric tons of carbon dioxide equivalent emissions (CO₂e) per the GHG protocol:

- Scope 1 – emissions from the use of natural gas and on-site diesel generators.
- Scope 2 – emissions from district heating and grid connected electricity provided by utilities.
- Scope 3 – emissions from business travel via airplane.

Carbon dioxide is a leading contributor to global climate change and is a by-product of everyday business operations, such as business travel, electricity consumption and the use of fuel to heat, cool and power facilities.

Figure 3: From 2009 to 2013, Avaya cut carbon emissions by 25 percent from its 2009 baseline.



In 2013, Avaya managed 5.2 million square feet, compared to 8.1 million in 2010. The majority of emission reductions realized in 2013 were the result of better utilization of office space and laboratories and an overall decreased demand for energy across our managed and leased facilities. In 2013, total energy consumption at Avaya facilities totaled 853,252 gigajoules or 164 megajoules/sq ft.

Energy consumption across our real estate portfolio (megajoules) by activity type from 2010 to 2013 is provided in Figure 4. Energy consumption is tracked through the receipt of monthly utility bills and recorded using an online platform that converts energy into metric tons of carbon dioxide equivalent emissions. Energy use estimates are applied to sites that do not receive regular utility bills.

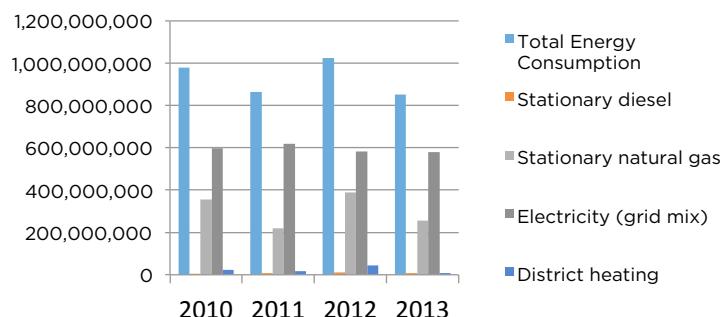
BOX 3. PARTNERSHIP WITH CLIMATE ACTION



In 2013, Avaya partnered with Climate Action, a not-for-profit organization focused on business solutions to Climate Change. Through this partnership, Avaya presented its Scopia® product as an application that can significantly cut pollution and costs associated with business travel, while increasing an organization's productivity. Avaya was joined by hundreds of governmental delegates to the United Nations, business leaders and non-governmental organizations.

"Climate change continues to be one of the most pressing global issues of our time and Avaya has taken a thought leadership position, demonstrating how our solutions can make our world a better place," Said Sara Broadbent, Director of EHS, Corporate Responsibility and Philanthropy at Avaya.

Figure 4: Energy consumption (megajoules) by fuel type



Additionally, emission reductions were realized through a strict travel policy and the internal adoption of Avaya collaboration technology which significantly reduced the need for air travel. From 2011 to 2013, flight travel decreased by 8,678 mtCO₂e or 46 percent.

While our overall energy use has decreased, the carbon intensity per square foot has increased with greater utilization of office space.

- Scope 1&2 emission reductions from changes in energy use and real estate footprint total 24,025 mtCO₂e
- Baseline: .018 mtCO₂e/sq ft
- 2013: .024 mtCO₂e /sq ft

Avaya has tracked and reported its carbon footprint progress annually to the [Carbon Disclosure Project](#) and over time has garnered recognition from the EPA and Avaya Customers. Additionally, we have showcased our technology, including Avaya Scopia®, as part of the climate change solution at [high-profile United Nation events](#) in Warsaw, Poland and Nairobi, Kenya (see Box 3).

While we celebrate our GHG reduction achievements, we continue to look for ways to reduce our carbon footprint further. We've partnered with the Environmental Defense Fund (EDF) to pinpoint energy and cost-savings through the deployment of: green leases, lighting upgrades, building control equipment and efficiency measures for our data centers and cloud computing services. Looking ahead, we remain committed to reducing our climate impacts and expanding our Scope 3 accounting to include additional business activities, such as the transportation of goods to Avaya customers.

Case study: Refinement of transport logistics routes

Over the past five years, Avaya has consistently looked for ways to reduce its carbon footprint, cut costs and minimize waste. One way we have done just that is by moving product shipments from air to sea.

Now, 83 percent of our freight is shipped via ocean, versus just 20 percent in 2010. This shift has helped the company cut scope 3 carbon emissions in half.



"Although shipping via ocean requires extra planning, larger inventory and more time, it's both the most environmentally-friendly and most cost-effective solution," said Lance Casler, senior manager, Global Transportation. "The cost to transport a telephone by air is around 10 times that to transport it by ocean; the greenhouse gas emissions per one-ton mile by airplane is 47 times that of a freight ship."

PRODUCT CUSTOMER BENEFITS

Avaya develops products and solutions that are changing the way our customers communicate, share information and interact with each other. These new ways of working can make our customers more efficient, sustainable and competitive. Numerous studies, such as SMARTer2020: The Role of ICT in Driving a Sustainable Future, have shown how audio and video conferencing, network and cloud services can lead to a range of positive social, environmental and economic benefits. For example, audio and video conferencing help people interact while avoiding the need for physical travel; networks enable new business models that can reduce the need for physical materials to be produced and transported; and cloud solutions offer more energy efficient and flexible IT infrastructure.

In addition to the environmental benefits of our solutions, there are also social benefits. For example, Avaya video technologies are being deployed by the social and healthcare industries, where doctors and counselors can see many more patients per day and can assist in remote areas that are understaffed.

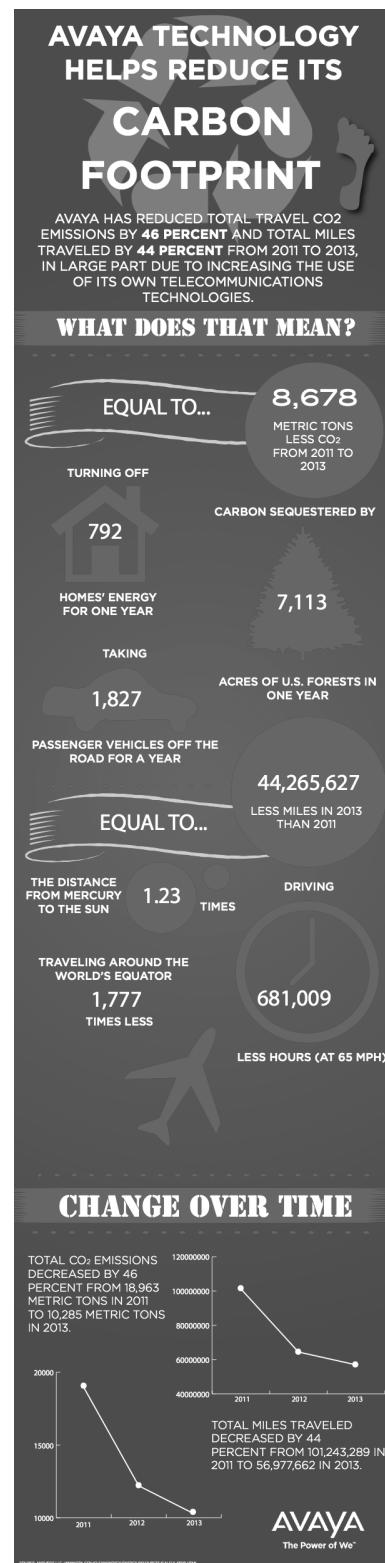
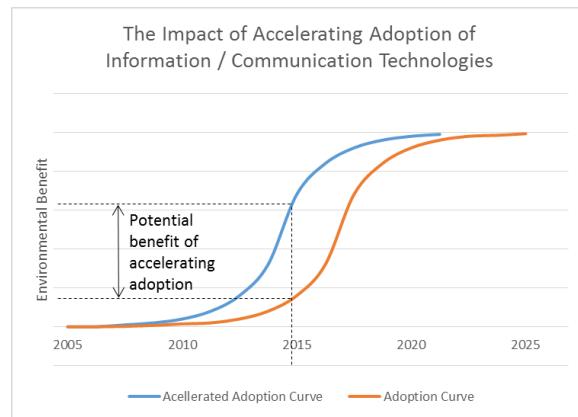
Our focus is developing solutions that are affordable, easy to implement and supported via our own in-house services so that these advantages can be gained not only by large organizations, but by small and midsize enterprises as well. This “middle market” is a core focus for Avaya and represents more than 90 percent of the industry. By providing affordable and effective products and services, we hope to accelerate adoption of the technologies and the associated environmental benefits.

Examples of how we are configuring our solutions to help midsize enterprises adopt these technologies include:

- **UNIFIED COMMUNICATION PLATFORM** that enables employee mobility and teleworking that can be configured in half an hour, rather than weeks.
- **VIDEO CONFERENCING** that has up to 83 percent lower bandwidth requirements and up to 71 percent lower total cost of ownership than competing solutions and which can pay for itself with the first eliminated business trip.

The advantage of early adoption is shown in Figure 5 below.

Figure 5: Impact of Accelerating Adoption of Communication Technology



REMOTE COLLABORATION AND THE CHANGING WORKPLACE

Video and audio conferencing allows individuals, teams, partners and customers to work effectively without the need to be physically together. By enabling a rich engagement experience, Avaya empowers businesses to host effective and collaborative team meetings remotely, reducing the need for business travel.

Case Study: Avaya

Avaya serves as an example to its customers and partners. We have invested in our own technologies to improve communication efficiency and to become more environmentally responsible and cost-effective.

From **2011 to 2013**, Avaya employees **reduced** their **total miles traveled** by **44,265,627** and associated CO₂ emissions by 8,678 metric tons— **comparable to taking 1,827 passenger vehicles off the road** or stopping 976,483 gallons of gasoline from being consumed. This represented a 44 percent reduction in travel and a 46 percent reduction in CO₂ emissions.



multipoint video calls.

Case Study: Carroll University

Carroll University's Learning Commons, a service providing information, collaboration and tutoring for students, is physically located in the university library. Usage of the Learning Commons was increasing rapidly and, having over-reached the limits of its physical space, the Learning Commons needed a way to continue growing beyond available space and the library's hours of operation for anywhere, anytime accessibility.

Carroll University inaugurated a pilot program with AvayaLive™ Engage, originally for three important groups/functions within the University: the Library Services' Learning Commons; recruitment programs and inter-university collaborations for International Studies; and the Faculty Advising group.

The value created was quickly realized. The International Studies program held two sessions of multimedia programming presented by a Carroll alumna at Lingnan University in Hong Kong, where attendance was two

Along with benefits to the environment, the initiative also generated cost benefits as well, decreasing travel costs by 48 percent.

To enable these benefits, we rolled out our Scopia® desktop and mobile videoconferencing system to 4,000 employees in just five weeks. Within the first six months, more than 100,000 meetings had been held with Scopia®, with over 310,000 attendees participating in point-to-point and

times greater than similar live presentations on campus. For these two sessions alone, there were immediate travel reductions and cost savings, amounting to \$11,400.

John Arechavala, director, IT Infrastructure Services stated, "We know that we'll continue to see huge cost savings for the International Studies programs because relationships that are developed in-person through costly, time-consuming travel can now be cultivated and strengthened consistently through AvayaLive™ Engage, without increasing the amount of travel. We have local 'green' savings as more students—particularly those off campus—can receive tutoring and faculty coaching via AvayaLive™ Engage. There will be reductions in the carbon footprint, in time, travel costs and potentially facility expenses as offices become more virtual in nature."

CLOUD INFRASTRUCTURE

The development and provision of cloud services and infrastructure is a key focus of Avaya. Consolidating IT infrastructure and virtualizing applications improves hardware utilization rates and can lead to a dramatic reduction in the number of servers and IT infrastructure. The environmental benefit has been shown to be as much as **a 90 percent reduction in energy demand** and significant reduction in the footprint of data centers to deliver the same functional IT services. Coupled with the savings in money, time and services, cloud architecture represents an important way Avaya can help its customers implement more sustainable business practices.

Today, 95 percent of our applications are available as virtual machines and we have more than 1,200 cloud-based installations of Avaya applications on customer-provided VMWare architecture, including Avaya Aura core applications, like Communications Manager and Session Manager, as well as a number of Call Center applications.

By adopting cloud architectures, we have customers that have shrunk from 30 data centers down to just two. Minimizing data centers decreases the energy demand required to deliver services and dramatically reducing the real-estate footprint and the associated materials and supply chain.

Case Study: Forest City



Forest City is a leading U.S.-based real estate company, which owns, develops and manages commercial and residential real estate and land. It employs more than 2,500 people nationwide and has been working to evolve its IT and communications systems to gain efficiencies, better uptime and disaster recovery and scalability.

Avaya helped Forest City upgrade its communications system from a first-generation VoIP-based system for internal calls and PRI and T1 connections for outside ones to the latest version of Avaya Aura, while at the same time virtualized Aura using VMWare. Avaya played a key role in helping Forest City consolidate from 150 physical servers to just 50, while upgrading and adding new applications.

4 MARKETPLACE

Avaya is committed to engaging in fair and ethical business practices with our customers, partners and supply chain. By extending our values beyond our own workforce and operations to those we work with, we can influence important issues including the health and safety of workers, labor rights and practices and environmental impacts.



ETHICAL SOURCING AND SUPPLIER CORPORATE RESPONSIBILITY PERFORMANCE

Avaya outsources the manufacturing of its products to suppliers around the world. We spend more than \$1 billion per year on more than 300 direct Tier 1 suppliers. Through these relationships, our product supply chain includes countries such as China, Israel, Mexico, Malaysia, Taiwan, Germany and Ireland. We hold ourselves to high standards of Labor Practices, Health and Safety, Environmental and Business Ethics and we expect our suppliers to do the same and implement management systems to continuously improve over time.

Direct suppliers are involved in the manufacturing and design of Avaya products and Tier 1 suppliers are those for which we have a direct contractual relationship.

Our direct, Tier 1 product supply chain is made up of:

- a) **Electronic Manufacturing Services (EMS)** - Suppliers that manufacture Avaya products according to its product specifications and Design for Environment standards.
- b) **Original Equipment Manufacturers (OEMs)** - Suppliers that provide preconfigured hardware and software components, which Avaya then reconfigures and rebrands.
- c) **Original Design Manufacturers (ODM)** - Suppliers that provide preconfigured designs, which Avaya purchases, reconfigures and brands.

Figure 6 below is a simple graphic illustrating the product supply chain. Additionally, the product supply chain includes thousands of other suppliers that provide goods and services to Avaya Tier 1 suppliers.

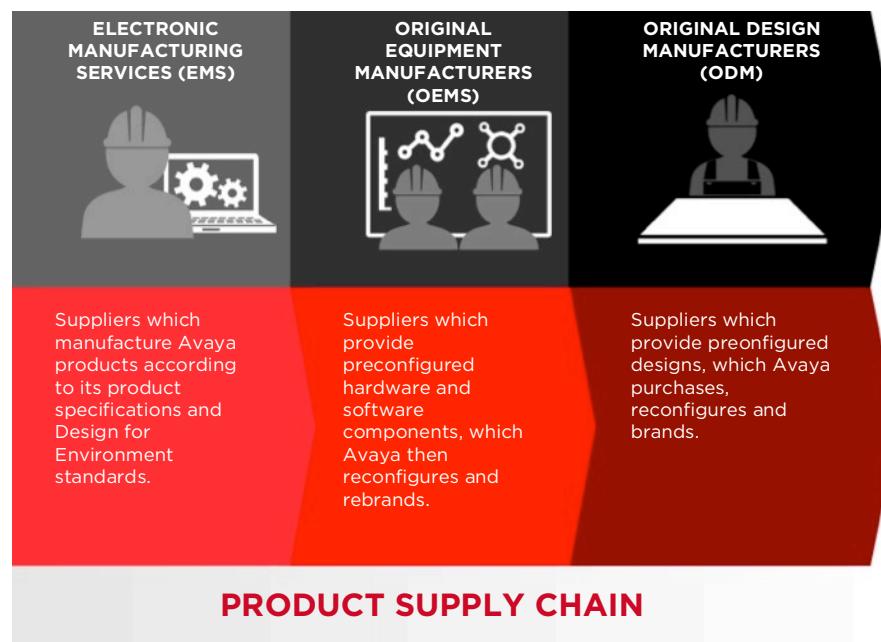


Figure 6.

It is important to note that supplier relationships extend beyond the product supply chain to include thousands of indirect suppliers. Indirect suppliers are those suppliers that provide goods and services to run our business operations.

What is a Sustainable Supply Chain?

We believe that a sustainable supply chain is a system of aligned business practices covering labor practices, health and safety, environment and business ethics through the life cycle of our products. By setting

standards for labor practices, health and safety, environment and business ethics, alongside core commercial and engineering requirements, such as cost, quality and reliability, we are building a supply chain that:

- Creates value for all of its stakeholders;
- Ensures ongoing commercial success; and
- Improves the well being of people and the environment.

In particular, we believe that building a sustainable supply chain underpins supplier resilience, reliability, agility and quality, which in turn provides Avaya and its customers those advantages.

AVAYA CODE OF CONDUCT

Our commitment to ethics and compliance is at the heart of our business. This is extended throughout our 300,000 customer relationships and all direct and indirect suppliers through the Avaya Code of Conduct. Avaya and its suppliers are expected to adhere to the Avaya Code of Conduct, which is founded on the Electronic Industry Citizenship Coalition (EICC) Code of Conduct® - a best-practice for the industry. The code outlines requirements for:

- Protecting the environment;
- Upholding human rights and labor standards;
- Maintaining a healthy and safe work environment; and
- Ensuring continuous improvement through management systems.

Additionally, Avaya has included provisions in the Code for:

- Protecting data privacy and intellectual property
- Prohibiting the use of gifts to influence decision-making and judgments;
- Creating transparency in product design and
- Assisting supplier compliance with Code requirements.

By implementing the Code of Conduct, our goal is to embed responsible business practices throughout our supply chain. We require that our suppliers acknowledge and implement the Code of Conduct to ensure that their employees and any subcontracted parties comply with the Code.

To verify key suppliers are complying with the Code, we periodically visit our key suppliers' facilities and use our Supplier Sustainability Checklist to identify and document suspected issues. We work with our suppliers to resolve problems and solve issues when identified.

COMPLIANCE

As a global exporter and importer, Avaya is subject to many supply chain-related regulations linked to environmental and social issues. These include:

- Restrictions on the use of hazardous materials in products;
- Responsible management of products at end of life;
- Sustainable use of packaging and management of waste;
- Avoiding the sourcing of materials from countries and perpetrators of human rights abuses; and
- Reporting of labor rights abuses.

Avaya established a program to address the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (*Conflict Minerals*), which aims to eliminate the social and environmental harm brought about by the use of Conflict Minerals (specifically tantalum, tin, tungsten and gold) and any funding that supports armed groups in the Democratic Republic of the Congo (DRC) region.

To meet the requirements of the regulation, Avaya has introduced a [Policy](#) that requires suppliers to:

- Source minerals from non-conflict regions or, if sourced from conflict regions, to demonstrate compliance through Reasonable Country of Origin Inquiry (ROCI);
- Disclose to Avaya the requested information necessary for Avaya to accurately report to the SEC; and
- Pass the requirements down to lower levels in their supply chain using reasonable efforts to determine the source of the specified minerals, if they do not source directly from smelters.

Avaya uses an industry standard survey template developed by EICC and GeSI to determine the sourcing and chain of custody of these minerals through our supply chain. We posted the first [Conflict Minerals Report](#) on our website this year and we make information on additional measures we have taken available to customers upon request.

During FY2014, we completed a Conflict Minerals supplier survey and assessment with more than a 90 percent response rate from our overall supplier base and a 99 percent response rate from direct suppliers. We also posted a Conflict Minerals Report on our website, which identifies 96 smelters used by suppliers that are on the Conflict Free Smelter (CFS) and Conflict Free Smelter Program (CFSP) lists.

Going forward, Avaya will undertake additional due diligence of suppliers that are using smelters not on the CFS/CFSP lists. We will require existing and new suppliers to complete the survey as part of the RFQ/P contracting process and develop corrective action plans for suppliers that are not responsive, which could ultimately lead to contract termination.

DATA PRIVACY & SECURITY

Data privacy and data protection is important for businesses and individuals that rely on information technology in their day-to-day work and lives. Avaya has two primary areas of focus on data privacy and data protection:

- Our products and services
- Our policies and procedures for protecting customer, staff and supplier data.

As a leading global provider of business communications, applications, systems and services, we hold ourselves to high standards in data privacy and protection. Our approach is outlined below:

PRODUCTS AND SERVICES

The Internet and a wider array of Internet Protocol (IP) devices allow data to be shared more and more on a global basis. This presents a challenge for industry organizations and regulators in keeping up with the pace of change and in implementing best practice standards and frameworks that can be agreed upon across national borders.

Avaya monitors and periodically provides input to global regulatory development and we support the requirements of customers and other industry stakeholders. **Our policy is to meet the highest requirements from our customers, regardless of their industry or where they are doing business.** Our business customers, in particular the banking and health care sectors, have rigorous standards and we have adopted the high standards set by the European Union via its Privacy Directive, which we adhere to globally, including the US-EU Safe Harbor program.

Our global privacy organization, which is led out of Germany and supported by Data Privacy Stewards in the major countries, provides awareness and training throughout our research and development and manufacturing organizations to ensure products are designed and manufactured with privacy in mind.

POLICIES AND PROCEDURES FOR PROTECTING CUSTOMER, STAFF AND SUPPLIER DATA

Our customers, staff and suppliers rely on Avaya to protect confidential and private information shared in their business dealings and with Avaya. Avaya is committed to meeting the privacy expectations of all parties we do business with. As a minimum standard, we aim to comply with privacy and information security laws and requirements related to the collection, storage, processing and transmission and sharing of personal information.

Mandatory data privacy and protection training is required of all employees, both during their on-boarding process when they join Avaya and periodically during their ongoing employment. Our Privacy Statement is published online at <http://www.avaya.com/usa/privacystatement> and our Privacy Policy can be found at http://investors.avaya.com/governance/data_privacy.

We have been awarded TRUSTe's Privacy Seal signifying that our online privacy policy and practices have been reviewed by TRUSTe for compliance with its program requirements, which include transparency, accountability and choice regarding the collection and use of personal information. TRUSTe's mission, as an independent third party, is to accelerate online trust among consumers and organizations globally through its leading privacy trust mark and innovative trust solutions.

We are also embarking in the process of implementing EU standards called "Binding Corporate Rules" (BCRs), which provide standards for how multinational corporations like Avaya transfer data across borders in compliance with EU Data Protection Laws.

SUPPLY CHAIN PRIVACY PROGRAMS

We voluntarily adopted the Privacy principles set out in the Electronic Industry Citizenship Coalition (EICC) Code of Conduct (Version 4.0) and further modified them through our [Supplier Code of Conduct](#), strengthening the standards we expect our suppliers to meet. These commitments are outlined in Box 4.

BOX 4. PRIVACY AND PROTECTION OF INFORMATION REQUIREMENTS IN AVAYA'S SUPPLIER CODE OF CONDUCT

Personal Information is any kind of information that can be related to an identified individual. This includes, but is not limited to name, address, e-mail, phone number, credit card information, social security number, other identification number (e.g. JR-ID), etc. Suppliers that have access to Personal Information of Avaya, its customers or partners are to:

- Implement appropriate technical and organizational measures to protect information against threats to confidentiality, integrity and availability;
- Process, share, store and transmit personal information only for the purpose the data was collected or provided for; and
- Comply with all data privacy and data protection requirements defined in the contract between supplier and Avaya

We track the implementation of the Data Privacy and Protection of Information Requirements as part of the wider implementation of our Supplier Code of Conduct, which is described earlier in this report. As part of this approach, we complete our Supplier Sustainability Checklist with key suppliers and we follow up with direct engagement, site visits and monitoring to verify that they are complying with the Code and working to resolve issues when identified.

5 COMMUNITY

We are committed to positively impacting society as a whole and supporting the communities where we live and do business.

Whether through the products and services we provide to customers around the globe, or through employee engagement in the communities in which we work and live, Avaya is making a difference.



CONNECTING PEOPLE FOR SOCIAL GOOD

The Power of We™ spirit is emulated through the way in which our technology brings people together to solve critical problems such as responding to emergencies and natural disasters and through our employees who give their time and resources to support local charitable organizations. We make a positive social impact when our technologies and people help communities recover from natural disasters and when our solutions help healthcare and education reach more people.

DISASTER RECOVERY

Our strategy of designing open, interoperable and simple to configure solutions supports efficient and rapid deployment for disaster recovery efforts. Our Unified Communication platform, for example enables employee mobility and teleworking that can be configured in half an hour, rather than weeks to allow critical workers to remain productive during natural disasters.

Case Study: Hurricane Sandy

When Hurricane Sandy left floods and destruction in its wake across the northeastern United States in 2012, emergency response agencies were battling downed power lines and critical communication systems, making coordination of recovery efforts that much harder. The New York City Metropolitan Transit Authority (MTA) lost its communication system as flooding and power outages brought Manhattan and the wider New



York area to a standstill. Avaya was able to quickly create an alternate communications network, complete with 18 Scopia® virtual desktop war rooms set up for executive staff at the MTA as its emergency hub. Over 1,000 hours of usage were logged in three days as calls to their 311 Call Center increased from 55,000 calls/day to more than 250,000/day.

Our response to Hurricane Sandy was not only about our technology, but also our workforce and partners. There are numerous instances of our team going the extra mile to help customers recover: For instance, our technicians helped Johns Hopkins Medicine in Baltimore, MD, get a cancer research

building back up and running within a week of the switch room being destroyed by flooding. We also helped one of the U.S.'s largest service providers get back online so that its several thousand customer service agents could function again and support their business customers recover their communications, many of whom were also downed by Sandy.

HEALTHCARE

Avaya video technologies are used by the social and healthcare industries, enabling doctors and counselors to see many more patients per day and help out in remote areas that are understaffed.

Case Study: Supporting Telemedicine in Ukraine

Cancer is Curable is a large-scale program led by the Rinat Akhmetov Foundation for the Development of Ukraine that aims to improve the quality of diagnosis and treatment of cancer patients. The program installs new diagnostic equipment in oncology centers, provides targeted patient assistance and training programs for doctors and has established a telemedicine network among oncology centers.

The telemedicine network is powered by Avaya Scopia® solutions and improves access to highly specialized medical services for patients in need of diagnostics and care.

Before the Cancer is Curable program, many Ukrainian hospitals had limited equipment and specialists to fight the cancer threat. "The need for preventative care for oncological illnesses is very real, as each year health professionals report 160,000 new cases of cancer. Early detection significantly increases the chances of successful treatment. This is only possible when trained, educated and well-informed doctors are on the case," said Viktoria Mykolayuk, program and project leader, the Rinat Akhmetov Foundation. "The situation is made more difficult because the majority of hospitals designed for patients with cancerous tumors do not have the essential medical equipment or do not have a qualified base of specialists to effectively fight such illnesses."

The video conferencing solution enables medical centers to communicate more effectively and improves the quality of patient examinations and treatment. Telemedicine increases the number of professional consultations and the use of video solutions is especially important in providing remote assistance or consultations during complex oncological procedures and surgeries.



EDUCATION

Education underpins social and economic growth by providing people with critical skills and tools. It helps raise incomes, improves health and reduces poverty. Avaya is helping to extend and improve the quality of education opportunities to more people by creating the next-generation campus with solutions that expand online and mobile learning opportunities.

Case Study: Extending Education in Portugal



Portugal's Foundation for National Scientific Computing (FCCN) is a private non-profit institution which provides advanced communication for the national research and education community and promotes Internet technology and services in Portugal.

High expenses involved in face-to-face meetings at sites across the country were restricting the frequency of training sessions essential for professors, students and individuals associated with National Science, Technology and Society Network (RCTS) institutions.

FCCN aimed to support researchers across Portugal by providing communications infrastructure, including advanced web-based video conferencing to deliver a cost-effective collaborative working environment for users located in different buildings and campuses in multiple locations.

The collaborative environment enables online classes, meetings and workgroups where users can connect with experts in remote places, professors from distant institution and classes remotely. Today, thousands of users at dozens of universities across Portugal hold hundreds of video sessions a month using the technology.

EMPLOYEE GIVING & COMMUNITY ENGAGEMENT



Avaya employees bring the Power of We™ spirit to the local communities where they live and work.

Avaya is proud of its dedicated and engaged team of employees that actively participate in philanthropic initiatives. Voluntary, employee-organized and managed Employee Activity Committees (EACs) organize and encourage employee participation in local events that build lasting partnerships and leave a positive impact on local communities. In FY2014, Avaya had 36 EACs in 15 countries.

In FY2014, Avaya employees raised tens of thousands of dollars for charities. Additionally, employees volunteered their time and donated more than 1,000 pounds of food and several car loads worth of clothing and school supplies for those in need.

"The EACs play a vital role in building community internally at Avaya and in the locations where we have offices and do business," said Sara Broadbent, director, EHS, Corporate Responsibility and Philanthropy. "These committees are employee organized and led and offer a way for all employees to be engaged and make a difference. Their efforts make me feel proud to be an Avayan."



From community social events geared toward employee collaboration, to organizing donation drives for charity and volunteer opportunities, Avayans around the world are making a difference. Here are just a few examples.

Case Study: Olympic Torch Lights up New Zealand

In January 2014, Avaya employees in New Zealand organized a special tour for the Olympic torch. First, the torch was brought to Starship Children's Hospital to be enjoyed by patients. Then, Avaya employees kicked off a corporate relay with approximately 160 runners comprised of Avaya associates, partners and customers. The relay ran the length of the waterfront at Auckland and participants raised

money for the Wilson Home Trust, an organization that provides support and care for children with disabilities and their families.

Case Study: Avaya Kids are Going, Going, Green

In April 2014, Bangalore, Gurgaon, Hyderabad, Mumbai and Pune's office were filled with laughter and voices of children of all ages as Avaya India employees escorted their little ones around the workplace. Young Futuremakers at Avaya India celebrated Take Our Daughters and Sons to Work Day and Earth Day concurrently. In total, approximately 400 children visited the five Avaya India locations. Children from the different India locations connected through Avaya Scopia® for a meet-and-greet and Earth Day-themed learning. The fun continued with crafts, photography and dance workshops and puppet, fashion and talent shows. "It was a memorable event for me to see my little daughter perform for the first time on stage, impromptu. She had a wonderful time and now wants to accompany daddy to work every day," said Abhishek Singh, senior manager, Global Strategy & Offer Management. Additionally, Avaya Santa Clara and Mexico City locations celebrated Take Our Daughters and Sons to Work Day. Children at the Santa Clara and Mexico City locations were able to meet and connect through Avaya Scopia® to learn about wildlife and climate change in honor of Apr. 22's Earth Day.





Case Study: Avaya Canada forms Strategic Partnership with the Breakfast Club

For many children, a meal before school isn't certain. In fact, the number of children in vulnerable areas who arrive to class hungry is steadily climbing. Over the past two years, Avaya Canada employees have raised \$18,000 for The Breakfast Clubs of Canada, an organization dedicated to providing school breakfasts for children when having breakfast in their home

environment isn't a positive, healthy or plausible choice. Avaya Canada even helped arrange a hugely-discounted Avaya IP communications system for the charity. Now, they're hooked up with Scopia® and other cutting-edge tools, enabling more effective communication.

"We didn't select Breakfast Clubs of Canada as our charity of choice lightly," explained Cynthia Mooney, director, Avaya Client Services, Canada. "We looked at the ratio per dollar raised to ensure that our funds would be used for the cause – feeding children breakfast. The program started in Quebec and quickly grew to support children at risk across Canada. It's been a privilege to support the charity – and now BCC is also our customer."

Case Study: Avaya employees in Westminster promote Bike to Work

More than 55 Avayans biked to the Westminster office on June 25, 2014 in honor of the Denver Regional Council of Governments' bike to work initiative.

Avaya employees also hosted a Breakfast Station to refuel their coworkers and the more than 50 other participating community members. For the second consecutive year, our Breakfast Station, positioned directly outside of the Westminster office, won best station, receiving a 5-star rating and STAR Station recognition.

"We're proud to have participated in an initiative that inspires employees to get together to help reduce Denver's carbon footprint



and lead a healthier lifestyle," said Nicole Castillo, opportunity specialist and the event's primary coordinator.

Case Study: Avaya Santa Clara Earns A+ In Giving Back(packs)

In August 2014, Avayans at the Santa Clara, Calif. headquarters came together to support the annual Family Giving Tree's back-to-school backpack drive, an initiative dedicated to providing local, low-income children with the tools and supplies they need to succeed each school year.

Employees raised \$4,655 and donated more than 50 backpacks filled with brand new school supplies.



Additionally, a team of volunteers headed to the Family Giving Tree's San Jose warehouse to sort and process thousands upon thousands of donated backpacks and school supplies. "I am so inspired by the incredible generosity of Avaya employees," said Claire Amsler, advisor, Human Resources. "It was a pleasure to help lead this initiative and to represent Avaya in the community and I look forward to partnering with the Family Giving Tree again."

Case Study: Avaya Mexico Turns Tweets into Trees

Through the Seats and Tweets program, Avaya donates money for every attendee and every tweet that uses #AvayaEvolutions at the industry event. At June 11's Mexico Avaya Evolutions, 5,447 tweets raised \$2,000.

With those funds, the Avaya team purchased 11 native trees to plant in a local park, Rosario Castellanos in Delegacion Miguel Hidalgo. The Avaya team planted the trees and also used funds raised at the event to support a local charity, Vitarbol A.C., which works to maintain and plant trees in Mexico City. Avaya Mexico has been supporting the charity for the past few years, helping to maintain several small green areas in the city.



The Mexico event was also the first "green" Avaya Evolutions. Throughout the event, Avaya highlighted the energy-saving features of its solutions. The event itself used only recycled materials for all the printed materials (invitations, brochures) and eco-friendly materials for the booths in the expo area.

Case Study: Avaya Argentina Celebrates Kids' Day

Avaya opened its doors to the children of employees, aged birth to 12, giving the kids the opportunity to see what their parents do and where they do it. The kids got hands-on with Avaya Scopia®, playing the game Jeopardy on the "fancy tool" with Mr. Scopia (an employee volunteer) facilitating.

"It was a great experience for the kids to see the inner-workings of Scopia and how useful it is to businesses," said Maria Laborda, senior manager, HR.

The Avaya solution scored rave reviews with Juan Cruz (age 9), who gave his thumbs up to Facundo (age 8) and said: "Scopia is very cool. My mom installed it at home. I have it on my iPad!"

The day wrapped up with a musical show. The event was linked to a local charitable campaign, Fundacion Vencer para Vivir, which raises toys, books and clothes for underprivileged children. "This type of event is a terrific example of The Power of We™," added Laborda. "We're the Futuremakers of today. These children are

the Futuremakers of tomorrow. From my experience working with this group of intelligent, smart and curious children, our future generation is in good hands!"

Case Study: Avaya Miami Tours Local Foster Care Center

In August 2014, Avaya Miami employees held a World Cup-themed potluck lunch and donation drive, generating 79 pairs of shoes and 779 pairs of socks to donate to children who were abused, neglected or abandoned. After the donation drive, a small group of employees toured the local foster care center and listened to the children's stories. The Miami team has vowed to continue their efforts to support the foster care center and give back to the community where they live and do business.



Santa Clara, Calif.-based employees band together to participate in The Power of We™ team. Employees around the globe are often moved to support their efforts.

In 2014, Avaya employees raised more than \$46,000 for the foundation—ranking Avaya the No. 2 corporate

team at the event. The Power of We™ team featured more than 40 employee participants.

team at the event. The Power of We™ team featured more than 40 employee participants.

With a common thread of teamwork and community service, Avaya employees are united across the globe in making a positive impact on their communities.



APPENDIX 1. G4 GLOBAL REPORTING INITIATIVE ALIGNMENT

To guide the development of this report The Global Reporting Initiative (GRI) framework (G4) has been followed and applied throughout. As a first Corporate Responsibility Report, we understand the reporting process is a journey and are committed to continuous improvement and advancing our reporting capabilities in the future. While this report is not a complete, 'in accordance with core' G4 report, this is a goal we are striving towards. Therefore, this GRI index has been included to demonstrate alignment with material aspects and G4 indicators, for which Avaya has addressed the indicator requirements at least partially.

Table 6. GRI (G4) Alignment - General Standard Disclosures

General Standard Disclosures	Description	Link to Report Section, or Avaya website, where disclosure is addressed
G4-1	Statement from the most senior decision-maker of the organization	Message from the CEO
G4-3	Name of the organization	Avaya
G4-4	Primary brands, products and services	Products, Services & Customers
G4-5	Location of the organization's headquarters	Santa Clara, CA
G4-6	Countries where the organization operates	Products, Services & Customers
G4-7	Ownership and legal form	About Avaya
G4-8	Markets served	Products, Services & Customers
G4-9	Scale of the organization	About Avaya
G4-10	Number of employees by employment contract and gender	Diversity
G4-11	Percentage of total employees covered by collective bargaining agreements	Diversity
G4-12	Supply chain description	Ethical Sourcing and Supplier Corporate Responsibility Performance
G4-13	Significant organizational changes during the reporting period	Annual Reports
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	N/A
G4-15	Externally developed economic, environmental and social charters, principles	Avaya Code of Conduct
G4-16	Memberships of associations	N/A
G4-17	List of entities included in the organization's consolidated financial statements or equivalent	Annual Reports

General Standard Disclosures	Description	Link to Report Section, or Avaya website, where disclosure is addressed
	documents	
G4-18	The process for defining the report content and the Aspect Boundaries	About this Report
G4-19	Material Aspects identified in the process for defining report content	Materiality & Stakeholder Engagement
G4-20	Aspect Boundary for each material Aspect	Workplace, Environment, Marketplace, Community
G4-21	For each material Aspect: <ul style="list-style-type: none"> • Report whether the Aspect is material outside of the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. • Report any specific limitation regarding the Aspect Boundary outside the organization 	Materiality & Stakeholder Engagement
G4-22	Effect of any restatements of information provided in previous reports	Annual Reports
G4-23	Report significant changes from previous reporting periods	Annual Reports
G4-24	List of stakeholder groups engaged by the organization	Materiality & Stakeholder Engagement
G4-25	Basis for identification and selection of stakeholders	Materiality & Stakeholder Engagement
G4-26	Organization's approach to stakeholder engagement	Materiality & Stakeholder Engagement
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Materiality & Stakeholder Engagement
G4-28	Reporting period	Introduction
G4-29	Date of most recent previous report	Annual Reports
G4-30	Reporting cycle	Annual Reports
G4-31	Contact point for questions	Jill Stoneberg, Corporate Responsibility Manager jstoneberg@avaya.com
G4-32	GRI Content Index	Appendix
G4-33	Policy and current practice with regard to seeking external assurance	Annual Reports

G4-34

Governance structure

Governance

Material Indicator	Description	Link to Report Section where disclosure is partially or fully addressed
WORKPLACE		
LA9	Average hours of training per year per employee by gender and by employee category	Talent and Diversity
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Talent and Diversity
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Talent and Diversity
LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities, by region and by gender	Health & Safety
ENVIRONMENT		
EN7	Reductions in energy requirements of products and services	Energy Efficiency
EN27	Extent of impact mitigation of environmental impacts of products and services	Materials
EN23	Total weight of waste by type and disposal method	Recyclability & Upgradability
N/A	Avaya packaging design	Packaging
EN3, EN5, EN6, EN15, EN16, EN17, EN18, EN19	Various	Environmental Responsibility in Business Operations
MARKETPLACE		
LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Ethical Sourcing and Corporate Responsibility Performance
N/A	Avaya Data Privacy & Protection Program	Data Privacy & Security
COMMUNITY		

Corporate Social Responsibility at Avaya, Inc.

Fiscal Year 2014



N/A	Avaya Case Studies	Connecting People for Social Good
S01	Percentage of operations with implemented local community engagement, impact assessments and development programs	Employee Giving & Community Engagement

About Avaya

Avaya is a leading, global provider of customer and team engagement solutions available in a variety of flexible on-premise and cloud deployment options. Avaya's fabric-based networking solutions help simplify and accelerate the deployment of business critical applications and services. For more information, please visit www.avaya.com.

Learn More

To learn more and to obtain additional information such as white papers and case studies about Avaya products please contact your Avaya Account Manager or Authorized Partner or visit us at www.avaya.com



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