



INTELLIGENT COMMUNICATIONS

Supplier (Direct) Code of Ethics & Business Conduct

Effective: September 2007 (Revised December 2009)

Avaya Inc. is consistently recognized by industry and technology experts as a leading global provider of business communications applications, systems and services. Because we serve more than one million businesses worldwide, we must hold ourselves to a high ethical standard as a benchmark for others to emulate. It is essential that those with whom we do business (and engage as our Suppliers, vendors and agents) uphold the same high ethical standards. Therefore, Avaya declares its support for, and has elected to adopt this document as the Code of Conduct applicable to its Direct Suppliers.¹

We have based this Code in large part on the Electronic Industry Code of Conduct (EICC). The EICC outlines standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible.

Considered as part of the electronics industry for purposes of this Code are Original Equipment Manufacturers (OEMs), Electronic Manufacturing Services (EMS) firms and Original Design Manufacturers (ODMs) including contracted labor that may design, market, manufacture and/or provide goods and services that are used to produce electronic goods. The Code may be voluntarily adopted by any business in the electronics sector and subsequently applied by that business to its supply chain and subcontractors.

Avaya regards this Code as part of a total supply chain initiative. As such, we require our Direct Suppliers to acknowledge and implement the Code. Direct Suppliers are responsible for ensuring that all of their employees and any subcontracted party performing work for Avaya are informed and agree to comply with this Code.

Fundamental to adopting the Code is the understanding that a business, in all of its activities, must operate in full compliance with the laws, rules and regulations of the countries in which it operates. The Code encourages our Direct Suppliers (also referred to as "Participants") to go beyond legal compliance, drawing upon internationally recognized standards, in order to advance social and environmental responsibility.

The Code is made up of six sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D outlines the elements of an acceptable system to manage conformity to this Code. Section E adds standards relating to business ethics, and Section F contains miscellaneous provisions.

A. LABOR

Participants are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community.

Recognized standards such as the Universal Declaration of Human Rights (UDHR), Social Accountability International (SAI) and the Ethical Trading Initiative (ETI) were used as references in preparing the Code and may be a useful source of additional information. The labor standards are:

1) Freely Chosen Employment

Forced, bonded or indentured labor or involuntary prison labor is not to be used. All work will be voluntary, and workers should be free to leave upon

¹ A "Direct" Supplier provides goods and services used in the manufacture or distribution of our products or services. For purposes of this document, "Supplier" or "Participant" includes, but is not limited to, any third party supplier, vendor, consultant, sub-contractor, the Supplier's employees, agents, subcontractors or other representatives or any individual (including relationship and non-employee workers) who is/are engaged or proposed to be engaged by Avaya Inc. (or any subsidiary or affiliate of Avaya Inc. collectively referred to as "Avaya") for the provision or performance of work or services concerning Direct goods and services.

reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

2) Child Labor Avoidance

Avaya forbids the use of child² labor. While Avaya understands that child labor exists and cannot be eradicated merely by creating rules, we do not accept child labor and expect that our Suppliers will comply with our ban. We will discontinue doing business with Participants and related parties who violate our ban.

Workers must be at least the age for employment in the particular country or the age required for completion of compulsory education, whichever is higher. In looking to the UN Convention on the Rights of the Child for guidance, Avaya recognizes "...the right of the child to be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development." Notwithstanding the foregoing, Avaya does not prohibit participation in lawful workplace apprenticeship programs that are consistent with Article 6 of the ILO Convention No. 138 on Minimum Age.

3) Working Hours

Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off per seven-day week.

4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. The basis on which workers are being paid is to be provided in a timely manner via pay stub or similar documentation.

5) Humane Treatment

There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers: nor is there to be the threat of any such treatment.

6) Non-Discrimination

Participants should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

7) Freedom of Association

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Participants are to respect the rights of workers as established by local law to associate freely on a voluntary basis, seek representation, join or be represented by Works Councils, and join or not join labor unions and bargain collectively as they choose. As provided by law, employees who become worker representatives shall not be the subject of discrimination for having assumed that role and shall have access to management and co-workers in order to carry out their

² A child in this context is a person younger than 15 years of age, or 14 years of age in accordance with the exceptions for developing countries as set out in Article 2.4 in the ILO Convention, number 138 on Minimum Age. http://www.ilo.org/dyn/declaris/DECLARATIONWEB.DOWNLOAD_BLOB?var_DocumentID=6219

representative functions as permitted by law. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. Worker rights are to be respected as established or provided by local law. That means that in countries that have legal systems that support those rights, they are to be understood in the context of the definitions, conditions and procedures that local law provides. However, basic worker rights to open communication, direct engagement and humane and equitable treatment must be respected even in countries where they are not given meaningful legal protection.

B. HEALTH and SAFETY

Participants recognize that the quality of products and services, consistency of production and workers' morale are enhanced by a safe and healthy work environment. Participants also recognize that ongoing worker input and education is key to identifying and solving health and safety issues in the workplace.

Recognized management systems such as OHSAS 18001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be a useful source of additional information. The health and safety standards are:

1) Occupational Safety

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout). Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns.

2) Emergency Preparedness

Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

3) Occupational Injury and Illness

Procedures and systems are to be in place to manage, track and report occupational injury and illness, including provisions to: a) encourage worker reporting; b) classify and record injury and illness cases; c) provide necessary medical treatment; d) investigate cases and implement corrective actions to eliminate their causes; and e) facilitate return of workers to work.

4) Industrial Hygiene

Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.

5) Physically Demanding Work

Worker exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

6) Machine Safeguarding

Physical guards, interlocks and barriers are to be provided and properly maintained for machinery used by workers.

7) Dormitory and Canteen

Workers are to be provided with clean toilet facilities, access to potable water and sanitary food preparation and storage facilities. If provided by the Participant or a labor agent, worker dormitories are to be clean, safe, and provide emergency egress, adequate heat and ventilation and reasonable personal space.

C. ENVIRONMENTAL

Participants recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public. Avaya also supports the well known approach of three Rs: reduce, reuse, and recycle. Our suppliers are strongly encouraged to follow this approach and contribute for better environment.

Recognized management systems such as ISO 14001, the Eco Management and Audit System (EMAS) were used as references in preparing the Code and may be a useful source of additional information. The environmental standards are:

1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

2) Pollution Prevention and Resource Reduction

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

3) Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

4) Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

6) Product Content Restrictions

Participants are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws and regulations for recycling and disposal. Participants are also to adhere to processes to comply with each agreed-upon customer-specific restricted and hazardous materials list.

D. MANAGEMENT SYSTEM

Participants shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements:

1) Company Commitment

Corporate social and environmental responsibility statements affirming Participant's commitment to compliance and continual improvement.

2) Management Accountability and Responsibility

Clearly identified company representative[s] responsible for ensuring implementation and periodic review of the status of the management systems.

3) Legal and Customer Requirements

Identification, monitoring and understanding of applicable laws, regulations and customer requirements.

4) Risk Assessment and Risk Management

Process to identify the environmental, health and safety³ and labor practice risks associated with Participant's operations. Determination of the relative significance for each risk and implementation of appropriate

³ Areas to be included in a risk assessment for health and safety are warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing /dormitories.

procedural and physical controls to ensure regulatory compliance to control the identified risks.

5) Performance Objectives with Implementation Plan and Measures

Written standards, performance objectives, targets and implementation plans including a periodic assessment of Participant's performance against those objectives.

6) Training

Programs for training managers and workers to implement Participant's policies, procedures and improvement objectives.

7) Communication

Process for communicating clear and accurate information about Participant's performance, practices and expectations to workers, suppliers and customers.

8) Worker Feedback and Participation

Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.

9) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

Process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

11) Documentation and Records

Creation of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

E. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Participants and their agents are to uphold the highest standards of ethics including:

1) Business Integrity

The highest standards of integrity are to be expected in all business interactions.

Any and all forms of corruption, extortion and embezzlement are strictly prohibited resulting in immediate termination and legal actions.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

3) Disclosure of Information

Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.

4) Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights. Participants must respect intellectual property rights and abide by applicable global trade laws, rules and regulations concerning the import and export of products and technology. Participants must not reproduce copyrighted software, documentation, or other materials unless they are properly authorized to do so.

5) Fair Business, Advertising and Competition

Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.

6) Protection of Identity

Programs that ensure the protection of supplier and employee whistleblower confidentiality are to be maintained.

F. ADDITIONAL PROVISIONS

1) Data Privacy

Participants must safeguard Avaya, Participant and customer information regarding business activities, structure, financial situation, performance, and/or any other information deemed confidential. Such information shall

be disclosed only in accordance with any non-disclosure agreement between Avaya and the Participants and/or customers and in accordance with all applicable laws and regulations.

Our Participants are also responsible for maintaining the confidentiality of Avaya and Participant customer and employee confidential and other proprietary information. Participants must observe applicable data privacy requirements across the globe (where they operate) and Participants must establish protocols to safeguard Avaya and Participant customer and employee information, as well as any other confidential or proprietary information.

2) Gifts

Avaya forbids its employees, as well as members of their immediate families, from accepting gifts from Participants and others doing business with or seeking to do business with Avaya, unless:

- The item is customary, is of nominal value and does not create any appearance of impropriety.
- The item imposes no sense of obligation on the receiver.
- The item results in no special or favored treatment.
- The item could not be considered lavish, excessive, or too frequent considering all of the circumstances.
- The item is not concealed in any way.

Avaya employees may not accept gratuities of cash, or gift cards redeemable for cash, from past, current, or potential Participants.

"Customary business meals" are not considered gifts. These are routine meals, similar in cost to those meals Avaya staff provides when they entertain clients.

3) Whistleblowers /No Retaliation

Participants must create programs to ensure the protection of employee whistleblower confidentiality and to prohibit retaliation against workers who in good faith report a suspected violation of this Code or law or who refuse an order that is in violation of this Code.

Avaya will not tolerate any retaliation or reprisals by Participants against workers who report in good faith suspected violations of this Code or any law. Examples of such retaliation include discharge, demotion, suspension or harassment of, or threats or other discrimination. However, this Code is not intended and shall not be construed as creating new and/or additional third party rights, including rights of employees.

4) Monitoring & Enforcement

Avaya expects that Participants and their employees will respect this Code and strive to achieve and uphold the standards described within. Avaya stands ready to assist Participants to achieve compliance. Although we recognize cultural differences may exist, Avaya will not compromise on the fundamental requirements set out in this Code.

When requested, Participants must inform Avaya where each order is to be produced, and 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 Participants.

5) Contacts

Participants and/or their workers or subcontractors shall promptly notify Avaya Global Ethics & Compliance if they suspect, observe or learn of unethical business conduct or the commission of any dishonest, destructive or illegal act. Please direct any questions/concerns to Global Ethics & Compliance at compliance@avaya.com.

References: The following standards were used in preparing this Code and may be a useful source of additional information. The following standards may or may not be endorsed by each Participant.

ILO Code of Practice in Safety and Health

www.ilo.org/public/english/protection/safework/cops/english/download/e000013.pdf

National Fire Protection Agency

www.nfpa.org/catalog/home/AboutNFPA/index.asp

ILO International Labor Standards

www.ilo.org/public/english/standards/norm/whatare/fundam/index.htm

OECD Guidelines for Multinational Enterprises
www.oecd.org

United Nations Convention Against Corruption
www.unodc.org/unodc/en/crime_convention_corruption.html

United Nations Global Compact
www.unglobalcompact.org

Universal Declaration of Human Rights
www.un.org/Overview/rights.html

ISO 14001
www.iso.org

SA 8000
www.cepaa.org/

SAI
www.sa-intl.org

Ethical Trading Initiative
www.ethicaltrade.org/

OHSAS 18001
www.bsi-global.com/index.xalter

Eco Management & Audit System
www.quality.co.uk/emas.htm

EICC - The Electronic Industry Code of Conduct was initially developed by a number of companies engaged in the manufacture of electronics products between June and October 2004. Participating companies included Celestica, Dell, Flextronics, HP, IBM, Jabil, Sanmina SCI, and Solectron. Other companies adopting/endorsing the code and/or joining the Implementation Group include: Celestica, Cisco, Dell, Flextronics, Foxconn, HP, IBM, Intel, Jabil, Lucent, Microsoft, Sanmina SCI, Seagate, and Sony. Other companies are invited and encouraged to adopt this code. You may obtain additional information from www.eicc.info.