

# 2021 Corporate Responsibility Report



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This report includes information about Avaya's global corporate responsibility activities for the period October 1, 2020 through September 30, 2021 (FY2021). Data presented with different dates is clearly indicated. Our GRI, SASB and TCFD Indexes will be posted separately at: <a href="https://www.avaya.com/en/about-avaya/corporate-responsibility">www.avaya.com/en/about-avaya/corporate-responsibility</a>/

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A Message from Our CEO

# **A Message from Our CEO**

Dear Stakeholders,

I am pleased to be writing to you as CEO of Avaya. Avaya, one of the largest companies in our industry, is a well-known global brand with 90,000 customers in 190 countries, and an enormous partner ecosystem. It has a strong technical foundation with thousands of patents and, of course, some of the best and brightest employees in the world.



I am impressed by the company's environmental, social, and governance (ESG) accomplishments. Avaya's ESG program is focused on making the world a better place for our employees, customers, suppliers, partners, and communities. Ultimately, our ESG impact is made possible by continuing to deliver value, measured not only in financial terms, but also using measures such as job satisfaction, employee retention, customer experience, community support — the list goes on.

Many of Avaya's ESG initiatives contribute to various UN Sustainable Development Goals (SDGs) that support a better and more sustainable future for all. We believe we can make a positive impact on some of the global challenges we all face — mainly, climate change, responsible consumption, equality, decent work, community support, and economic development. Our ESG strategy provides us with a strong foundation to address these challenges head on.

Looking ahead, we are going to focus our investments on driving innovation and advancing product development, technologies, and solutions that bring value to our stakeholders. At the same time, we will focus on revitalizing company culture to be more adaptive and responsive to ever-changing circumstances.

We are prepared to win! Join us in our journey as we become a preferred destination place to work and help us as we build today to create better Experiences That Matter for tomorrow.

Alan Masarek

Avaya President & CEO

### FY2021 Accomplishments\*

#### **Community Support**



Support for our communities remains unwavering. Since 2015, through our Month of Giving campaign and recently through our

COVID humanitarian campaign, we have logged thousands of volunteer hours and raised over \$1.3 million to support various charities worldwide. Through our partnership with Save the Children, we have helped thousands of students and teachers in Mozambique, Uganda, Afghanistan, Vietnam, and India.

#### **Equality**



Inclusion is a Cultural Principle at Avaya that reinforces our commitment to providing a work environment in which every

employee feels respected and included in decisions, opportunities, and challenges. Our CEO is chairing our new Diversity, Equity, Inclusion, and Belonging (DEIB) Advisory Council, which is setting the company's DEIB strategy and providing guidance, advocacy, and support.

#### **Decent Work**



Avaya strives to create a work environment where our workforce is agile and able to meet the needs of our customers and partners, while

ensuring the employee experience is best in class. We are offering a Flexible Work Arrangement program that allows employees and their managers to maximize efficiency and effectiveness while maintaining a work/life balance.

#### **Economic Development**



Our business model supports increased access to information and communications technology. We provide affordable, reliable

technologies to customers in over 190 countries, including to those in lower income countries, in support of economic development.

#### **Responsible Consumption**



Avaya collects used electronic equipment and batteries from our customers. These items contain chemicals and metals that can

contaminate the environment, so we ensure proper recycling and disposal.

#### **Climate Change**



In response to climate change, Avaya committed in March 2022 to setting near-term company-wide emissions reduction targets in line

with climate science with the Science Based Targets initiative (SBTi). Going forward, we plan to purchase renewable energy and work with our supply chain to further reduce emissions.



<sup>\*</sup> Refer to <u>page 10</u> for additional details on the UN Sustainable Development Goals.

A Message from Our CEO

# **Awards**

We are committed to meeting the needs of our customers each and every day. We are equally committed to our employees and improving the communities where we live and work, with sustainable, responsible, and conscientious business practices. It means a lot to be recognized as a leader when it comes to customer experience management, unified communications, collaboration, environment, social, and governance (ESG) performance, and corporate citizenship. We are proud to receive the awards we do—because it means we've played an important role in helping our customers give their customers experiences that truly matter.







# **Ratings & Rankings**

We monitor our standing on a number of ratings and rankings to gain perspective and insights into our environmental, social, and governance impacts, to understand the competitive landscape for ESG in both our industry and beyond, and to identify ways to improve our performance.











**Avaya Technology for Social Good** 



Our employees want to work for a company that shares their values, where their actions have an impact and their views matter. That's why corporate responsibility is so important to Avaya – it means developing innovative solutions that not only solve business problems, but also address community needs."

-Shefali Shah, Chief Administrative Officer

# **Avaya Technology for Social Good**

Avaya is defined by the experiences we create. We connect people and things in ways that offer more immersive, more productive, and more memorable experiences – and by memorable, we mean experiences that really matter to people. Below are a few examples of how our solutions are not only good for business, but are also helping to meet societal needs.

# **Delivering Exceptional Educational Experiences**

Advances in technology are enabling a revolution in centuries-old protocols in education. The dissemination of knowledge is no longer tied to a physical campus or traditional classrooms. Cloud-based computing, mobile connectivity, and streaming video enable collaboration and learning to take place anytime and anywhere. For school districts and higher education institutions, communication isn't simply about a phone system, it's about expanding the reach of knowledge in ways unimaginable before, fostering collaboration inside and outside the classroom.

The Learning People, an innovative career and tech education company that provides curated career counseling and online training for more than 35,000 students, was one of many companies struggling to adopt work-from-home technology during the pandemic. Avaya is providing The Learning People with its Avaya Cloud Office UCaaS solution, which enables employees to flexibly communicate anywhere, anytime, using any device to better serve customers, work more productively, and improve business outcomes – all with lower and more predictable costs.

# **Helping Businesses Grow**

Businesses today are increasingly reliant on advanced communications technologies – whether it's enabling workstream collaboration from anywhere, or delivering stand-out customer experiences with knowledge-empowered contact center agents. Raycom Technologies, a leading ICT provider, launched "Everything as a Service," a transformational offering that delivers cloud-based Unified Communications and Contact Center services powered by Avaya across Ghana. Everything as a Service provides the agility for organizations to scale their communications technology deployments as they need, add new features and functionalities with ease, and benefit from predictable pricing models.

The offering, which equips Ghanaian businesses to contend with fast-moving digital transformation requirements, is already providing value for leading organizations in the country, including Vodafone Ghana and GCB Bank. We look forward to supporting Ghanaian businesses as they not only meet customer and employee experience expectations, but actively go about setting new standards of excellence.

### **Supporting Persons with Disabilities**

The way people access public services, and how and where those services are delivered, have fundamentally changed due to COVID-19. Accessing services for adults and children with disabilities is an essential service, and during the pandemic, Alta California Regional Center (ACRC) had to find a way to safely stay in contact with their clients and families.

ACRC is a nonprofit corporation that assists over 25,000 California clients from early childhood to adulthood with intellectual, physical, and developmental disabilities, helping them and their families access appropriate services pursuant to the Lanterman Act. When doors closed in 2020 due to the pandemic, ACRC found itself needing a more reliable phone system for its staff, who were now largely working remotely. That's when the company decided to move to a cloud solution. As an existing Avaya customer, they found Avaya Cloud Office® by RingCentral to be their best fit. Using Avaya Cloud Office, the company has been able to navigate the challenges of digital remote collaboration during COVID-19 to continue its frontline work. The ease of using Avaya Cloud Office has also led to a reevaluation of the company's remote work policy in the longer term.



**About Avaya** 

# **About Avaya**

Avaya is a global leader in digital communications products, solutions, and services for businesses of all sizes, delivering most of its technology through software and services. We enable organizations around the globe to succeed by creating intelligent communications experiences for our clients, their employees, and their customers. Avaya builds open, converged, and innovative solutions to enhance and simplify communications and collaboration in the cloud, on-premise or a hybrid of both. Our global, experienced team of professionals delivers award-winning services, from initial planning and design to seamless implementation and integration, to ongoing managed operations, optimization, training, and support.

Worldwide Locations*	Offices	R&D Labs	Sales Offices	Tech Centers	Experience Centers
117	80	3	33	19	4

<sup>\*</sup> Some locations have multiple functions; therefore, the location types do not add up to the number of worldwide locations.

#### Employee Breakdown by Region, FY2021

Total Number of Employees	8,063
North America	38.7%
Europe, Middle East, Africa (excluding Germany)	17.7%
India	16.9%
Germany	10.7%
Asia Pacific (excluding India)	7.1%
Central + Latin America (excluding Argentina)	5.9%
Argentina	3.0%

#1

Global leader in Contact Center solutions

7 of the top 7 U.S.

Health Insurance and Managed Care companies rely on Avaya

**100,000**+ global customers

2.5 million customer employees

empowered to work from anywhere in response to COVID-19

66%
Recurring revenue

86 of the 100

Fortune Most Admired Companies rely on Avaya

**4200** patents and applications held

**Over 26 million** 

users rely on Avaya's Small Business Communications Solutions

**62%**Software Revenue

190 countries

**73%**Of Fortune 500 are Avaya customers

More than \$200 million
FY21 R&D Investment

Avaya serves **90%** of the largest U.S. companies

More than 4,800

Educational institutions worldwide trust Avaya for their communications systems



### **Our Vision**

To reimagine the ways people and businesses engage and experience the world.

### **Our Mission**

Avaya is reimagining digital communications with innovation that defines the future of work and the customer experience. Our Avaya OneCloud ecosystem and its solutions empower organizations to deliver experiences that matter to customers and employees alike.



# **Our Cultural Principles**

Our cultural principles drive the way we work and are demonstrated in everything we do, from the top down.

### **Simplicity**

We foster a safe environment where innovative solutions are encouraged and rewarded. We focus on making our customer's lives simpler and more efficient.

#### **Accountability**

Our decisions are based on a customer-centric approach. Our people are empowered to take risks, immerse in the experience, and drive customer success.

#### Trust

We lead by example. We function as a transparent and dynamic team working towards a unified vision.

#### **Teamwork**

We recognize one another for our achievements and strengths. We value diversity of thought and the uniqueness of everyone in a collaborative environment.

#### **Empowerment**

We encourage our people to speak up, take responsibility, and embrace ownership. We strive to give each individual a voice.

#### **Inclusion**

We strive to build a supportive and inclusive culture by creating an environment in which every individual or group is welcomed, respected, supported, and valued to engage and lead.



**Our ESG Strategy** 



# **Our ESG Strategy**

At Avaya, we believe it is our responsibility to help make the world a better place, and together with our employees, communities, customers, suppliers, and community partners, we are working to make that a reality. Avaya embeds corporate responsibility into our day-to-day business, from our product design to supply chain management and employee giving. We pride ourselves on leveraging sustainability to drive innovation and develop new products, processes, services, and technologies that contribute to the development and well-being of human needs and institutions while also respecting the world's natural resources.

# **Materiality**

Avaya's materiality assessment helps us identify and prioritize the ESG issues that matter most to our company and stakeholders and inform our strategy. We recently conducted a new assessment to account for political, economic, and cultural shifts that are dramatically altering the way people live and work.

We started by evaluating a range of ESG topics, using the following as references:

- Global Reporting Initiative (GRI) Sustainability Standards
- Sustainability Accounting Standards Board (SASB) standards for both software and IT services and telecommunications services
- CDP's Climate Change and Water Security questionnaires

- S&P Global Corporate Sustainability Assessment
- United Nations Sustainable Development Goals
- Sustainability disclosures from peer companies
- Investor surveys
- EcoVadis Sustainability Assessment

After analyzing the topics and comparing them to our previous materiality assessment, we grouped the topics into three categories: environmental, social, and governance. We narrowed the list by combining similar topics (for example, GHG emissions and renewable energy were grouped together under climate change). We then created a survey that we distributed to employees and external stakeholders (customers, distributors, suppliers, and community partners) and asked them to rank the importance of topics.

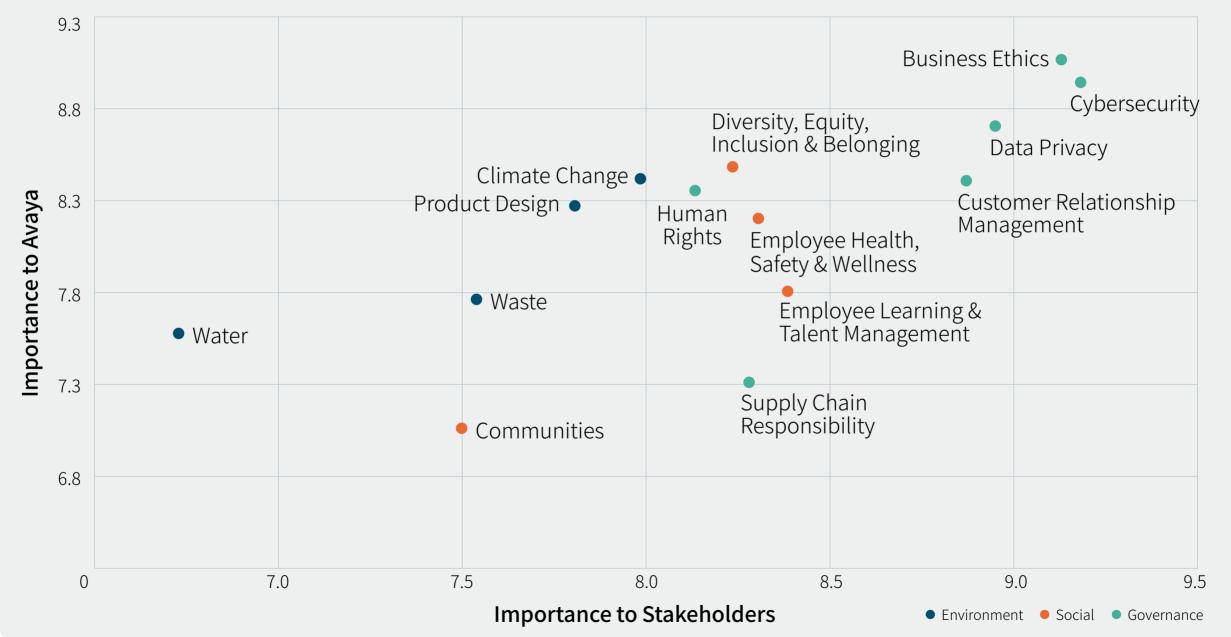
"

Avaya's ESG strategy is about doing the right thing for all of our stakeholders — employees, customers, suppliers, partners, stockholders, society, and the planet. We take being a responsible corporate citizen very seriously, and our activities are contributing to solving some of the world's most pressing challenges. I am proud to be part of a company that cares about our planet and the health and well-being of others."

-Reeva Kymer, Director ESG & Philanthropy

# **ESG Materiality Assessment**

Our materiality assessment confirmed that the 14 ESG topics shown in this graphic are the most material to Avaya; these are the topics addressed in this report.





**Our ESG Strategy** 



# UN Sustainable Development Goals

Our efforts and initiatives align with the UN Sustainable Development Goals (SDGs) to support a better and more sustainable future for all.

As part of our Earth Day 2022 campaign, we sought to enhance awareness and encourage action and support for the SDGs by publishing a weekly series providing an overview of the 17 SDGs and illustrative employee actions in our employee newsletter. To incent engagement and enhanced awareness, employees who scored well on the quiz offered at the end of the series participated in a raffle with prizes awarded to five winners.

We also collected employee feedback about the SDGs most important to them personally, and those where Avaya could have the most impact.

Our employees identified three goals as most important to them personally: SDG 2 Zero Hunger, SDG 3 Good Health and Wellbeing, and SDG 4 Quality Education.

Our employees identified three goals where Avaya can make the biggest positive impact: SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, and SDG 9 Industry Innovation and Infrastructure.

These results largely support Avaya's own analysis. We see our activities aligning most with goals 4, 5, 8, 9, 12, and 13.

#### **UN SDG**

#### **Avaya's Contribution**



SDG 4 aims for universal literacy and numeracy, free and equitable primary and secondary education, and increasing the supply of qualified teachers.

Avaya contributes to the achievement of this goal through our **employee learning and development programs,** and through our community partnerships. Through our **India CSR program** and our partnership with **Save the Children**, we are enhancing the quality of education, utilizing technology to improve access to education and supporting the construction of classrooms and associated infrastructure.



SDG 5 aims to end all forms of discrimination and violence against women and girls, and ensure women's full participation in leadership and decision-making.

Avaya contributes to the achievement of this goal through our **Diversity, Equity, Inclusion, and Belonging** (DEIB) initiatives. We also have a **supplier diversity program** to increase diverse strategic supplier alliances.



SDG 8 aims to support job creation; protect labor rights; end modern slavery, trafficking, and child labor; and promote youth employment, education, and training.

Avaya contributes to the achievement of this goal through talent acquisition and retention efforts and by providing a safe and healthy work environment. We also are committed to preventing the use of child labor, slavery and human trafficking in our business operations and supply chain.



SDG 9 aims to develop reliable, sustainable, and resilient infrastructure; promote inclusive and sustainable industrialization; and significantly increase access to information and communications technology.

Avaya contributes to the achievement of this goal by providing affordable, reliable collaboration and communications technologies to <u>customers in over 190 countries</u>, <u>including to those in lower income countries</u>.



SDG 12 aims to achieve sustainable use of natural resources, halve food waste, and reduce waste generation.

Avaya contributes to the achievement of this goal by closely monitoring developing legislation, complying with applicable regulations and partnering with approved compliance organizations to ensure our **collection and recycling obligations are met.** 



SDG 13 aims to strengthen resilience and adaptive capacity to climate related disasters, raise awareness on climate change mitigation and adaptation, and implement corporate and national commitments to reduce global greenhouse gas emissions.

Avaya contributes to the achievement of this goal through our commitment to setting a <u>science-based target</u> and continued efforts to improve <u>energy efficiency</u>.





# **Our People**

# **Diversity, Equity, Inclusion & Belonging**

At Avaya, we are committed to diversity, equity, inclusion, and belonging (DEIB) across our global organization. We celebrate DEIB because we believe rich and diverse perspectives generate innovative ideas, broaden our growth mindset, and ensure an inclusive workplace across the organization. We are committed to creating a diverse and inclusive culture that ensures employees are valued, respected, and empowered to bring their authentic selves forward.

Last year, we introduced our Global DEIB Advisory Council to help us stay focused on our efforts and drive our DEIB strategy. We are further expanding our governance model to include a new global DEIB Committee, which will include members of our various Employee Resource Groups (ERGs) and representatives from across all Avaya functions and regions. Both the Advisory Council and Committee will work in partnership to drive and execute a clear DEIB strategy that 1) builds a workplace where individuality is celebrated and harnessed, and 2) creates a culture of belonging, engagement, innovation, and inclusivity.

Our Advisory Council, chaired by our President and CEO Alan Masarek and comprised of Avaya leadership, sets the DEIB strategy and provides advocacy, guidance, and support, while the Committee executes on our DEIB initiatives and serves as a change agent for the organization. The Committee also provides quarterly updates on our activities, successes, and opportunities to the Advisory Council and the Nominating and Corporate Governance Committee, who in turn reports out to the Avaya Board of Directors.

We have identified the following areas of focus for the Committee:

- Representation: Expand our diverse talent recruitment, retention, and promotion efforts
- Education: Strengthen inclusive leadership through comprehensive DEIB education
- **Development:** Empower and enable all employees to realize their career aspirations
- **Community:** Amplify the experience and increase resourcing for our internal communities, and invest and engage in external communities to give voice to the underserved

orkforce Repre	sentation	FY2021
Total Number of I	Employees	8,063
Portion of Global	Employees who are Female	22.5%
Portion of Sr. Lea	dership* who are Female	21.8%
Portion of U.S. Er	nployees who are Female	27.7%
Portion of U.S. Sr	. Leadership* who are Female	24.4%
Portion of U.S. Em	ployees who are Minority**	26.7%
Portion of U.S. Sr	. Leadership* who are Minority	18.7%
* Sr. Leadership includes Di ** Based on employee self-	rector and above identification / Minority = people of color	
Average Age	Average Tenure	
47.7 years	14.8 years	

### The Addition of Inclusion to our Cultural Principles

Avaya's Cultural Principles are the guiding values we live by. They guide us in how we do business, how we make decisions, and, most importantly, how we treat our employees and customers.

As we continue to grow as an organization that values diversity, equity, inclusion, and belonging, it was only fitting to add Inclusion as a principle in our value system. Avaya is committed to providing a work environment in which every employee feels respected and included in decisions, opportunities, and challenges.

#### **Inclusion:**

We strive to build a supportive and inclusive culture by creating an environment in which every individual or group is welcomed, respected, supported, and valued to engage and lead.





### **Employee Resource Groups**

Employee Resource Groups (ERGs) offer employees with space, resources, support, and education to reach a specific goal. ERGs provide a platform to curate future leaders and engage in discussions as wells as afford visibility to leadership.

The ERGs have an operating structure and cadence that leverage our own technology to connect, collaborate, build, and share. We've created a safe environment for our members to learn and grow together through meaningful dialogue, inspired by our very own member stories and in-community recognition. These company-sponsored groups provide the global Avaya team with an opportunity to share open dialogue around issues, promote a culture of diversity, equity, inclusion, and belonging, and provide new business and audience insights into our diverse customer base.

At Avaya, we have seven ERGs with about 350 members.















### Pay Equity

Avaya's commitment to equality, including equal pay for equal work, is vital to our cultural principle of inclusion. In support of our commitment, Avaya periodically undertakes a review of employee compensation practices across the organization. In addition, Avaya complies with all applicable pay equity reporting and compliance obligations. For example, we prepare an annual <a href="UK Gender Pay Gap Report">UK Gender Pay Gap Report</a> to meet UK government reporting requirements. We recognize we have more to do to achieve pay equity. We are mitigating pay gap differences by actively increasing female representation across all levels of the organization, which is also critical to Avaya's support of women's economic empowerment.

During the month of March, we observed Black History Month and Women's Month. Two of our ERGs, ABLE and WIN@A, hosted guest speakers, including Dr. Sian Proctor, to share their experiences and encourage further dialogue.



# A Conversation with Explorer and Astronaut Dr. Sian Proctor

Dr. Sian Proctor is a life-long explorer who recently piloted the Inspiration4 all-civilian orbital mission to space. She is also starring in a docuseries chronicling the trailblazing mission as four crew members make history in the first all-civilian mission into orbit. Dr. Proctor has been recognized as one of The Explorer's Club 50: Fifty People Changing the World, and she uses her Afrofuturism space art to encourage conversations about women of color in the space industry.

"

Being a part of the ABLE ERG has been tremendously important to me because we created the ERG at a critical time for the Black community in the U.S. The ABLE group allowed me space to interact with colleagues who shared similar experiences. We openly discussed how we were feeling and how we could help other employees as well as communities. I also have the opportunity to participate in global company initiatives that foster transparency, inclusion, and community."

—Roger McDaniel, Avaya Blacks Leading Empowerment (ABLE) "

Being part of API@A ERG helps me to develop leadership skills with courage, transparency, and trust. Leading with inclusivity and partnering with other ERG groups is a bonus. It's a joyful journey with a lot of self-satisfaction and an opportunity to build more confidence when we're able to bring innovative ideas to fruition. In a true sense, ERG's mission and vision broadens our view towards social issues and uplifts the whole world through DEIB movement."

**—Ramesh Baba,** Asia Pacific Islanders at Avaya (API@A)



### **Talent Acquisition, Retention & Engagement**

As part of our work to build a more diverse, equitable, and inclusive organization, Avaya is pursuing a number of initiatives to recruit, retain, and promote a diverse workforce. Through collaboration with internal and external partners, we are focused on expanding our sourcing efforts to reach new audiences, advancing representation of diverse talent through our early talent programs, developing talent champions/ ambassadors internally, and ensuring diversity efforts are embedded throughout the entire recruitment process.

#### FY2021 New Hires, Retention & Turnover

#### **New Hires**

- 653 new hires (global)
- 154 female hires (global)
- 85 minority hires in the U.S.
- YoY increase in minority representation ↑ 0.7 pts

#### Retention

- Top talent\* retention 93.9%
- YoY promotion increase in female representation
   0.6 pts

#### **Turnover**

- 10.2% (global)
- \* Top talent is defined as strong and exceptional performers at all levels who are eligible for year-end performance ratings.



Since 2020, we have been partnering with Blue Ocean Brain (BOB), who provides micro-lessons in DEIB with a specific focus on leadership awareness.

In FY2021, over 92% of leaders and 80% of other employees interacted with BOB content, which resulted in:

- 4,597 articles
- 1,745 brain exercises

being read, shared, and saved.

#### **Employee Engagement**

Avaya conducts an annual employee survey that enables employees to communicate directly to managers and leaders about their work experiences in a confidential manner. In FY2021, our survey was offered in six languages — English, French, German, Chinese, Portuguese, and Spanish — and sent to employees in 57 countries. The response rate was 78%, a significant improvement from the previous survey's response rate of 65%.

#### Overall, the survey showed:

Employees are engaged

Manager relationship perceptions are positive

Teamwork and collaboration are areas of strength, with scores above the technology industry average

Employee Engagement is a critical ingredient for organizational success. Our annual employee survey contains questions around four indicators of engagement — intent to stay, referral behavior, pride in the organization, and intrinsic motivation — that measure employees' attachment to our organization and gauge current levels of engagement. Based on the results of questions related to these four indicators, Avaya's FY2021 employee engagement index score was 84%, which is above the technology industry average of 80%.

89% of employees reported being proud to work at Avaya

85% of employees reported they intend to stay with Avaya for at least the next 12 months



# **Employee Recognition**

We all appreciate the numerous benefits and outcomes resulting from employee recognition: increased engagement, discretionary effort, productivity, and retention, as well as enhanced customer experiences, business success, and revenue growth. At Avaya, we maintain varying formal and informal recognition programs. We are working together from the top down to foster a culture of recognition that is multidirectional and deeply embedded in our company's DNA.

Employee Appreciation Month: Avaya designates one month per year as Employee Appreciation Month. It's a small way for us to continue to show our gratitude for all that our employees do every day in support of the business.

In FY2021, Employee Appreciation Month was held in May. Throughout the month, we focused on mental health awareness by providing access to LinkedIn courses, articles, and virtual events; featured employee profiles in our internal newsletter; launched three employee resource groups

(Veterans@Avaya, API@A, and Pride Network); and launched the annual employee engagement survey. We also declared Friday, May 28 (or Thursday, May 27 for our colleagues in the Middle East) as a holiday for all Avaya employees across the globe.

In FY2022, we are celebrating Employee Appreciation Month in July. We've launched our annual employee engagement survey and have scheduled additional events, including a webinar on the topic of resilience which will provide actionable tools to support us on our individual journeys.

The Cultural Principles Award is a recognition program where employees can earn significant cash awards for substantial contributions to business results. Our six core principles of Accountability, Empowerment, Inclusion, Simplicity, Teamwork, and Trust are at the heart of these achievements.

This is a peer-to-peer recognition program in which all Avaya employees are encouraged to nominate colleagues for recognitions and all Avaya employees are eligible for recognition. Nominations can be submitted any time throughout the year, for either an individual accomplishment or team effort. Winners are selected quarterly by Senior Leadership based on demonstration of the Cultural Principles and the winners are celebrated during our quarterly All-Employee Meetings. We recognize that 'public acknowledgement' is a very critical element of a successful program and we are identifying and implementing additional ways to celebrate these role models.

### **Cultural Principles Award: 136 winners in FY2021**

37 for Accountability

29 for Trust

**Recognition Badges** offer employees a way to give a colleague a virtual high-five for a job well done. In FY2021, 1,115 employees gave out 3,876 recognition badges to their colleagues.

> Number of **Badges Given**

Type of Badge

**257** Accountability

**97** Empowerment

1,099 Great Work

310 Leader

**51** Simplicity

866 Team Work

**1,075** Thank You

**121** Trust





<sup>\*</sup> Inclusion is a new Cultural Principle that was added towards the end of FY2021.



### **Employee Learning & Development**

Avaya is passionate about developing and empowering our employees to realize their fullest potential. Development is a shared responsibility between the employee and the company. Employees are empowered to take charge of their personal and professional development through a variety of virtual and hands-on training courses and programs.

Our employees manage their career progression through annual goalsetting and performance appraisals. Managers are empowered to facilitate this growth through ongoing check-ins and feedback sessions with their direct reports. We invest in our employees to enable them to achieve their highest potential.

Employees participated in countless hours of training through a variety of online and live interactive training from internal and external providers including Magellan Ascend, True Office Learning, and LinkedIn Learning. In addition to personal development and skills training, Avaya employees, including management, are required to complete on-line training modules regarding anti-bribery and corruption, data privacy, cybersecurity, and our Code of Conduct.

Our employees identified skills and training as an area of opportunity. In response, we launched several initiatives during the past year to help employees grow in their careers with Avaya, including:

- Enhanced leadership programs such as Accelerate! for early career development
- SPARK WEEK, a collection of sessions focused on personal and professional development, balance and wellness, and Avaya business acumen
- ERG expansion and enhancements to help further self-development and provide employees with a sense of fellowship, greater visibility, mentoring opportunities, and advocacy



We launched Avaya's inaugural SPARK WEEK in February 2022. Spearheaded by employees and other development partners, SPARK WEEK consisted of a collection of educational sessions designed to help employees learn and grow, both professionally and personally.

#### Session topics included:

Navigating Change Work-life Synergy Meditation

Owning your Self-development Avaya's Digital Transformation

Employees were encouraged to take advantage of this learning opportunity and invest in themselves.

9 Sessions 16 Presenters 1,700+ Attendees 4.5 of 5 Average Guest Experience Rating

AVAVA



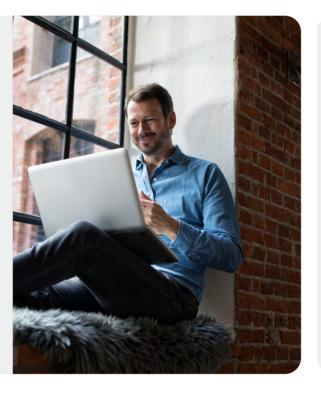
#### In FY2021:

# **Linked in** Learning

LinkedIn Learning is our Learning Experience Platform for personal and professional development and offers over 16,000 courses on various topics in seven languages.

6,176 employees activated their LinkedIn Learning account with Avaya

21,667 hours of learning content viewed



**Inspiring Leaders Coaching Program** is an executive coaching program for high potential leaders at

program for high potential leaders at Avaya to help them build critical skills to prepare them to lead their teams through Avaya's digital evolution.

50 participants (senior directors and vice presidents)



**Global Mentoring Program** allows employees to learn, expand their networks, and create unique one-to-one connections to advance their careers.

79 mentor/mentee matches made

**Extraordinary Leaders** is a leadership development program based on 19 leadership competencies that differentiate good leaders from great leaders.

92 participants (managers and directors)

**O'Reilly** is a training platform for the Service and Technology group that provides technical training.

987 users 5,317 hours of training viewed



# **Employee Safety, Health & Wellness**

#### Occupational Safety

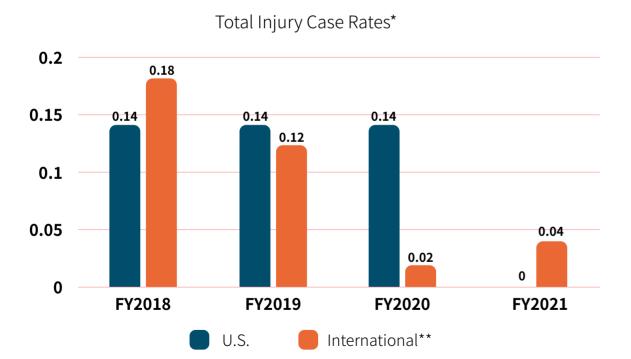
The health and safety of our workforce is a top priority. Through our programs and practices, we seek to maintain a culture in which employees and contractors keep each other safe on the job. We provide a safe and healthy work environment, abide by local laws and regulations, and respect the health and well-being of our workforce.

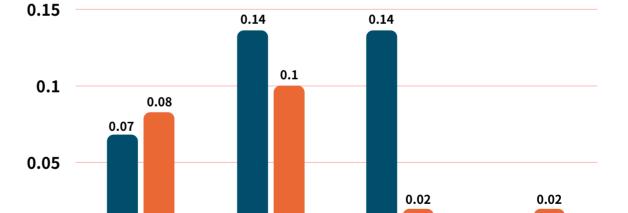
In accordance with best practice, Avaya maintains an environmental, health, and safety (EHS) management system to meet these requirements. We periodically review our management system to ensure it aligns with the scope of our activities, that we conform to our established programs and procedures, and that we are effectively managing our EHS risks. Employees receive general

EHS awareness training, and Avaya communicates EHS and wellness information regularly through internal channels. Consistent with the scope of our activities, our management system includes worldwide standards for job hazard analysis, ergonomics, hazard communication, contractor safety, ladder safety, motor vehicle safety, and illness and injury tracking and reporting.

Avaya maintains a robust health and safety incident tracking and reporting process to meet the needs of our global workforce. Avaya U.S. and international locations with more than 100 personnel track monthly occupational injury, illness, and incident data, including: number of cases resulting in lost workdays, number of lost workdays, number of cases requiring first aid, and number of cases requiring medical attention beyond first aid. Trends are reviewed periodically to identify opportunities for improvement. This year, we achieved zero recordable injuries or illnesses within the U.S. and continued our downward trend of injury case rates at our international locations.

Lost Workday Case Rates\*





FY2020

International\*\*

FY2019

U.S.

FY2018



FY2021

<sup>\*</sup> Case rates are number of cases per 200,000 hours worked.

<sup>\*\*</sup> International includes all employees located outside the U.S.



#### Wellness

We value our employees and are committed to providing tools and programs to help them engage and improve their physical and mental health and financial security. All Avaya employees have access to our Well-Being Health site, a complete wellness platform with resources and tools – such as activity tracking, wellness advice, and healthy recipes – to help them achieve their health goals.

Avaya offers several programs and benefits to support employee wellness. An Employee Assistance Plan (EAP) is available to employees worldwide who may feel stressed or are having difficulty coping. The program offers free, confidential one-on-one professional counseling and access to webinars and resources in areas such as emotional wellness and resiliency. Additionally, Work-Life Services are available to employees in the U.S. and include:

- Coaching related to career, relationship, and personal concerns
- Referral services for childcare, adult care, education, and home improvement
- Connection to online teachers and tutors who can provide homework assistance
- Community resources for substance abuse, domestics violence, mental health, natural disasters, and suicide prevention
- A smoking cessation app
- Adoption assistance

During FY2021, webinars on Healthy Mind Toolkit, Creating a Resilient Mindset, Switching Off: Preventing Digital Burnout, A Success Strategy for Home Working, and Effective Time Management had a combined 1,515 attendees.



During FY2021, Avaya developed a **Flexible Work Arrangement (FWA) program** that allows employees and their managers to maximize efficiency and effectiveness while maintaining a work/life balance. Avaya strives to create an environment where our workforce is agile and able to meet the needs of our customers and partners, while ensuring the employee experience is best in class.

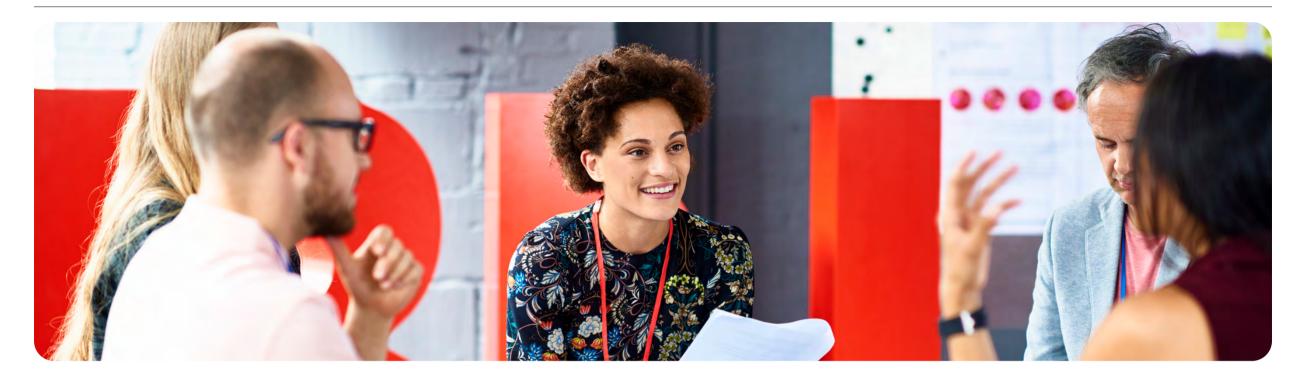
The voluntary program establishes clear, flexible work options and provides an opportunity to request a change to a current work arrangement to better meet an employee's needs while continuing to effectively serve the business. The program applies globally and allows for two alternatives to being in the office full time:

**Remote arrangement** allows the employee to work at a location independent from the office environment, usually a home office, for the entire work schedule

**Hybrid Remote arrangement** permits an employee to work a percentage of his/her standard work week from a non-Avaya location



Responsible Supply Chain



# **Responsible Supply Chain**

At Avaya, we hold ourselves to a high standard of integrity and professional conduct; this allows us to establish trust with our employees, customers, and partners, as well as build an ethical culture throughout our value chain. We expect the same level of commitment and conduct of our suppliers that we expect from our employees.



Avaya is a member of the Responsible Business Alliance (RBA) (formerly the Electronic Industry Citizenship Coalition (EICC)), a nonprofit industry coalition committed to corporate responsibility

in global supply chains. Avaya actively pursues conformance to RBA's Code of Conduct, which establishes standards to ensure that working conditions in global supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. International norms and standards, including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, ISO 14001, and SA8000 standards, were used in preparing the RBA Code.

We regard the RBA Code as a total supply chain initiative and issue the <u>Avaya Supplier Code of Conduct</u> as a statement of our expectation that all suppliers and their employees understand and exhibit a dedication to integrity and ethics. Our Supplier Code of Conduct includes all of the principles set out in the RBA Code of Conduct plus additional provisions that are specific to Avaya and our supply chain. **Our Supplier Code of Conduct includes provisions on:** 

Chemical Management and Hazard Communication	Freely Chosen Employment	Young Workers
Humane Treatment	Freedom of Association	Non-discrimination
Occupational Safety	Business Ethics and Integrity	Environmental Responsibility

**Responsible Supply Chain** 

# **Supplier Diversity**

Avaya's Supplier Diversity Program is designed to achieve our objective of increasing diverse strategic supplier alliances that reflect the diversity of our associates and our customers. The program reflects our commitment to incorporate the products and services of qualified vendors, including small, minority, women, and servicedisabled veteran business enterprises (MWDVBE), into the delivery of goods and services to our customers, as well as for Avaya's internal consumption. Supplier Diversity is an important element of our strategic sourcing process, and as such, Avaya strives to grow and expand its relationships with MWDBVEs by incorporating supplier diversity requirements in all our contracting and procurement initiatives. We do this by measuring and publishing internal diversity spend goals for the organization, reporting diverse sourcing achievements to customers, and continuously looking to improve Avaya's performance and exceed these goals. In the coming year, our organization will continue to grow our Supplier Diversity initiatives, procurement processes, and how we foster engagement with MWDVBE suppliers, with the goal of increasing participation of this critical population of providers.



# **Sourcing Minerals Ethically**

Avaya's products, like most electronics, contain tantalum, tin, tungsten, and gold. These minerals, known as 3TG, are sometimes known as "conflict minerals" because of concerns about their mining and sale contributing to armed conflict and human rights abuses in the Democratic Republic of the Congo (DRC) and nine neighboring countries.

Although we do not procure minerals directly from mines or the smelters or refiners (SORs) that process them, we are committed to upholding and respecting human rights for all people, including those who work in the earliest parts of our supply chain. Our goal is to work collaboratively with suppliers to source minerals consistent with our values around human rights, business ethics, labor, health and safety practices, and environmental responsibility.

We collaborate with our suppliers to conduct due diligence for responsible mineral sourcing. We use the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) to survey suppliers, review SORs they report, and request that suppliers work through their supply chains to shift sourcing to SORs conformant with RMI's Responsible Minerals Assurance Process (RMAP). Our full commitment is captured in our **Responsible Minerals Policy**. Our annual **Conflict Minerals Report** describes how our due diligence activities align to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.





### **Our Communities**

Avaya donates money and product to organizations that focus on healthcare and education. Processes are in place to vet the organizations we sponsor to ensure they meet our standards and expectations as well to ensure appropriate internal approvals. Vetting includes ensuring that the charitable organization is:

Reputable

Not-for-profit

Non-discriminatory

Not controlled by government officials

Non-partisan and adheres to fundamental human rights principles

In FY2021, we donated more than \$225,000 through sponsorships.

#### Avaya ENGAGE Invests in Future Experience Builders

Attendees at the Avaya ENGAGE 2021 - Orlando event had access to four days of general sessions and informational breakouts led by some of the industry's most inspiring and accomplished leaders. In addition, compelling ancillary programs were hosted, such as a developer hackathon, Women in Tech program, Investor Day, and an Influencer program for analysts, media, and consultants. Attendees experienced first-hand innovations in cloud communications, customer experience, and more in the Expo Hall and made new connections and networked with peers from across the globe.

The Avaya ENGAGE community supported a local charity, the Northeast Florida STEM2 Hub chapter, through donations from several groups. "STEM" stands for Science, Technology, Engineering, Mathematics. In northeast Florida, the organization recognizes the vital role medicine will play in future careers, so they have added a second M for Medicine, or STEM2.

Through the International Avaya User's Group (IAUG), Avaya, Women in Tech, and a generous donation from the Avaya ENGAGE Hackathon winner, ConvergeOne, over \$18,000 was raised to help assure that students have high-quality experiences and opportunities in these rewarding fields. In addition, each of the young women from the local chapter in attendance was gifted a new laptop computer.

#### Avaya Australia Partners with Local Organization to Feed School Children

The Avaya team in Sydney, Australia welcomed Eat Up, an organization that helps feed hungry school children, to its office to host a volunteer sandwich-making session. Twenty Avaya associates rolled up their sleeves and made 965 cheese sandwiches during the one-hour activity. The sandwiches were distributed to local schools who froze them, and then when needed, toast them up and serve them to children who do not have a packed lunch. Avaya also provided Eat Up with an AUD \$1,000 grant, which will provide further support and help even more Australian children.



#### Avaya ENGAGE Latin America Supports UNICEF

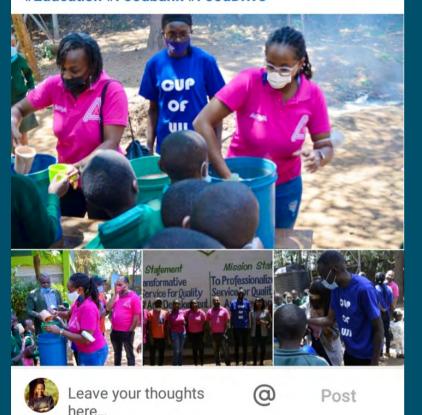
For 15 years, Avaya ENGAGE Latin America has supported many different causes. In 2021, the event raised over \$5,000 for UNICEF's work in the local community. UNICEF operates in more than 190 countries and territories to protect children's rights. It is also on the ground before, during, and after humanitarian emergencies, providing hope and life-saving assistance to children and their families.



#### #PartnershipsForGood

Today, we were joined in serving a **#CupOfUji** (cup of Porridge) to pupils at Kawangware Primary School, by a team from Avaya and by the Executive Director of PR Hut. A big THANK YOU to **Avaya**, for their generous support of KES 100,001/= which shall go a long way in our school feeding program.

#ZeroHunger #EndHunger #EducationForAll #Education #Foodbank #FoodDrive



### **Month of Giving**

We start each fiscal year with our annual Month of Giving, a spirited campaign that brings together Avaya employees from around the globe, suppliers, and partners who donate their time, money, and energy to make a difference in our communities. Since 2015, we have logged thousands of volunteer hours and raised over \$1.3 million to support various charities worldwide. We have worked to clean up our environment, protect animals, feed the hungry, support our veterans, improve schools and playgrounds for children, and fund important medical care and research.

During our 7th annual campaign, we once again partnered with Save the Children to fund several educational initiatives in Vietnam, continuing the success that we've had supporting similar initiatives in Afghanistan, Uganda, and Mozambique (for more on our partnership with Save the Children, see the next page of this report). We raised more than \$140,000 through employee activities, employee direct donations to Save the Children, and our 3rd Annual Avaya Charity Golf Tournament, demonstrating our commitment to making a positive impact and giving back to the communities where we live and work.

### **Employee Activities Earned Donations from Avaya**

Avaya donated\* \$1 for every:



Mile walked, ran, biked, or swam



Bag of trash picked up



Tree, perennial, or pollinator planted



Toy, book, clothing, or other supplies donated to hospital, homeless shelter, or school



Dollar donated directly to Avaya's 2021 Save the Children projects



Individual volunteer hour spent in support of an organization/cause chosen by employee

\*up to a maximum of \$50,000

# Save the Children®

Since 2015, through our Month of Giving campaign and various humanitarian campaigns, we have donated approximately \$390,000 to our partner, Save the Children. Save the Children was the first major international organization established to focus specifically on children's rights. Since its founding in 1919, Save the Children has changed the lives of over 1 billion children in more than 100 countries by supporting child survival, early education, and protection.

Avaya has helped fund community construction of several classrooms, offices, and related structures in Mozambique, Uganda, Afghanistan, and Vietnam.

Save the Children is deeply appreciative of the steadfast support Avaya and your employees have shown to us over so many years. Whether enabling us to build classrooms for girls or provide children with safer, more resilient spaces in which to learn, you have given children in our sponsorship communities access to resources they would otherwise not have, resources that keep them safe now and will help them enjoy happier and more fulfilling futures."

**—Jeremy Buccolo,** manager of corporate partnerships at Save the Children

### **▼** Vietnam

During the COVID-19 pandemic, school closures affected 21 million Vietnamese students. Online learning is an important solution, but the Ministry of Education and Training estimated that only 26 out of 63 cities and provinces have been able to implement online education, largely because of a lack of access to equipment.

The situation is more difficult in rural and mountainous areas, where many students are learning information technology without a computer lab for practicing. Avaya funding is providing general mission support as well as support for the establishment of an IT learning room, which includes equipment and training for students and teachers on IT and cyber safety; and support to purchase learning materials and improve facilities and infrastructure at multiple schools.

In addition, Avaya funded the construction of facilities for preschool students helping Save the Children ensure a safe learning environment for the children in the community and providing parents and caregivers with motivation to ensure their children attend school.

These projects in Vietnam are expected to support an estimated 2,100 students, ages two to 11.





### Our India CSR Efforts

Our corporate social responsibility (CSR) efforts in India are focused on community development that supports poor, deprived, and marginalized populations. We pursue CSR Programs primarily in areas that fall within the economic vicinity of the company's operations to enable close supervision, provide opportunities for employee engagement, and ensure maximum development impact. Avaya India focuses on:

- Enhancing the quality of education
- Utilizing Avaya's technology to improve access to health and education
- Building skills and employment
- Providing humanitarian relief

For more information and the full list of funded projects, view the **Board-Approved CSR Projects**.

Funds distributed by Avaya India's CSR Program benefited 8,574 children and young adults in fiscal years 2020 and 2021.

# Door Step School - School on Wheels & Community Learning Center

Door Step School provides education for children 6-14 years old from slum and migrant labor camps. Door Step works to improve learning levels and attendance in school, and provides school transportation and parent counseling. Avaya's donation supports two programs: School on Wheels, which offers a bus as a mobile classroom to cater to the students from smaller construction sites and temporary settlements, and Community Learning Center, which provides a place for children in urban slum communities to study. In calendar year 2021, 917 students from Pune, Maharashtra, participated in these programs.





#### Agastya International Foundation - Avaya Distance Learning

Agastya Foundation's mission is "to spark curiosity, nurture creativity and instill confidence" in economically disadvantaged children and government schoolteachers. Agastya does this by bringing innovative hands-on science education and peer-to-peer learning through Science Centers and Mobile Labs. Avaya's donation supported live broadcasts of hands-on learning sessions from the Agastya Kuppam Campus to 256 students at the two Core Science Activity Centers in Karnataka State.





#### Pratham Mysore - Avaya Baala Vidya

Pratham focuses on high-quality, low-cost, and replicable interventions to address gaps in the public education system. Between April 2021 and March 2022, the Avaya donation provided supplemental education to to 7,017 students through early literacy and numeracy programs for children who missed preschool, a bridge program to teach advanced language and math, hands-on science activities, and digital learning in language and math.



### Save the Children – Empowering Adolescents and Youth

Save the Children's skills building and employability program helps ensure better employment opportunities for disadvantaged youth and prepares adolescents with age- appropriate skills. With Avaya's support, seven Children Care Institutions were equipped and connected to a virtual conferencing facility with Avaya Spaces to facilitate online and onsite training. In addition, Avaya employees developed curriculum and are conducting training sessions to help prepare the students for employment in business process outsourcing (BPO).

As of March 2022, 185 youth have enrolled in vocational training.



### Bharti Foundation – Digital Classrooms

**Bharti Foundation** 

Bharti Foundation was set up in 2000 as the philanthropic arm of Bharti Enterprises to implement and support programs in primary,

secondary, and higher education. The Digital Classrooms project equips schools with TVs, mobile phones, and other electronics that help teachers enhance the learning experience by providing students with exposure to good quality and engaging academic content.

Avaya is supporting the expansion of the Digital Classrooms project to eight schools in Jodhpur.

# **Climate Change**

Avaya's greenhouse gas (GHG) emissions are a byproduct of everyday business operations such as heating, cooling, and powering our facilities, fleet operations, business travel, employee commuting, and transportation and distribution of our products. As a commitment to transparency and authentication, Avaya reports our carbon footprint annually to **CDP**.

Remaining steadfast in our commitment to combat climate change, Avaya exceeded its 2020 emissions reduction target by reducing Scope 1 and Scope 2 emissions by 65% and Scope 3 emissions from business travel by 49% from 2014 levels.

Moving forward, Avaya has committed to set near-term company-wide emissions reduction targets in line with climate science. We have submitted our near-term targets for review by the Science Based Targets initiative (SBTi) and expect to begin the validation assessment process in the Fall of 2022.

From FY2020 to FY2021, we reduced our total emissions by 1.2%. We continue to identify opportunities to use energy more efficiently, and going forward, we plan to purchase renewable energy and work with our supply chain to further lower emissions.

	CY2018	CY2019	FY2020	FY2021
Scope 1 Emissions	7,550	5,300	4,516	2,543
Scope 2 Emissions (Market-based)	38,537	33,685	30,803	25,949
Scope 3 Emissions	817,356	816,626	840,995	837,060
Total Emissions	863,443	855,611	876,314	865,552



We Are Still In is a joint declaration of support for climate action, signed by more than 3,900 CEOs, mayors, governors, tribal leaders, college presidents, faith leaders, healthcare executives, and others. Avaya joined We Are Still In to reinforce our commitment to reducing our carbon footprint.

# **Energy Efficiency**

In FY2019, we launched a bulb replacement project, replacing fluorescent bulbs with LED (light emitting diode) bulbs at our five facilities in India. Compared to fluorescent bulbs, LEDs last three times longer, use 30% less electricity, and don't contain mercury or other toxic chemicals. We replaced 4,908 fluorescent bulbs with LEDs and saved 1,609,118 kWh over 33 months.

In FY2021, we replaced fluorescent bulbs with LEDs at six locations:

- At our Galway facility in Ireland, we replaced 1,435 lamps, resulting in a savings of 177,763 kWh per year
- Across five China and Taiwan locations, we replaced 1,050 lamps, resulting in a total energy savings of 46,716 kWh

We plan to install LEDs in additional Avaya facilities worldwide to maximize energy efficiency and further reduce our carbon footprint.

#### Since FY2019, Avaya has:







Avoided emitting 1,299,000 kg CO<sub>2</sub> – equivalent to the CO<sub>2</sub> emissions from the use of electricity for a year at 252,752 homes

Combined impact in India, China, Taiwan, and Ireland

**Responsible Product Design** 

# **Responsible Product Design**

Avaya monitors environmental regulations and standards to ensure compliance throughout our product life cycle. We design our products with materials that comply with the European Union's Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) Directives, as well as China, Taiwan, Eurasian Economic Union, and United Arab Emirates RoHS regulations. We are actively populating the European Union's database for substances of concern (SCIP), established under the Waste Framework Directive. For more information, view Avaya Product Design and Compliance.

Avaya's ISO 14001 certified Design for Environment ("DfE") program focuses on opportunities to reduce the environmental impact of our solutions and services. We express our commitment to responsible product design in our R&D Environmental Policy. Current initiatives include improving the energy efficiency of our products and reducing single-use plastic packaging.

We are reducing the energy consumption of our VoIP phones, making them more energy efficient for our customers, thereby helping them achieve their energy reduction goals. Conventional VoIP phones can use a significant amount of energy. Older VoIP phones can use up to 10 watts of power a day, which is equivalent to the amount of energy used by a desktop computer.

Over the past several years, we have made great advances by listing our new J series phones-initially including the J129, J139, J169 and J179 phones – with the Energy Star Program for IP Phones. In FY2020, the Avaya J159 and J189 phones were ENERGY STAR certified, adding to our suite of J series phones that are included in the Energy Star Program. In addition, we implemented Energy Efficient Ethernet (EEE) in our new IP phone products to reduce standby power consumption. We will continue our efforts to ensure that EEE is openly available and easy to use.

Finally, Avaya is actively moving ahead with reducing the number of supported accessory power supply units (PSUs) used with our products. The aim is to consolidate across our product portfolios to two or three USB-C power supply models, which would support the broad range of power requirements (low, medium, and high). This will simplify logistics within Avaya, allow customers to use USB-C power over all their devices, and will reduce the amount of PSU waste generated each year when new Smart Phone models arrive.

For information on how our products provide social benefits, see **Avaya Technology for** Social Good.





**ENERGY STAR** 

certified VoIP phones use 40% less energy

than conventional VoIP phones.

Sales of Avaya's ENERGY STAR certified phones have continued to trend up significantly from 335,000 in FY2018 to well over a million in

> **FY2020** and FY2021



**Resource Conservation** 

### **Resource Conservation**

# **Waste & Recycling**

Avaya is committed to maintaining compliance with regulations pertaining to Waste Electrical and Electronic Equipment (WEEE, also known as e-waste), which are typically passed at a country, state, or provincial level. These regulations promote the reuse and recycling of electrical and electronic equipment, reducing resource consumption and the amount of e-waste going to landfills. WEEE rules on treating waste electrical and electronic equipment contribute to sustainable production and consumption. Requirements of WEEE regulations include, among others, financing the collection, treatment, recovery, and environmentally sound disposal of WEEE.

Avaya has contracted with SIMS RECYCLING SOLUTIONS INC. (SIMS) to support end-of-life management of our own e-waste equipment on a global basis, and partners with SIMS to provide environmentally sound recycling to customers wanting to dispose of Avaya products that have reached the end of their useful life.

For Avaya's country-specific WEEE position statements and WEEE, battery, and packaging registration numbers, visit **avaya.com**.

In calendar year 2021, Avaya collected 560.6 metric tons of e-waste and batteries from our customers and ensured proper recycling and disposal.





# **Plastics Recycling Project**

In December 2021, Avaya's office in Gurgaon, Haryana (India), began collecting plastic water bottles and other recyclable plastics. They partnered with Garbage Free India, a nonprofit, to have the plastics picked up for recycling. In the first five months of the program, employees collected 41.2 kilograms (90.8 pounds) of plastic waste for recycling.



Resource Conservation 30





# **Partnership with Green Standards**

In early 2022, Avaya closed our office space in Santa Clara, California. To keep materials from ending up in a landfill and

lower the carbon footprint of the process, we partnered with Green Standards, a company that manages the removal and redistribution of workplace assets like furniture and equipment through charitable donation, resale, and recycling. We diverted nearly 13 metric tons of office furniture from landfill and donated \$3,045 worth of workplace assets to three community organizations: Open Mind School, Walter L. Bachrodt Elementary School, and the San Jose Museum of Art.

We will continue to identify opportunities to partner with Green Standards during office downsizing and renovation projects.

Diverted

12.7 tons
of workplace assets
from landfill

Avoided
30 metric tons
of CO emissions

of CO<sub>2</sub> emissions, equivalent to reducing gasoline consumption by 3,382 gallons Benefited
3 community
organizations with \$3,045
in in-kind donations of
chairs, tables, and other

workplace assets

### Water

Avaya uses freshwater in our data centers and office buildings for sanitation, heating, and cooling. We measure and monitor water withdrawals across our major locations (sites greater than 400 square feet), which account for 99% of our total square footage.

We use actual data for those sites where it is available. Estimates for the remaining sites are based on industry intensity factors (average gallons/square foot) derived from U.S. Energy Information Administration (EIA) and U.S. Environmental Protection Agency (EPA) sources.

Our total withdrawals in FY2021 were 63.1 megaliters, a 55% decrease from FY2020. Reductions in water use were a result of real estate closures and consolidations. Building occupancy was reduced significantly in FY2021 and much of FY2020. We anticipate that our water withdrawals will decrease slightly over the next five years.

Avaya uses the World Resources Institute Aqueduct Water Risk Atlas to determine which facilities are in water-stressed areas. The Water Risk Atlas evaluates water risk against 13 indicators, such as water scarcity, groundwater decline, flood risk, drought risk, and availability of clean drinking water. Avaya considers a site to be in a water-stressed area if the overall risk is "high" or "extremely high." In FY2021, 18 megaliters of water were withdrawn from water stressed areas. All of these sites are office locations and account for 29.5% of our total withdrawals..

Please see our most recent **CDP Water Security response** for more information.

Water Data (megaliters)	CY2018	CY2019	FY2020	FY2021*
Water Withdrawals at Avaya data centers and office buildings	178	164	141	63

<sup>\*</sup> Environmental metrics were historically tracked and reported on a calendar year basis. The 2021 reporting period has been adjusted to fiscal year to align with Avaya's financial reporting. Reporting year 2020 has also been adjusted from calendar year to fiscal year to allow for a year-on-year comparison and all future data will be reported on a fiscal year basis.



**Governance & Ethics** 



### **Governance & Ethics**

Avaya is committed to the highest standards of corporate governance and conduct. We know that our stakeholders – our stockholders, customers, business partners, and employees – expect no less than our constant commitment to integrity, fairness, transparency, and accountability.

Our commitment to good corporate governance is integral to our business and reflects not only regulatory requirements, the New York Stock Exchange listing standards, and broadly recognized governance practices, but also effective leadership and oversight by our senior leadership team and Board of Directors.

### **Governance Structure: Board Oversight & Practices**

At Avaya, we believe that good corporate governance results from sound processes that ensure that our directors are well supported by accurate and timely information, and unrestricted access to management. The Avaya Board of Directors is responsible for oversight of Avaya's business and affairs, including our strategic direction, as well as the management of financial and operational execution that can drive the success of the business and support the long-term interests of our stakeholders.

The Board has three standing committees: Audit, Compensation, and Nominating and Corporate Governance. The Nominating and Corporate Governance Committee has overall responsibility for oversight of the company's ESG initiatives. The full Board is briefed regularly on our Corporate Responsibility program and our ESG performance.

#### Our Board is committed to good corporate governance practices. Highlights include:

#### **Board Practices**

- Non-Executive Chair
- 7 of 8 Directors are Independent
- Fully Independent Board Committees
- Annual Flection of All Directors
- Annual Board and Committee Self-Evaluations
- Structured Process for Board's Risk Oversight
- Regular Executive Sessions of Independent Directors

#### Stockholder Matters

- Recommended Annual "Say-on-Pay" Advisory Vote
- Stockholders' Right to Call Special Meeting in Accordance with Our Amended and Restated Bylaws

### Other Best Practices

- Robust Share Ownership Guidelines
- Prohibition on Executives Hedging and Pledging Stock
- Executive Compensation Clawback Policy

# **Enterprise Risk Management**

While the company's Board is responsible for overall risk oversight and strategy, enterprise risk management is facilitated by Internal Audit and overseen by the Audit Committee. CEO direct reports are responsible for managing risks in their assigned areas of responsibility, with oversight by the Board and its committees. Risk appetite is determined by executive management with oversight from the Board.

#### **Board of Directors**

Has overall responsibility for the oversight of enterprise risk management

#### **Internal Audit**

Is responsible for enterprise risk management within Avaya



Have oversight for risk management in the following areas:

#### Audit

#### Oversees risks related to:

- Business continuity
- Capital structure
- Compliance
- Cybersecurity
- Business ethics
- Litigation
- Intellectual property
- Financial reporting

#### Compensation

#### Oversees risks related to:

- Compensation
- Employee culture and engagement
- Talent management, recruitment, and retention
- Succession planning

# Nominating and Corporate Governance

#### Oversees risks related to:

- ESG strategy and programs
- Climate change
- Diversity, equity, inclusion & belonging
- Environmental protection
- Employee health, safety, and wellness
- Human rights
- CSR (Corporate Social Responsibility) programs





**Governance & Ethics** 

### **Conducting Business with Ethics & Integrity**

We hold ourselves to the highest ethical standards of integrity and professional conduct; this allows us to establish trust with our employees, customers, and partners and an ethical culture throughout our value chain. We understand that a trusted relationship is critical for success and that trust must be earned anew each and every day.

Our ethics program is built on a lifecycle associated with the principles of prevention, detection, and remediation. Our compliance teams work closely with our business stakeholder groups to assess, manage, and mitigate compliance risk by taking appropriate actions. In addition, our compliance teams collaborate with the business to identify and thoroughly investigate issues of misconduct, identify the root cause, and take corrective measures when needed.

Avaya's <u>Code of Conduct</u> is the foundation of our program and covers a variety of topics, including an overview of our guiding principles and information on how to conduct business in a manner that complies with the law. We review the Code annually and make updates as needed. For example, last year, we added Inclusion as a Cultural Principle to reinforce our commitment to DEIB.

The Code is a global resource that ensures employees not only comply with the law, but also do the right thing, the right way, for the right reason. Our Code of Conduct applies to anyone that conducts business on behalf of Avaya. We have also developed Codes of Conduct for our Suppliers and Business Partners that are incorporated into agreements to ensure our expectations of ethical behavior are clearly communicated.

Avaya employees, including leadership, are required to complete annual on-line training regarding the Code of Conduct, anti-bribery and corruption, data privacy, cybersecurity, harassment, and insider trading. We monitor the successful completion of the training, and as part of these trainings, all employees must acknowledge their understanding of the course content.

#### In FY2021:



92% of employees completed their annual Code of Conduct training





Compliance audits performed in India and Russia by Internal Audit confirmed that business process improvement opportunities were addressed

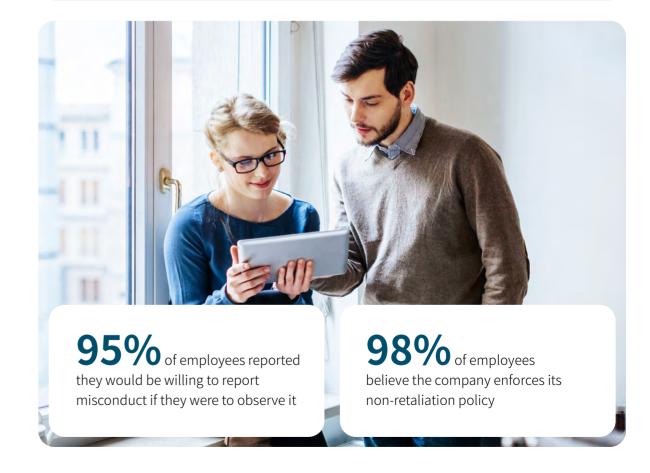


Zero confirmed corruption incidents Another critical component of our ethics and compliance program is ensuring that our employees can speak up without fear of retaliation. Avaya has zero tolerance for unlawful workplace retaliation. While issues are raised to management during the normal course of business, we want our employees, customers, partners, and suppliers to know they can raise any concern through our Ethics Helpline. Issues can be presented anonymously. Once a report is received, it is reviewed and investigated, and corrective action is taken if necessary.

Anonymous reports can be made through the following channels:

Phone: 1-877-99-ETHIC (1-877-993-8442) or +1 908-953-7276

Online through the **Convercent website** 





# **Human Rights**

Avaya is committed to protecting human rights, including the rights of women and minority groups. Avaya maintains and continuously enhances its programs and policies to identify risks and prevent the use of child and forced labor, modern slavery, and human trafficking in our business operations and supply chain.

Human rights violations can be reported by employees, customers, suppliers, and partners through our Ethics Helpline.

Avaya's <u>Supplier Code of Conduct</u> requires suppliers to protect human rights, especially those related to child and forced labor, freely chosen employment, humane treatment, and non-discrimination, among others. Suppliers are also required to adopt or establish a management system whose scope is related to our Supplier Code of Conduct. The management system must include a training element, audits and assessments, and a corrective action process. Avaya stands ready to assist suppliers to achieve and maintain compliance with the Code. Although we recognize cultural differences may exist, Avaya will not compromise on the fundamental requirements set out in this Code. Avaya reserves the right to make unannounced visits (or to have a designee make unannounced visits) to sites where people directly – or indirectly – work for Avaya and/or suppliers. This Code references multiple international standards, including the Universal Declaration of Human Rights and the United Nations Global Compact.

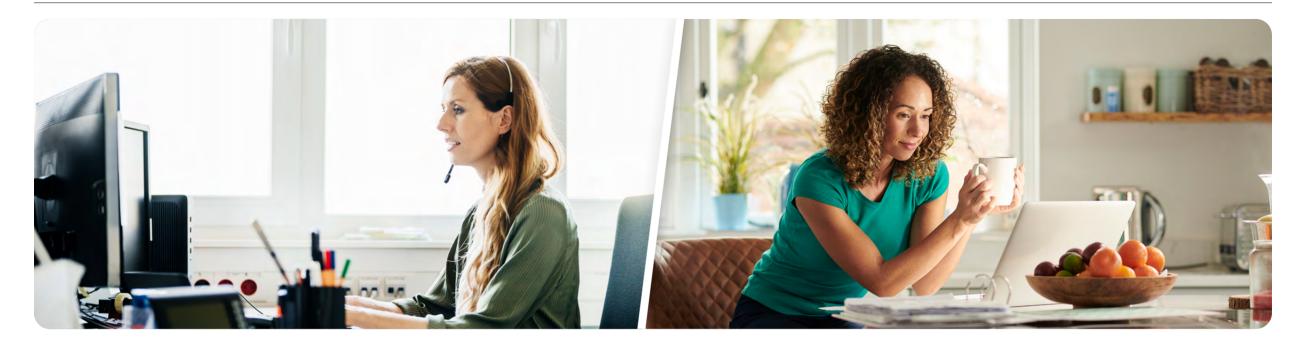
Human rights policies and statements available on Avaya's website include the <u>Avaya</u>

<u>Human Rights Statement</u>, <u>Avaya Statement on the Prevention of Modern Slavery & Human Trafficking</u>, the <u>Responsible Minerals Policy</u>, the <u>Avaya Conflict Minerals Report</u>, our <u>Code of Conduct</u>, and our <u>Supplier Code of Conduct</u>.





Governance & Ethics



# **Cybersecurity & Data Privacy**

Strong security and privacy programs have never been more important. Our vigorous, risk-based cybersecurity program is dedicated to protecting both our data and data which we process on behalf of our customers and partners. We utilize a defensive in-depth strategy, with multiple layers of security controls to protect our data and solutions.

We take cybersecurity seriously and devote significant resources and tools to protect our systems, products, and data from unwanted intrusions and to ensure we meet our contractual and regulatory obligations. We investigate potential data breach issues identified through our security procedures and terminate, mitigate, and remediate such issues as appropriate.

Avaya has a Product Security Council, a cross-functional Cyber Incident Response team, Security Operations Centers, and strong governance to ensure compliance with our security policies and protocols. These teams are comprised of internal resources and supported by external experts responsible for monitoring the effectiveness of our cybersecurity governance and vulnerability management programs.

Avaya is committed to building on our experience through leading edge technology solutions that enhance privacy, as well as cloud solutions that aim to deliver both security and privacy. We have extensive experience in safeguarding personal data and helping our customers comply

with their legal obligations when it comes to privacy and security, including those who must meet the highest standards of security such as governments, public authorities and organizations, and financial institutions.

Our privacy compliance program is based on our controller and processor binding corporate rules, which have been approved by the EU regulatory authorities. As a result of Brexit, we have now applied to the UK regulatory authorities for UK controller and processor binding corporate rules, which are fundamentally similar to those in the EU. Through the application of these rules, we endeavor to apply uniform data handling practices, based on the General Data Protection Regulation (GDPR) standards, on a global basis throughout all Avaya entities that process personal data. These entities have signed on to our EU binding corporate rules and will sign on to our UK ones once approved.

We have dedicated significant time, capital, and other resources to obtain binding corporate rules and meet GDPR requirements and requirements from other laws, such as the Brazil Data Protection Law and the California Consumer Privacy Act. We expect that as privacy laws continue to evolve and become more prevalent throughout the world, we will be required to dedicate additional resources to ensure compliance.

Our <u>website</u> contains information about privacy practices that we follow, how we help our customers comply with privacy laws, and privacy within our solutions and on our websites.



### **Customer Relationship Management**

Our customers range in size from small businesses employing a few individuals to large government agencies and multinational companies with tens of thousands of employees. Our customers operate in a broad range of industries, including financial services, manufacturing, retail, transportation, energy, media and communications, hospitality, health care, education, and government.

Our customers include leading Forbes Global 2000 companies across all these industries.

One of our key focuses is increasing our recurring revenue — revenue from products and services that are delivered pursuant to multi-period contracts, including recurring subscription-based software revenue, maintenance, global support services, and enterprise cloud and managed services. During FY2021, Avaya introduced Avaya OneCloud ARR (Annualized Recurring Revenue) as a key performance indicator, which provides a leading indicator into the software solutions driving our growth. This metric is similar to what our industry peers report and reflects only the recurring components of Avaya's portfolio. In FY2021, OneCloud ARR was \$530 million, compared to \$191 million reported for FY2020.

We have a significant opportunity to increase sales to our existing customers by offering new solutions from our Avaya OneCloud portfolio. Our market leadership, global scale, and extensive customer interaction, including at the C-suite level, supports our Avaya OneCloud portfolio, creating a strong software platform from which to drive and shape the evolution of enterprise communications. We have strong credibility with our customers, which provides us with a competitive edge as our customers make the transition to the cloud. Additionally, our refreshed product and services portfolio increases the potential for acquiring new customers.

Avaya believes the ability to service the healthcare and pharmaceuticals industries, as well as merchants that accept credit cards, significantly expands our potential customer base and total addressable market, and we continuously strive to implement HIPAA and PCI DSS (Payment Card Industry Data Security Standard) compliance as our offers for these customers grow. These certifications allow for market penetration into what are otherwise restrictive and difficult markets.

### **Customer Satisfaction**

The high level of customer satisfaction ratings we receive for support transactions is a testament to the expertise of our people. Our dedicated professionals are focused on satisfying customer needs, driving a proactive and preventive agenda to help customers maintain optimum levels of service.



2021 Corporate Responsibility Report

# **ESG Metrics Table**

Economy	FY2018	FY2019	FY2020	FY2021	Reference Indices
Revenue (million USD)	2,851	2,887	2,873	2,973	GRI 201-2
Number of employees	8,086	7,888	8,266	8,063	GRI 102-8
Number of contractors	6,289	6,522	6,412	7,023	GRI 102-8
Real estate square feet (thousand)	2,426	2,400	2,104	1,486	GRI 102-7
Environment <sup>1</sup>					Reference Indices
Energy	CY2018	CY2019	FY2020	FY2021	
Energy consumption (MWh)	112,997	02.079	02.910	60.615	GRI 302-1,
Energy consumption (MWh)	112,991	92,078	92,819 68,615	TC-SI-130a.1	
Diesel	2,088	1,622	1381	565	
Natural gas	5,140	3,300	17,044	11,731	
Grid-Connected Electricity	76,848	66,942	57,081	46,466	
Gasoline	28,921	20,214	17,313	9,853	
Energy intensity					GRI 302-3
MWh/million USD revenue	39.6	31.9	32.3	23.1	
MWh/employee	14.0	11.7	11.2	8.5	
MWh/thousand square ft.	46.6	38.4	44.1	46.2	
Reduction of energy consumption from previous year (MWh)	25,704	20,919	-	12,484	GRI 302-4

<sup>1.</sup> Environmental metrics were historically tracked and reported on a calendar year basis. The 2021 reporting period has been adjusted to fiscal year (October 1 – September 30) to align with Avaya's financial reporting.

Reporting year 2020 has also been adjusted from calendar year to fiscal year to allow for a year-on-year comparison and all future data will be reported on a fiscal year basis. In addition, where use data was not available, estimates were made in accordance with industry standards and best practice.



Emissions	CY2018	CY2019	FY2020	FY2021	
Scope 1 emissions	7,550	5,300	4,516	2,543	GRI 305-1
Scope 2 emissions: location-based	41,096	31,456	29,483	23,050	GRI 305-2
Scope 2 emissions: market-based <sup>2</sup>	38,537	33,685	30,803	25,949	GRI 305-2
Scope 3 emissions	817,356	816,626	840,995	837,060	GRI 305-3
Total greenhouse gas (GHG) emissions (mtCO <sub>2</sub> e) <sup>3</sup>	863,443	855,611	876,314	865,552	GRI 305-5
GHG emissions intensity (Scope 1 & 2)					GRI 305-4
mtCO <sub>2</sub> e/million USD revenue	17.1	12.7	12.3	9.6	
mtCO <sub>2</sub> e/employee	6.0	4.7	4.3	3.5	
mtCO <sub>2</sub> e/thousand square ft	20.1	15.3	16.8	19.2	
GHG emissions intensity (Scope 3, business travel)					GRI 305-4
mtCO <sub>2</sub> e/million USD revenue	2.5	2.2	1.5	0.1	
mtCO <sub>2</sub> e/employee	0.9	0.8	0.5	0.03	
Reduction of GHG from previous year (mtCO <sub>2</sub> e)	13,783	12,620	-	10,762	GRI 305-5
Water⁴	CY2018	CY2019	FY2020	FY2021	
Water withdrawal (ml)	178	164	141	63.1	GRI 303-3, TC-SI-130a.2
Waste <sup>5</sup>	CY2018	CY2019	FY2020	FY2021	
Waste recycled (mt)	46.8	134.2	112.6	46.8	GRI 306-2
Hazardous waste	35.3	130.6	100	42.3	
E-waste	35.2	130.6	99.8	42.3	
Batteries	0.1	0	0.2	0	
Non-Hazardous waste <sup>6</sup>	11.5	3.4	12.6	4.5	

- 2. FY2020 and FY2021 market-based totals use a mix of location-based and residual mix (where available) emission factors and do not include any supplier-specific emission factors.
- 3. Total greenhouse gas (GHG) emissions include Scope 1 + Scope 2: market-based + Scope 3 emissions.
- 4. A more consistent and reliable approach was identified to estimate water withdrawal for sites where water use data is unavailable. The new approach uses an industry intensity factor derived from EPA and EIA. Therefore, all years reported (calendar years 2018-2019 and fiscal years 2020-2021) have been recalculated using this new approach.
- 5. Waste data was incorrectly reported as metric tons when the actual data was in pounds. All waste data has been converted from pounds to metric tons for calendar years 2018-2019 and fiscal years 2020-2021.

  All future waste data will be reported as metric tons.
- 6. Non-hazardous waste refers to plastic, wood, glass, metal, and misc.



					Reference Indices
Diversity and Equal Opportunity	FY2018	FY2019	FY2020	FY2021	
Employees in leadership positions (director or above)					GRI 405-1,
Limployees in leadership positions (director or above)					TC-SI-330a.3
Gender					
Male	80%	81%	79%	78%	
Female	20%	19%	21%	21.8%	
Age					
Under 30 years old	0%	0%	0%	0%	
30-50 years old	46%	41%	36%	31%	
Over 50 years old	54%	59%	64%	69%	
Minority groups (U.S.) <sup>7</sup>					
Minority	18%	18%	19%	18.7%	
Non-minority	78%	82%	81%	81%	
Employees in non-leadership positions (all positions below director)					GRI 405-1,
					TC-SI-330a.3
Gender	770/	770/	700/	770/	TC-SI-330a.3
Male	77%	77%	78%	77%	TC-SI-330a.3
Male Female	77% 23%	77% 23%	78% 22%	77% 23%	TC-SI-330a.3
Male Female Age	23%	23%	22%	23%	TC-SI-330a.3
Male Female Age Under 30 years old	23%	23%	22%	23%	TC-SI-330a.3
Male Female Age Under 30 years old 30-50 years old	23% 6% 56%	23% 6% 54%	22% 6% 52%	23% 5% 52%	TC-SI-330a.3
Male Female Age Under 30 years old 30-50 years old Over 50 years old	23%	23%	22%	23%	TC-SI-330a.3
Male Female  Age Under 30 years old 30-50 years old Over 50 years old Minority groups (U.S.)8	23% 6% 56% 38%	23% 6% 54% 41%	22% 6% 52% 41%	23% 5% 52% 43%	TC-SI-330a.3
Male Female  Age Under 30 years old 30-50 years old Over 50 years old Minority groups (U.S.)8 Minority	23% 6% 56% 38%	23% 6% 54% 41%	22% 6% 52% 41%	23% 5% 52% 43%	TC-SI-330a.3
Male Female Age Under 30 years old 30-50 years old Over 50 years old Minority groups (U.S.)8	23% 6% 56% 38%	23% 6% 54% 41%	22% 6% 52% 41%	23% 5% 52% 43%	TC-SI-330a.3
Male Female  Age Under 30 years old 30-50 years old Over 50 years old Minority groups (U.S.)8 Minority	23% 6% 56% 38%	23% 6% 54% 41%	22% 6% 52% 41%	23% 5% 52% 43%	GRI 102-41

<sup>7.</sup> Minority group data is unavailable for 4% of employees in leadership positions in the U.S. in FY2017 and FY2018.



<sup>8.</sup> Minority group data is unavailable for 5% and 4% of employees in non-leadership positions in the U.S. in FY2017 and FY2018, respectively.

Occupational Health and Safety	FY2018	FY2019	FY2020	FY2021		
Case rates (rate per 100 employees in the U.S.)						
Total case rate	0.14	0.14	0.14	0		
Lost workday case rate	0.07	0.14	0.14	0		
Injuries by type					GRI 403-9	
Slip/trip/fall	75%	50%	50%	0%		
Ergonomic	0%	25%	0%	0%		
Motor vehicle accidents	25%	0%	0%	0%		
Struck by an object	0%	0%	25%	0%		
Lifting	0%	0%	0%	0%		
Reach/pull	0%	25%	25%	0%		
Other	0%	0%	0%	0%		
Society					Reference Indices	
Local Communities	FY2018	FY2019	FY2020	FY2021		
Total CSR spend in India (million INR) <sup>9</sup>	24.1	30.8	23.8	18.1	GRI 413-1	

<sup>9.</sup> India Fiscal Year is April 1 – March 31



Safe Harbor Statement

### **Safe Harbor Statement**

This report contains certain "forward-looking statements." All statements other than statements of historical fact are "forward-looking" statements for purposes of the U.S. federal and state securities laws. These statements may be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "our vision," "plan," "potential," "preliminary," "predict," "should," "will," or "would" or the negative thereof or other variations thereof or comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond its control. Risks and uncertainties that may cause these forward-looking statements to be inaccurate are discussed in the Company's Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filled with the Securities and Exchange Commission (the "SEC"). These risks and uncertainties may cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

For a description of such risks and uncertainties, please refer to the Company's filings with the SEC that are available at <a href="https://www.sec.gov">www.sec.gov</a>. The Company cautions you that the list of important factors included in the Company's SEC filings may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

#### **About Avaya**

Businesses are built by the experiences they provide, and every day millions of those experiences are delivered by Avaya Holdings Corp. (NYSE: AVYA). Avaya is shaping what's next for the future of work, with innovation and partnerships that deliver game-changing business benefits. Our cloud communications solutions and multi-cloud application ecosystem power personalized, intelligent, and effortless customer and employee experiences to help achieve strategic ambitions and desired outcomes. Together, we are committed to help grow your business by delivering Experiences that Matter. Learn more at **avaya.com**.





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