



Alcatel-Lucent Enterprise Environment, Social and Governance 2023 Report

Tech for Good

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CEO Statement



The mission of Alcatel-Lucent Enterprise — to make everything connect — has been at the heart of our business for over 100 years. By developing technology solutions that help our customers connect people, objects, applications and processes, we are committed to creating a more inclusive and sustainable future for all.

Recent history has emphasized the pervasive nature of uncertainty and the critical importance of finding and building paths toward sustainability. The pandemic highlighted the interconnectedness of worldwide health, economic systems and environmental degradation. Financial instability and political unrest have also underscored the volatility of global events and contributed to an increased awareness of uncertainty in many aspects of our lives.

In 2022, we announced our transition from a Corporate Social Responsibility (CSR) programme to an Environmental, Social and Governance (ESG) strategy, reflecting Alcatel-Lucent Enterprise's commitment to long-term sustainability and to creating value for all stakeholders, including shareholders, employees, partners, customers and the global community.

In 2023, we confirmed ESG as a core pillar of our business strategy with the titles of our flagship Connex events, "Technology for Good" and "Technology for a Sustainable Future" in 2024.

We have outlined a strategy to help us address the upcoming compliance requirements and to meet our aspirations. We have built our ESG programme under the Technology for Good umbrella, as we believe our technology can have a positive social and environmental impact. Government, healthcare, education and transportation are four industries we serve where technology can make a difference. By delivering secured connectivity and communications, our technology supports mission-critical operations, enhances resilience, and fosters agility and collaboration among stakeholders as we tackle pressing global issues.

Our ESG framework is also helping ALE identify and manage potential risks more effectively in the face of environmental, social and political uncertainties. We have begun embedding this framework into our operating model, emphasizing that ESG is not just about philanthropy or compliance, but represents a fundamental shift in how our company operates.

We believe in accountability. Through our technology innovation and continuous improvement in ESG performance, we will deliver a positive impact and results. Sustainable business practices and ethical governance will position ALE for long-term success.

Jack Chen

Chief Executive Officer
Alcatel-Lucent Enterprise

Global Revenue and Operations Officer statement



As we reflect on the evolution of Alcatel-Lucent Enterprise over the past year, it's important to acknowledge a significant shift in our approach to sustainability. Moving from Corporate Social Responsibility (CSR) — a domain where we have historically excelled — to a broader and more integrated focus on Environmental, Social and Governance (ESG) principles marks a pivotal change in how we envision and enact our commitment to the world around us. This transition reflects our understanding that to truly make a difference, we must embed sustainability into every aspect of our decision-making and business operations, not just as a peripheral effort but as a core element of our strategy. The move from CSR to ESG represents our response to the growing demands of our stakeholders and the global challenges we face, ensuring that ALE not only contributes positively to the planet but also operates with the highest standards of governance and social responsibility.

Identifying What Matters: In 2023, one of our first and most crucial steps was to select the ESG domains most significant for ALE through a comprehensive double materiality assessment. This process has enabled us to pinpoint the areas where our business impacts the world and, conversely, how global sustainability trends impact us, ensuring that our efforts are both meaningful and aligned with our corporate values.

Organizational Commitment: We recognized the need for dedicated oversight early in our ESG journey, leading to the appointment of a specialized organization within ALE to define our ESG framework and lead our transformation. This team is the backbone of our ESG initiatives, providing the direction and structure needed to weave these principles throughout our operations.

Cultural Transformation through Governance: To ensure ESG principles are ingrained in our company culture, we established a governance structure designed to oversee and ensure the cultural transformation across ALE. This governance framework is crucial for aligning our diverse teams and operations with our ESG goals, fostering a unified and sustainable approach.

Defining Our Ambition & Vision for 2030: Understanding our position and the challenges ahead, we've articulated our ambition and vision for 2030. These outline not only the goals we aim to achieve but also the legacy we aspire to create, serving as a guiding star for our actions and decisions.

Launching Our First Transformation Initiatives: With a clear framework, governance and vision in place, we launched our initial transformation initiatives. These projects mark the first steps toward realizing our ESG ambitions, embodying our commitment to sustainability and responsible business practices.

As we look to the future, we are motivated by the progress we've made and the path that lies ahead. Our transition from CSR to ESG is a testament to our commitment to making a meaningful impact. We are excited about the future and committed to driving ALE towards a more sustainable and responsible future.

Together, we are setting new standards.

Rasheed Mohamad

Global Revenue and Operations Officer
Alcatel-Lucent Enterprise

Organization and governance

At ALE, we are committed to driving our Environmental, Social and Governance (ESG) initiatives forward through a carefully structured organizational and governance framework. This framework ensures that ESG principles are integrated at every level of our operations, guiding our transformation into a more sustainable and responsible enterprise.

In 2024, we are taking a significant step forward by establishing an ESG Advisory Board involving our key suppliers and partners. This initiative aims to foster a collaborative environment, ensuring that our ESG strategies are aligned with broader industry standards and expectations. By setting clear, measurable objectives and fostering a culture of accountability and inclusivity, we aim to embed ESG values deeply within our corporate DNA. Our approach is designed not only to execute our ESG strategies effectively but also to ensure that these efforts translate into tangible value for ALE, marking a significant step in our journey towards a comprehensive cultural transformation.

ALE ESG organization & governance



Double Materiality Assessment

Methodology

We have started our transformation and embedded our ESG values into our strategy. We are proud to have completed our first Double Materiality Assessment (DMA), which considers the financial aspect of our actions (risk and opportunity for our business) and the impacts these will have on people, society, and the environment.

This important step was completed by identifying a list of materiality topics relevant for our industry and our company, based on interviews with our Executive Management Team and questions posed to our valued Business Partners, customers and industry associations. Without the commitment and willingness of our employees, ALE would not be able to embark on this transformation journey, so we also solicited their opinions. Most companies include only on the voice of CEOs and CFOs in the DMA, but we can proudly say that our results are based on 1600+ answers, weighted by stakeholder type. This structured and broad approach guarantees that our DMA's outcomes are solid and relevant.

Deriving from the DMA, we have identified our top materiality topics of focus. These topics are important for ALE, our employees and our customers.

Additionally, we have built an ESG structure within ALE, appointing a leader to drive ESG internally and externally, thereby pushing the transformation further. ALE has also set up a governance structure, which will ensure that the cultural transformation occurs and key players are on board.

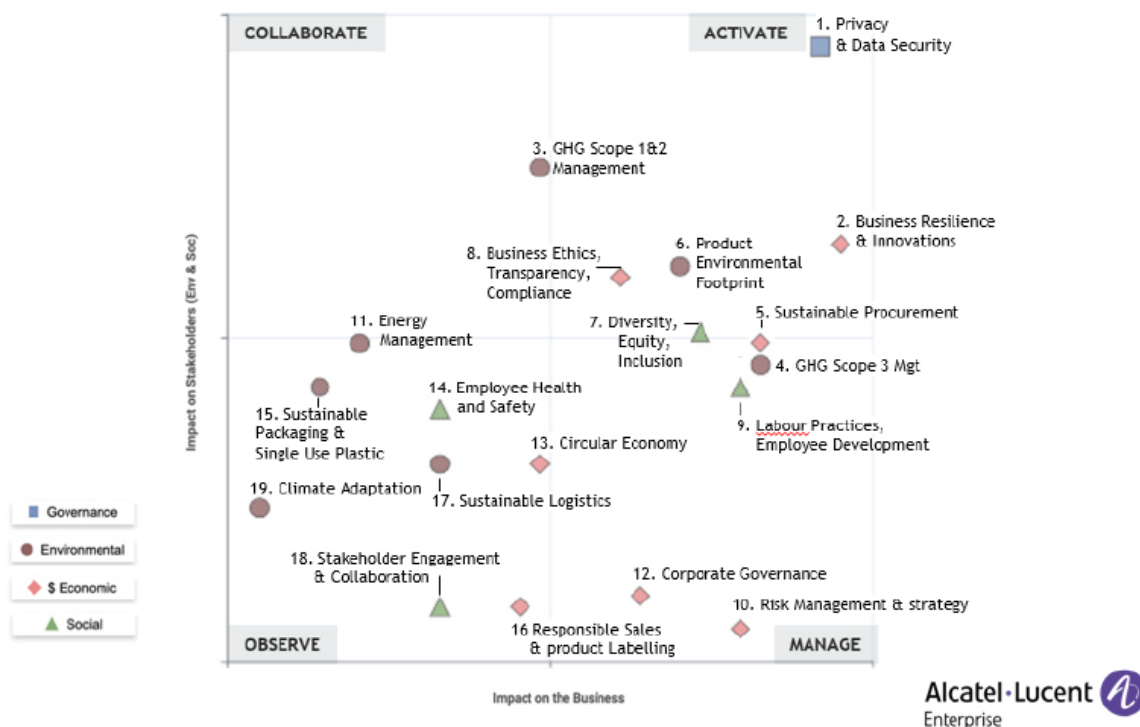
We have defined our ambitions and our Vision 2030. We will be accountable for these and will track our progress.

Our journey is just beginning, but we are proud to have already embarked on our first transformations within all our business divisions and operations.

Double materiality result and final selection

The following chart shows the results of the 2023 DMA:

Materiality Map: The Materiality Map reflects the list of topics that have been deemed of most importance for ALE and our stakeholder groups.



From these results, the ALE ESG council has validated that we will focus on the following materiality domains in the coming year:

- Climate Change Mitigation
- Product Environmental Adaptation
- Human Rights
- Labour Practices, Employee Development
- Diversity, Equity and Inclusion
- Business Ethics, Transparency and Compliance
- Privacy and Data Security
- Strategy and Risk Management

These eight domains will be the pillars of our ALE ESG strategy. All activities and communications will be built from them.

Ambition and 2030 vision

ALE is committed to ESG with clear 2030 targets in sustainability, social responsibility and governance, defined in pillars identified from the DMA. Our ambition sets the direction of our efforts to drive meaningful change and ensure sustainable, ethical operations for a better future. These changes are supported by our technical solutions, which not only advance our ESG objectives but also empower our clients to achieve their own ESG goals.

TOPICS	Environmental sustainability		Social responsibility			Corporate governance		
	Climate change mitigation	Product environmental adaptation	Human rights	Labour practices and employee development	Diversity, equity and inclusion	Business ethics, transparency & compliance	Data privacy & security	Strategy & risk management
Ambition	Reduce GHG emissions across Scope 1, 2, and especially Scope 3 following science-based targets.	Design, manufacture and deliver products and services with the least planetary impact.	Safeguard human rights principles by embedding human rights across our value chain.	Provide a safe, flexible, and rewarding work environment that supports talent growth.	Ensure all employees feel valued and respected and are provided with equal opportunities for growth and success.	Uphold the highest standards of business ethics and comply with all regulations.	Establish digital trust with customers, suppliers and partners.	Ensure business resilience and sustainable growth in the ever-evolving telecommunications landscape.
2030 targets	< 1.5°C Contribute to limit global warming following science-based target.	80% Products having a sustainable passport available.	100% Commitment to protect human rights at ALE and only partner with companies expressing the same commitment.	< 6% Employee turnover rate.	+30% DEI Progression Index, reflecting advancements in diversity, equity, and inclusion.	100% Compliance rate and zero tolerance towards and unlawful or unethical behavior.	100% Compliance rate with security and data privacy regulation.	+30% Sustainable and responsible business.
Tech for Good	Optimize resources and energy for our customers while ensuring communications and network services.		Provide users with robust and resilient communications services and solutions to support employee development. Enhance and serve the communities where employees, partners and customers live and work.			Deliver the highest level of security and privacy services. Deliver solutions working in extreme conditions to support vital connection services.		

Commitment and awards

UNGC

Alcatel-Lucent Enterprise stands proudly as a participant in the United Nations Global Compact (UNGC), joining hands with more than 8,700 organizations worldwide who are committed to promoting sustainability standards. Embracing the UNGC's Ten Principles spanning human rights, labour rights, environmental sustainability and anti-corruption measures, ALE integrates these values deeply into our corporate ethos and operational strategies. Upholding human dignity and equity, we foster a workplace culture that respects and promotes human rights. Labour rights are fundamental to us, ensuring freedom of association and fair labour practices across our operations. Environmental sustainability lies at the heart of our commitments, driving us to reduce our environmental footprint and champion sustainable practices. Committed to ethical conduct, we uphold stringent anti-corruption measures, ensuring transparency and integrity in all our dealings. Through active collaboration and innovation, ALE strives to be a catalyst for positive change, working alongside stakeholders to address global challenges and drive sustainable development. Our dedication to the UNGC principles goes beyond mere compliance; it reflects our commitment to corporate responsibility and ethical leadership. With transparency, accountability and continuous improvement as our guiding principles, we aim to make a meaningful contribution towards a more just, equitable and sustainable world for all.

Mapping between ALE strategy domain and UNGC goals



EcoVadis

EcoVadis is a global sustainability rating and intelligence platform that assesses the environmental and social performance of companies. It provides businesses with a standardized framework for evaluating the sustainability practices of their suppliers and partners. EcoVadis uses a combination of technology and expertise to analyze a company's sustainability efforts, considering various factors such as environmental impact, labour and human rights, ethics and supply chain practices. Companies that use EcoVadis can assess their own sustainability efforts and those of their suppliers, helping them make more informed decisions about their business relationships. EcoVadis ratings and assessments are widely used by procurement teams, sustainability professionals and supply chain managers to monitor and improve the sustainability of their supply chains, which is increasingly important for both corporate responsibility and meeting the demands of environmentally conscious consumers. ALE is honoured to have achieved the EcoVadis Silver Medal rating for four years (2019, 2021, 2022 and 2023). We have advanced from 'Moderate' to 'Advanced' status in the 'Manufacturer of Communications Equipment' category, placing us in the top 7% of industry participants. We are proud beginners in EcoVadis' new Carbon Management Level, reflecting our commitment to environmental responsibility. Sustainability is at the heart of our mission at ALE, and we will continue to drive progress in these important areas.



TechCare

Alcatel-Lucent Enterprise has earned the 2022 and 2023 Tech Cares awards for demonstrating a strong commitment to corporate social responsibility. The awards, given by Austin-based TrustRadius, recognize organizations for impactful CSR initiatives in categories such as volunteerism; diversity, equity and inclusion programmes; charitable donations; support for employees; and environmental sustainability efforts.



Environmental sustainability

Introduction

At ALE, we are committed to environmental sustainability across our entire value chain, from suppliers and distributors to our customers. Recognizing the critical role of comprehensive action, we aim not only to minimize our ecological footprint but also to improve product and operation traceability and to empower our clients with sustainable solutions. Integral to our strategy is addressing greenhouse gas emissions in alignment with the Science Based Targets initiative (SBTi), ensuring our efforts to reduce emissions across all scopes are scientifically grounded and contribute effectively to global climate goals. By fostering collaboration and transparency with all stakeholders, ALE is dedicated to driving forward environmental conservation and promoting sustainability within our industry and throughout our value chain.

Climate change mitigation

Ambition and target

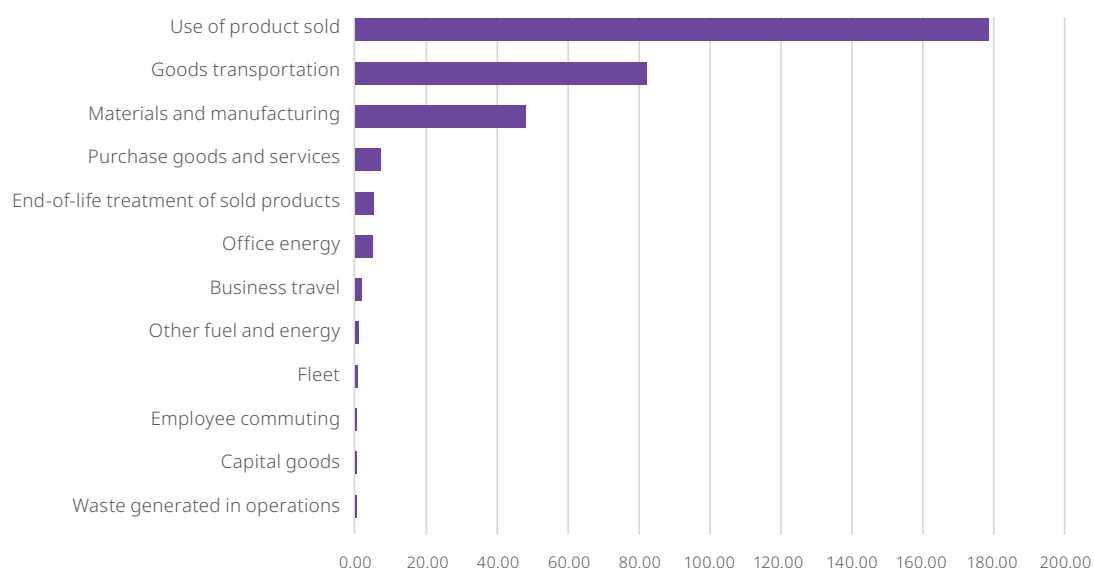
Our ambition and 2030 target are driven by goals set by SBTi.

Ambition	Target 2030
Reduce GHG emissions across Scope 1, 2, and especially Scope 3 following science-based targets.	<div>< 1.5° C</div> Contribute to limit global warming following SBTi target.

2023 results

ALE has chosen 2022 as its baseline year for GHG emission reduction efforts. Our GHG emissions were estimated following the GHG Protocol, and the results have been certified by GOODBODY CLEARSTREAM. During the assessment, we specifically identified opportunities for improving data quality within Scope 3, which represents 98% of our emissions. This substantial portion underlines the critical importance of engaging our suppliers, distributors and clients in our transformation journey. Publishing our carbon footprint not only enables us to pinpoint the major contributors but also facilitates the initiation of efforts to reduce our emissions, with a particular focus on collaborating across our value chain to address Scope 3 emissions effectively. Total GHG emission for ALE in 2022 has been assessed at 331 ktCO2e. Emissions per category are displayed in the chart below.

ALE GHG emissions in kt CO₂



In 2022 and 2023, we implemented several successful initiatives aimed at reducing our emissions:

- Relocated some of our main sites to eco-friendly buildings. After our largest site (Illkirch) in December 2021, we moved Colombes (second-largest site) to a new eco-friendly building in September 2023.
- Promoted remote working for these sites, facilitated by our Cloud Communications solutions. Remaining work at offices decreased by 50.5% in 2023.
- Switched the electricity provider for our main offices to a green electricity provider
- Reduced electricity consumption by optimizing lab equipment usage and shutting down unused equipment during off-hours: -7.85% in 2023 versus 2022
- Shifted shipments from air to maritime transport when possible

2024 focus

Our objectives for climate change mitigation in 2024 include:

- Developing a plan to reduce our GHG emissions in line with scientific recommendations for our industry sector. SBTi targets has been set to limit the global warming by 1.5°C. Meaning a reduction of 40% by 2030 and net zero by 2050.
- Seeking validation of this plan from the SBTi
- Initiating training programmes to enhance:
 - Awareness of climate change and its impacts
 - Skills in calculating GHG emissions
 - Knowledge of eco-design best practices
- Enhancing data quality across our end-to-end value chain to obtain more actionable insights
- Engaging key suppliers in our transformation journey
- Expanding our circular economy initiatives to include additional products

ALE forest

We commenced our ALE forest project at the end of 2021. At the end of 2023, we had planted 59,573 trees, providing 596 days of work for local communities and an equivalent of 1311 tons of neutralized CO₂ per year. We are continuing with a forestry plan in 2024 and are developing additional ideas for carbon capture and eco-sustainability.

59,573

Trees planted

~1311 t

CO₂ neutralized per year

596

Days of work created in the global south

Employee engagement for the environment

In 2023, as we transitioned from CSR to ESG, our activity within the #GoGreen programme, run by our employee resource group #GoGreen, shifted to a local approach with GoGreen knowledge events and an environmental focus in our Illkirch office. We continued to promote activities for all, and it was fantastic to see employees worldwide taking the opportunity to improve the environment around their offices and local communities, particularly on our ALE Values Day.



Product environmental impact

Ambition and target

In addition to complying with all environmental regulations applicable in the countries where we deliver our solutions, we aim to collaborate with our suppliers and partners to enhance the traceability of all materials used in our solutions. This effort is a fundamental prerequisite for ensuring a reduction in the environmental impact from end to end, as well as for upholding social responsibilities throughout our supply chain.

Ambition	Target 2030
Design, manufacture and deliver products and services with the least planetary impact.	80% solutions having a sustainable passport

2023 results

In 2023, we maintained our reporting for REACH (six months requirements update) and ROHS as the main environmental product compliance legislative standards. We continued our deliberation on items like Swedish taxes declarations for PCB requirements and California proposition 65 by including a specific declaration paragraph in the user manual. Spain's new regulation on reporting one-time imports of plastics per product required us to analyze the conditions and reporting requirements. The Communications business group started some analysis, and the Networks business group changed the packaging approach to reduce plastics, which will be further improved in 2024.

2024 focus

A significant number of changes in legislative requirements and reporting expectations have been pipelined for 2024/2025. We will confirm compliance with some sample testing to existing and new legislative restrictions and declarations requirements.

- The standard 6-month additions of the substances to the ECHA substance list
 - REACH 1907/2006 (33)
 - REACH 1907/2006 (67)
- ROHS confirmation compliance to the latest substances
 - RoHS 2011/65/EU
 - RoHS 2015/863
- POP 2019/1021
- USA TSCA (40 CFR 751)
- USA TSCA (40 CFR 721)
- Canada Prohibition: Canadian Prohibition of Certain Toxic Substances Act SOR/2012-285
- Australia 2016/30: Customs (Prohibited Imports) Regulations 1956 (Section 4C) – Australian Department of Immigration and Border Protection Notice No. 2016/30, testing for asbestos
- Reportable PFAS
- Restricted PFAS (P25)
- Restricted PFAS (Extended P13)
- EU battery regulation [2023/1542](#)

ALE will also position required filings in the USA States Maine and Michigan to request exemptions for the PFAs that we may not be able to design out and for Canada on the PFOA filings.

We are looking at more sustainable manufacturing for our products by moving to a new Electronic Manufacturer (EMS) with “greener” energy sources.

For our customers

At ALE, we recognize the urgent need for businesses not only to minimize their environmental impact but also to adapt to the rapidly changing climate. It is paramount for us to ensure that our suite of solutions and services empowers our clients to meet their environmental objectives effectively.

We are committed to developing and providing innovative solutions that enable our clients to reduce their carbon footprint, optimize energy efficiency and implement sustainable practices within their operations. Our goal is to support our clients in their journey towards sustainability, helping them not only to comply with environmental regulations but also to lead in their respective industries by setting new standards for environmental responsibility.

Understanding the critical challenges posed by climate change, we also focus on enhancing the resilience of our clients' operations against climate-related disruptions. Our services are designed to provide robust and adaptable solutions that ensure business continuity and agility in the face of climate unpredictability.

A pillar of ALE's strategy is supporting customers' transformation in the move to the cloud. Cloud computing is intrinsically a step in the right direction for mitigating environmental impact.

- Cloud-based communication and collaboration tools, such as Rainbow, enable remote and hybrid work, reducing the need for commuting and office spaces. This can result in lower carbon emissions from transportation and reduced energy consumption in office buildings.
- By relying on cloud solutions, organizations can reduce the need for on-premises hardware, decreasing electronic waste and inefficient energy consumption. Instead of regularly replacing and disposing of outdated equipment or using equipment that has not been upgraded with the latest energy-efficient innovations, organizations can rely on cloud infrastructure, which is maintained and upgraded for efficiency at source.
- Cloud service providers can achieve economies of scale by consolidating their infrastructure, resulting in more efficient energy usage.
- Cloud services offer the ability to scale resources up or down based on demand. This flexibility allows organizations to avoid overprovisioning and wasting resources, leading to more efficient resource utilization and reduced environmental impact.
- Cloud computing allows for better resource utilization through virtualization and dynamic allocation of computing resources. This means that servers and other hardware can be utilized more efficiently, reducing the overall hardware requirements and waste.
- Cloud providers are also starting to use renewable energy sources to power their data centers, which helps to minimize the environmental impact of computing operations. Ninety percent of ALE's cloud infrastructure is hosted with OVH, which is a recognized champion in sustainability.

Our "Move to the cloud" strategy is not our only focus for reducing our solutions' impacts. We believe in creating a sustainable future through technology, and our commitment extends beyond our operations to the success and sustainability of our clients' businesses.

Some services proposed to our customers supporting the customer's journey toward sustainability include the following:

- For the new generation of DECT access point, the volume of the shipping box has been divided by six and the total weight is reduced by 71%. More details are available in the video "Eco design of the terminals" (<https://www.al-enterprise.com/en/videos>)
- ALE launched the Crystal refurbishment programme, facilitated by a buyback plan. Refurbished boards and shelf items are available in select countries in Europe, and actions are ongoing to expand to other regions.
- ALE Purple on Demand migration programme extends a system's lifespan by transforming OmniPCX® Enterprise systems into an as-a-service model with a high security level
- ALE is redesigning the power supply units integrated into OmniPCX Enterprise and OXO Connect chassis, aiming to achieve energy savings of 20% or more
- The new generation of phones are now certified by ENERGY STAR® and have IEEE 802.3az Energy Efficient Ethernet (EEE) standard which reduces the power consumption associated with Ethernet links during periods of low data activity. For the ALE-300 Enterprise DeskPhone, we reached PoE Class 1 consumption, which places it among the top colour-screen deskphones in its power class.
- ALE is working on an initiative to manufacture Enterprise DeskPhones using 70% recycled plastics
- ALE is working on a Single-Pair Ethernet (SPE) project, allowing reuse of existing analog or digital wires to deploy IP communication. This will avoid manufacturing and installing new Ethernet wires, lower the number of Ethernet switches, expand the communication system lifespan and reduce the number of experts needed on-site for deployment and configuration.
- ALE reduced the company's overall carbon footprint by switching to the Build to Stock (BTS) model, which removes a transport step in the logistics flow. By relocating the activity to France (for the European market), the BTS model makes it possible to avoid truck trips from Romania to France, reducing greenhouse gas emissions by 14% for the provision of the OmniPCX Enterprise solution at the French warehouse.
- ALE offers the "Screen & Clean" service, which involves functional validation of used ALE sets, replacement of certain elements such as corded handsets and cords and cleaning and reconditioning for remarketing purposes.
- ALE has subscribed to a service in France that allows for the free collection and recycling of obsolete electronical, electrical and batteries from customers' premises to manage waste effectively.
- ALE implemented packaging for Alcatel-Lucent OmniSwitch® products that contains 70% recycled content for corrugated cardboard and 20%+ recycled content for foam
- In 2024, ALE will implement a new packaging solution for selected OmniSwitch products that eliminates all foam and plastic. This new packaging reduces the weight of the packaged product by 31% and the size of the package by 17%. These reductions allow for more efficiency and reduce environmental impact in shipping products.
- Power supplies for all new products are designed to have 85+% efficiency. The chassis frames and covers for all OmniSwitch products are now manufactured with 90%+ recycled content.

Social responsibility

Introduction

ALE has a long history of embracing social responsibility. Starting from the foundational belief that people are our company's most valuable asset, we have consistently prioritized fair treatment and the well-being of employees, paying fair market wages and maintaining safe and inclusive workplaces where innovation and learning can take place. Being a communications company, we also understand the importance of building trusted connections and have forged strong relationships with our partners, customers and suppliers and engaged with the communities in which we live and work. We believe that in today's interconnected economy, our long-term success hinges on robust social responsibility with resilient, ethical and responsible business practices in our company and across our value chain.

Human rights

We take pride in our commitment to compliance and defending human rights in every country in which we operate. For any company — partners or suppliers — to conduct business with ALE, we request they sign an agreement to honor the same commitment. In 2019, we joined the United Nations Global Compact (UNGC), adding the explicit vow to uphold the Ten Principles of the UNGC to our already comprehensive Code of Conduct and strict policies of corporate behavior.

Ambition and target

Ambition	Target 2030
Safeguard human rights principles by embedding human rights across our value chain.	<div>100%</div> commitment to protect human rights at ALE and only partner with companies expressing the same commitment.

2023 results

Human rights continue to be respected at ALE, and we have zero tolerance for any potential violation. In 2023, we received no reports of non-compliance with human rights principles.

2024 focus

In 2024, we will set up our reporting on human rights following CSRD best practices. In 2024, our ambition is to obtain assurance that our processes meet the ISO standard (for example, ISO 45001:2018 Occupational health and safety management systems).

Labour Practices and employee development

Our work sites continue to meet all health and safety regulations for the countries in which we operate. We provide safe, hazard-free working environments with relevant guidelines that ensure safety and accident prevention.

We aim to go beyond compliance requirements in actively promoting employees’ well-being and development, as we firmly believe health, well-being and a commitment to growth contribute to employee satisfaction and productivity.

We are committed to fostering an open dialogue with employees. We have established multiple communication channels, including a weekly News Bulletin, quarterly key managers’ call and all-hands calls and meetings with the EMT. We provide options to submit anonymous feedback through the intranet and solicit formal feedback through an annual Employee Engagement Survey. We recognize that employees are free to lawfully establish or join organizations such as trade unions and workers’ councils and to bargain collectively. We maintain open lines of communication with employee representatives and address labour disputes in a fair and constructive manner.

Ambition and target

Ambition	Target 2030
Provide a safe, flexible and rewarding work environment that supports talent growth.	< 6% employee turnover rate (resignations)

2023 results

Our voluntary resignations in 2023 were only 3.3%, indicating that employees are satisfied with their roles, the company culture and their overall experience at ALE.

We have aimed to provide a safe and rewarding work environment that supports employee well-being.

- Every year we run a “Get Moving” company-wide challenge as part of the activities leading up to our ALE Values Day. We encourage employees to form cross-company teams and exercise in a healthy competition. In 2023, we added the concept of “mindfulness” to our yearly challenge to focus on mental well-being, suggesting a week of mindful eating through healthy food choices.
- In January 2022, we launched “Headspace for Work” for all ALE employees and extended the ALE-sponsored subscription to interested employees in 2023. ALE employees had access through the Headspace app to hundreds of hours of guidance on topics from stress to focus to sleep.

We are also committed to developing a culture of learning at ALE as we believe this is the embodiment of our company’s commitment to personal, professional and organizational growth.



Watch the fitness videos and read the recipe information below.

Videos to watch: suggested for an advanced level of fitness



Videos to watch: suggested for a beginner level of fitness

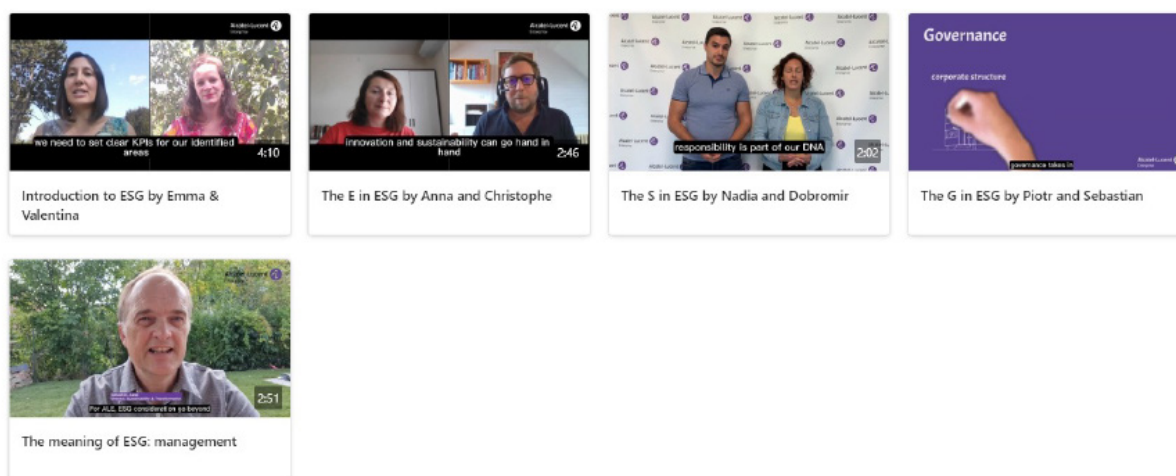


We delivered our sixth ALE Values Day, “Contributing to a sustainable future” in 2023, which marked a significant milestone in our commitment to our ESG strategy. During our ALE Values Day, we asked employees to learn more about the topic and be involved in the annual Get Moving Challenge, which had helpful videos for mental well-being and sustainable, healthy food choices this year.

Apart from learning more about ESG, we asked employees to generate AI versions of themselves, recognizing that AI is becoming a ubiquitous component of our environment.

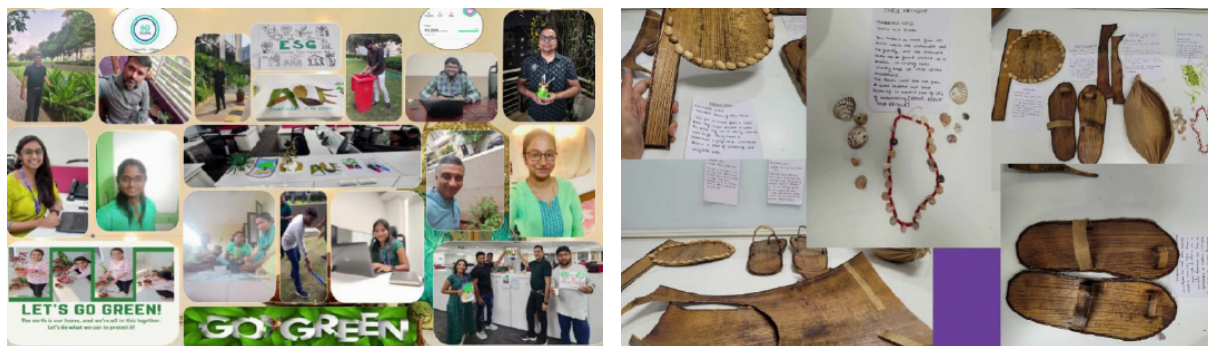


ESG videos prepared by the Game Changers and IC



Game Changers 2023, our pilot programme for talent development, created videos on ESG and its meaning for ALE, including messages from the management team and Sustainability Director.

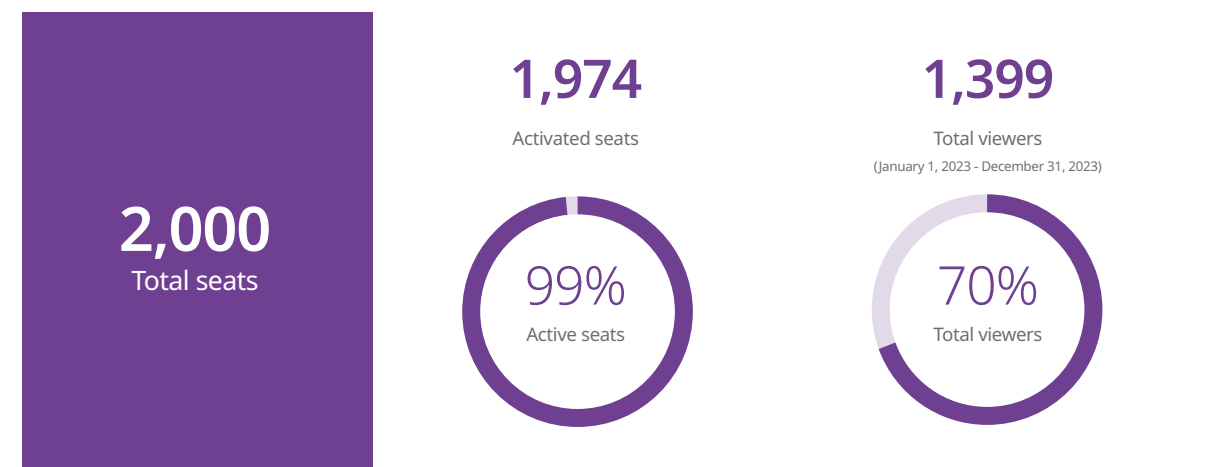
During the Values Day event, our colleagues shared our social values, donated their time through social impact and came together to learn about environmental impact in their local area. Each year, our employee engagement extends further around the globe. In 2023, employees actively engaged in India, Germany, France, Italy, Malaysia, Thailand, the Philippines, Indonesia, Ireland, South Korea, Australia, the UK, Portugal, Poland, Austria, Argentina, UAE, Mexico and Singapore.



Our 2023 Employee Engagement Survey provided valuable insights into opportunities to learn, develop and continue making ALE a more robust and better workplace. This year, we included critical questions for ESG related to our DMA areas of focus to enable employees to participate in establishing the priorities for ALE.

We continued to offer valuable knowledge and training through our subscription to LinkedIn Learning. In 2023, 1399 employees took 16,099 courses and watched 101,353 videos through the LinkedIn Learning platform.

Learning activity ratios



Engagement highlights (January 1, 2023 - December 31, 2023)



LinkedIn Learning content highlights (January 1, 2023 - December 31, 2023)



Alcatel-Lucent Enterprise and Third Party content highlights (January 1, 2023 - December 31, 2023)



Filter by:

Past year

Group

Search for skills

Clear

0

Skill (100)	Unique learners Number ↓	Percent change ↓	Hours viewed Number ↓	Percent change ↓	% of all active learners	
🔧 Sustainable Business Strategies	377	▲ 518%	193.5	▲ 331.1%	<div></div> 27%	Show details
🔧 Environmental, Social, and Governance (ESG)	352	—	181.4	—	<div></div> 25%	Show details
🔧 Chair Yoga	339	▲ 156.8%	68.6	▲ 48.2%	<div></div> 24%	Show details
🔧 Artificial Intelligence for Business	337	—	273.1	—	<div></div> 24%	Show details
🔧 Artificial Intelligence (AI)	295	▲ 697.3%	142.4	▲ 700.3%	<div></div> 21%	Show details
🔧 Business Ethics	232	—	196.7	—	<div></div> 17%	Show details
🔧 Productivity Improvement	228	▼ 54.5%	91	▼ 62%	<div></div> 16%	Show details
🔧 Interpersonal Communication	213	▲ 13.3%	84.8	▲ 55.6%	<div></div> 15%	Show details
🔧 Diversity & Inclusion	201	▲ 39.6%	69	▼ 8.2%	<div></div> 14%	Show details
🔧 Career Management	191	▼ 19.1%	62.9	▼ 45%	<div></div> 14%	Show details

We also offer employees training under our own brand through the ALE Knowledge Hub. This training covers our products and industry topics and is based on employees' job profiles (sales, pre-sales, post-sales and administrators), offering certifications when relevant. Through our Learning Management System, employees can find on-demand web-based courses, eBooks, instructor-led virtual classes, remote laboratories and live class training, delivered at Alcatel-Lucent Enterprise Training Centers or Training Partner premises.

In 2023, 1,650 employees took 4,132 courses through the ALE Knowledge Hub, totaling 6,623 learning hours.

	Count of training	Training hours
Americas	579	715.01
APAC	476	753.01
EMEA	1145	1609.2
France	1383	2875.31
Germany	549	670.13
Grand total	4132	6622.66

Here are the top ten courses taken from Knowledge Hub in 2023:

- 1 HR00WAL017EN - Anti-Corruption & Anti-Fraud (2023 Edition) - Online Training (English) 1139
- 2 HR00WAL017FR - Anti-Corruption & Anti-Fraude (Edition 2023) - Online Training (Français) 438
- 3 HR00WAL082FR - Recruter sans discriminer - Formation en ligne (Français) 89
- 4 COMMWSA123EN - Cybersecurity for communications - Online Training (English) 75
- 5 DT00WSA222EN - New OS9912 chassis - Online Training (English) 71
- 6 COMMWSA128EN - Improving the Customer Experience in the Digital Communications Era - Online Training (English) 70
- 7 HR00WAL031EN - FY 2023 e-Rate Compliance - Online Training (English) 46
- 8 DT00WSA034EN - OmniVista Network Advisor - Online Training (English) 45
- 9 VERTWAL001EN - Getting the most out of a business conference or trade show - Online Training (English) 37
- 10 VERTWSA119EN - ALE Strategic Verticals: Global Overview in 10 slides - Online Training (English) 37

2024 focus

We will continue to provide safe working environments that are flexible and rewarding and support talent growth.

Our ambition for 2024 is to obtain assurance that our processes meet the ISO standard.

ALE impact

ALE is committed to enhancing and serving the communities where our employees and customers live and work.

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

In 2023, we continued our support for Mercy Ships and Qhubeka. It was a year of continued humanitarian and natural disasters. We also supported the American Red Cross when the wildfires ripped through Maui.

Throughout the year and with a particular focus on our ALE Values Day, we made personal and corporate donations to ALE Impact charities. The cost-of-living crisis started to show, with donations down 75% from the previous year; our donations for 2023 were €5,300.

[Mercy Ships](#): The newest Mercy Ship, the Global Mercy™, arrived in Dakar, Senegal on 14th February 2023. This field service included partnerships with ministries of health in both Senegal and The Gambia, serving both countries through the port of Dakar. The new Global Mercy hospital



ship headed to Senegal to offer patients free surgeries for the first time. In the first six months of 2023, thanks to the continued support from all partners and suppliers, including ALE and our employees, Mercy Ships performed over 800 surgeries and continues to train local medical professionals. They count on support like ours to continue to make an impact.

[Qhubeka](#) is a charity in South Africa that moves people forward with bicycles. People earn bikes through our programme, improving access to schools, clinics and jobs.



Local ESG activities in ALE offices

Eco-Friendly Donation Drive at Gudibande Girls High School, Karnataka, India

On October 7th 2023, ALE and Shrigandha Foundation held an eco-friendly donation drive at Gudibande Girls High School. The event witnessed significant participation from students, teachers and volunteers, showcasing strong community support.

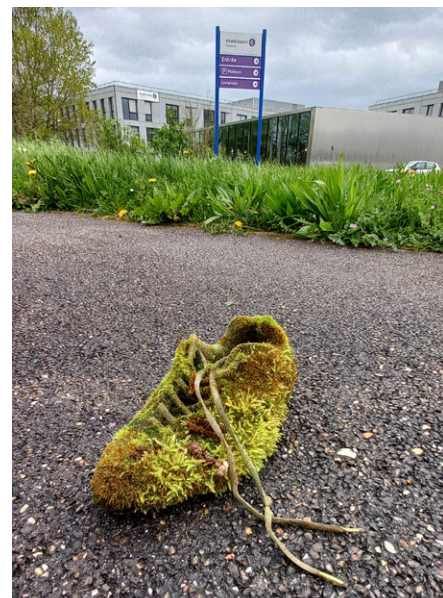
Key achievements included the distribution of essential resources such as reusable sanitary pads and reusable notebooks to students, encouraging environmental consciousness and reducing waste. The event fostered community collaboration and engagement with dedicated support from local stakeholders and volunteers, contributing to its success.

Shrigandha Foundation and Alcatel-Lucent Enterprise are committed to furthering such efforts for a brighter, sustainable future.



Clean Walks in Illkirch office, East of France

Since 2022, Illkirch's employees formed a forum to promote ecological concerns, aiming to share information and take eco-friendly actions. One such initiative, starting in fall 2023, is biweekly "clean walks" in Parc d'Innovation of Illkirch. Volunteers have already collected 135 kg of debris over 7 months. On April 4, 2024, this effort combined with a municipal waste collection operation, removing 8 m3 of waste from natural spaces.



Diversity, equity and inclusion

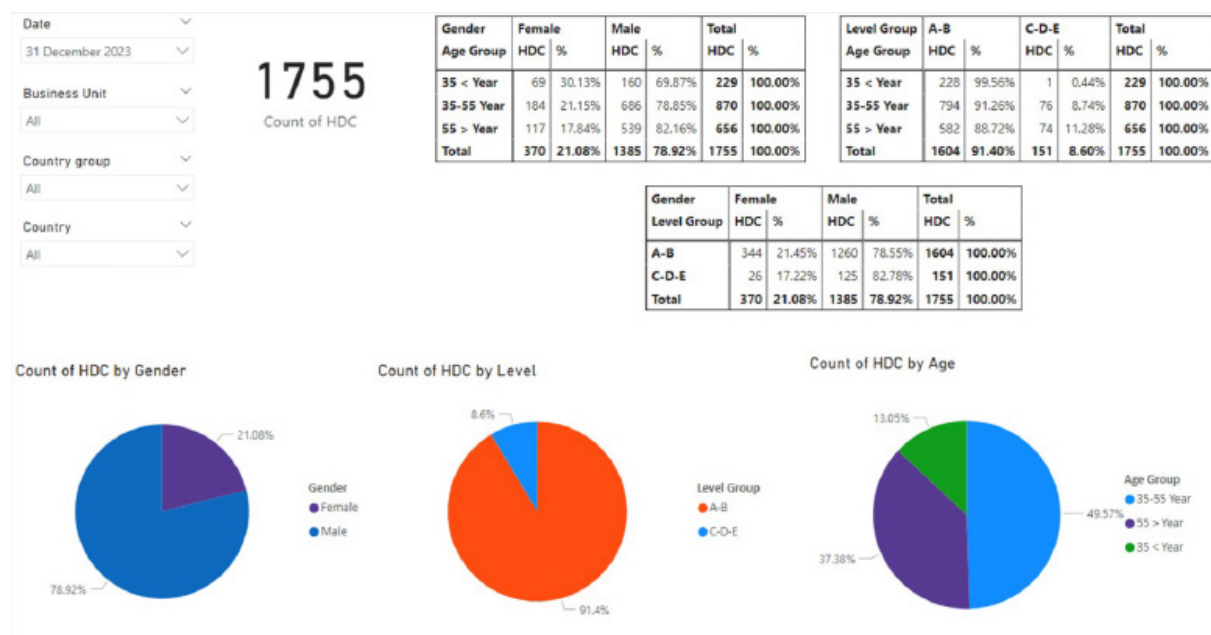
Alcatel-Lucent Enterprise has well-established anti-discrimination and anti-harassment policies. As a global company, we understand that diversity in the workplace is at the core of our business. We published a formal Diversity, Equity and Inclusion (DEI) policy in 2021 to stress our desire and commitment to bring DEI to every level of our organization. As our policy clearly states, we view differences not just as something to welcome but as something to pursue.

Ambition and target

Ambition	Target 2030
Ensure all employees feel valued and respected and are provided with equal opportunities for growth and success.	+ 30% DEI Progression Index, reflecting advancements in diversity, equity and inclusion.

2023 results

We celebrated our fourth International Women's Day, aligning with the tagline #EmbraceEquity, where we raised awareness about the need to recognise unconscious bias and stand as allies with our community.



2024 focus

In 2024, we will set up our reporting on DEI following CSRD best practices.

Corporate governance

Business ethics, transparency and compliance

Ambition and target

Ambition	Target 2030
Uphold the highest standards of business ethics and comply with all regulations.	100% compliance rate and zero tolerance towards any unlawful or unethical behavior.

Introduction

ALE maintains the highest levels of business ethics, personal integrity and compliance across its business. The ALE Compliance Programme and its Code of Conduct are the cornerstone of this commitment, defining respectively the company's corporate policies against corruption and fraud and ALE's expectations of consistent and strict ethical behavior for employees, non-employee contract workers and business partners. ALE has a zero-tolerance policy regarding unethical behavior or violation of integrity. ALE may accordingly take disciplinary action against employees who fail to comply with the ALE Code of Conduct and may terminate contractual relationship with business partners not complying with the rules of fair trading and applicable anti-corruption laws. The ALE Code of Conduct sets ethical, integrity and compliance principles to which employees must adhere. The ALE Compliance Programme consists of, among other things, the Anti-Fraud Policy and the Anti-Corruption & Hospitality Policy, explaining the reasoning and importance for ALE to fight corruption and fraud and the types of prohibited actions or behavior as potential signs of corruption or fraud. The ALE Compliance Programme also includes a risk mapping, a third-party due diligence procedure with regards to onboarding business partners (suppliers, distributors and resellers), key internal controls and processes within ALE's operating model and regular education/training sessions for ALE personnel. A whistleblowing tool is also made available worldwide to employees for reporting breaches of the ALE Compliance Programme or Code of Conduct or other unethical behavior and violations of integrity. A dedicated team managing Compliance and Internal Control is responsible for designing, promoting and maintaining the ALE Compliance Programme and Code of Conduct and investigating any reported breach.

2023 result

In 2023, ALE rigorously adhered to the stringent standards set by our Compliance Programme and Code of Conduct, without any incidents to prove otherwise.

- Zero grievance cases reported
- Zero whistleblower cases reported

2024 focus

We remain committed to upholding these high levels of ethics, integrity and compliance throughout 2024.

We plan to assess our practices to be compliant with the Responsible Business Alliance Code of Conduct v8: https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_English.pdf

Data privacy and security

Ambition and target

Ambition	Target 2030
Establish digital trust with customers, suppliers and partners.	100% compliance rate with security and data privacy regulations

2023 results

ALE has renewed these security certificates:

- ISO27001 for cloud-based solutions.
- HDS (Hébergeur de données de Santé) for Rainbow UCaaS & CPaaS
- ENS (Esquema Nacional de Seguridad) for Rainbow
- HIPAA (Health Insurance Portability and Accountability Act)

2024 focus

ALE is working to be fully NIS2 compliant.

Security in our products

- By obtaining CSPN certification for Rainbow™ EDGE, ALE has demonstrated its strong commitment to data privacy and security, showing that the Rainbow solution adheres to the strict requirements of the French local authority ANSSI
- The Rainbow solution also ensures data privacy through sovereignty, which provides our clients with assurances of the security and confidentiality of their data. This is demonstrated by the presence of our solution in several datacenters in the world, where we respect all local regulations.
- ALE has a strong cybersecurity culture. We follow the recommendations of several local authorities in many countries (NIST, BSI, ANSSI, ENS), demonstrating our strong commitment to protecting our clients' data.
- Verticals are a strong focus for ALE. By obtaining and reaffirming our compliance with the Health Insurance Portability and Accountability Act (HIPAA) in the US and "Hébergeur de données de santé" (HDS) in France, our clients in the healthcare sector can be reassured about the security of their electronic Protected Health Information (ePHI).
- Our Rainbow classroom solution for the U.S. educational sector has also obtained compliance with the Family Educational Rights and Privacy Act (FERPA)
- The Rainbow EDGE solution provides customers with full control of their data. Security and confidentiality are the same as in our Rainbow UCaaS solution but are completely protected from the Internet.
- In 2024, ALE will release the Rainbow Guardian service to allow any organization to fast-recover their communication services after a cyber-attack or incident damaging their business continuity.

Strategy and risk management

Ambition and target

Ambition	Target 2030
Ensure business resilience and sustainable growth in the ever-evolving telecommunications landscape.	+ 30% sustainable and responsible business

2023 results

In 2023, ALE decided to move from CSR to ESG. To identify domains to focus on, we performed the DMA following the CSRD methodology and set up the organization and governance to ensure the right transformation path to integrate sustainability into our business processing and business model.

In 2023, eight ESG domains were identified through the DMA with ambitions and 2030 targets defined and validated by the ESG council (an ESG governance body at the EMT level).

The governance structure has been running since September with:

- two meetings per month for the ESG Development Committee
- one meeting per quarter for the ESG Council (with two meetings completed)

2024 focus

Targets for 2024 are:

- Integrate ESG in ALE operating model
- Identify datapoints for CSRD reporting
- Leverage TCFD framework to manage the risk related to ESG and monitor the transformation towards a sustainable business