

AVAYA

2022 SUSTAINABILITY UPDATE



Photo Credit: Aroosh Lele, Avaya

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This report contains information related to Avaya's sustainability activities for fiscal year (FY) 2022 (October 1, 2021 – September 30, 2022). Data presented with different dates is clearly indicated.

Due to the company's restructuring, which resulted in Avaya becoming a private company in May 2023, we are publishing a Sustainability Update for FY2022 rather than a full report. We expect to publish a full sustainability report for FY2023, in 2024.

For Avaya's sustainability materiality assessment, please see the 2021 Corporate Responsibility Report, pages 8-9. And for ongoing updates, please refer to our website at: www.avaya.com/en/about-avaya/corporate-responsibility/

This report was published in September 2023.

Cover photo provided by Aroosh Lele of Pune, India. Page 6 photo provided by Srikanth Chikkala of Hyderabad, India. Both photos were part of Avaya's Capture the Beauty Earth Day contest which focused on our natural areas and the importance of restoration, preservation, and conservation.

Dear Reader,

I joined Avaya in August 2022 to help unlock the power of its extraordinary set of assets: its iconic brand, massive global base of innovative customers, an expanding partner ecosystem, large-scale communications deployments with the world's largest companies and government agencies, and an outstanding global team. Building on this tremendous foundation, we have embarked on an ambitious business model transformation as we focus on customer experience as our North Star, establishing a competitive product strategy for our cloud-delivered solutions and services, and optimizing operations to better serve the Avaya ecosystem. We are well-positioned for growing future success.

Avaya has worked through significant changes over the past year and a half as we began the ongoing transformation of our business and successfully completed our financial restructuring. The third leg of this stool has been reinvigorating our culture – and fostering a **Destination Place to Work**.

I think of Avaya as a citizen of the world, and we want to be a company that mirrors what is wonderful about the world – particularly its diversity and multiculturalism. As a citizen, we respect the human rights of people and the diversity of cultures that make up our employees, customers, partners, suppliers, and communities. We must also respect the environment and be committed to leaving the world a better place than it is today.

In an environment that emphasizes Diversity, Equity, Inclusion, and Belonging (DEI&B), we become more empathetic, which enables deeper understanding of each other's feelings and circumstances and often leads to more innovative thinking and improved outcomes. This shapes not only a better workplace, but a better world. And it's why, as Avaya works on transformation across our business, we are focusing our efforts in the following five areas in our journey as a Destination Place to Work:

People

Respect for our people means supporting their growth and development. After all, without them, we wouldn't be here. To support our people, we launched a new leadership training program and a revamped global employee recognition program. I also took on the executive sponsor role for Avaya United, an organization led by representatives from our Employee Resource Groups — Avaya United Communities — that advances the company's DEI&B strategy.

Environment

Climate change poses risks to the planet and to society, and we want to be part of the solution. That's why we set science-based emission reduction targets which were recently validated by the Science Based Targets initiative.

Communities

Giving back to our local communities has always been central to Avaya and I'm happy to find new ways to further our activities. This year, we launched a new volunteer time off policy as part of our annual Month of Giving initiative, to provide additional support to employees who want to give back to their communities.

Customers

We want to nurture our customer relationships by continually enhancing trust. We launched the [Avaya Trust Center](#) to improve transparency about the policies, practices, and technologies that help our customers ensure the security, compliance, and privacy of their data across Avaya products and services.

Suppliers

We are committed to responsible procurement all along our value chain. We are actively working on supply chain strategies that will strengthen its resilience and promote supplier diversity. And although we are now a privately held company that is no longer bound by SEC regulations, we continue to conduct robust due diligence. Our annual [Conflict Minerals Report](#) describes how these efforts align to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Becoming a destination place to work is a journey. We can never feel that we've arrived, because there is always room to improve.

We believe in the old adage that what gets measured, gets managed. So one way we plan to improve is to start thinking about key metrics and setting some targets that will result in positive impact.

I am confident that Avaya will continue to grow, evolve and create seamless experiences that nurture meaningful relationships.

Alan Masarek

Avaya President & CEO





About Avaya

Avaya is a global leader in communications products, solutions, and services for businesses of all sizes, delivering technology predominantly through software and services. Businesses are built by the experiences they provide, and every day, millions of those experiences are delivered by Avaya. Organizations trust Avaya to provide innovative solutions for some of their most important ambitions and challenges, giving them the freedom to engage their customers and employees in ways that deliver the greatest business benefits.

Avaya contact center and communications solutions power immersive, personalized, and unforgettable customer experiences that drive business momentum. With the freedom to choose their journey, there's no limit to the experiences Avaya customers can create. Learn more at www.avaya.com.

Avaya has streamlined our operations, simplified our portfolio, and restructured our debt. Our enhanced financial flexibility supports ongoing investment in customer-focused, industry-leading innovation. Upon completion of debt restructuring on May 1, 2023, Avaya emerged as a private company.

6M
Avaya supports six million contact center seats

8K
Avaya teams up with 8,000+ channel partners and agents globally

19/19
The top 19 global commercial and savings banks rely on Avaya

8K
8,000 healthcare organizations around the world rely on Avaya

10/10
The world's top 10 airlines rely on Avaya

10/10
The world's top 10 automotive companies rely on Avaya

People

Human capital—that is, the collective knowledge, attributes, skills, experience, and health of our workforce is our most important resource and Avaya is committed to fostering, cultivating, and preserving a culture of diversity, equity, inclusion, and belonging (DEIB). By fostering a human-centric, accountable, and sustainable workplace, we want to ensure that every Avayan feels they belong and can succeed at Avaya, where differences among Avayans are recognized, valued, celebrated, and seen as an asset. Fostering a diverse and inclusive workforce benefits our people and our company.

Avaya United Communities

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

Avaya’s 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.

We recognize that to be more effective in driving an inclusive workplace we need our communities to be visibly valued by the entire organization, to have active leadership engagement, to be more deeply and visibly aligned with business objectives, and to garner the participation and allyship of majority group members, to enable wider-reaching and interconnected impact. To start on a journey of allyship and growth, WIN@A spearheaded an initiative during Women’s History Month 2023 called [“The Three A’s of Inclusivity.”](#) The campaign launch video was designed to provide a simple introduction to moving allyship from theory into practice for everyone.

In February 2023, we launched [Avaya United](#), the official shared voice for Avaya’s Diversity, Equity, Inclusion and Belonging (DEI&B) initiatives. Avaya United, a global DEI&B committee provides a broader platform to represent both the identities of our existing communities and the intersectionality between them. Led by our CEO Alan Masarek, it serves as a thought leadership hub where community leads can come together to spearhead collective action, set and support DEI&B objectives, track progress against our commitments and create an environment where people and innovation can thrive.

Growth & Evolution of our Avaya United Communities


Avaya United



ABLE
Avaya Blacks Leading Empowerment



AERG
Abilities Employee Resource Group



ALMA
Asociación de Latinos Mundos en Avaya



APIA
Asian Pacific Islanders at Avaya



PRIDE
Avaya LGBTQIA+ Network



WINA
Women Inspired Network at Avaya



VETA
Veterans at Avaya

Executive Sponsorship
Global Funding
Strategic Alignment

300 Members
 22 Countries
 ALL Business Units

Successes

Celebrating 12 cultural days, weeks & months of recognition annually	Support to victims of natural disasters worldwide	Sponsorship of company wide virtual events	Guest Speakers Professional development events	Winning Avaya Hackathon
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Environment

Avaya is committed to environmental sustainability, doing our part to combat climate change, identifying opportunities to reduce the environmental impact of our activities, solutions and services and facilitating the return and end-of-life management of electrical and electronic equipment, batteries, and packaging.

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 help combat climate change, Avaya's **near-term science-based emission reduction targets** were validated by the Science Based Targets initiative (SBTi) in August 2023. SBTi determined that Avaya's Scope 1 and 2 target ambition is in line with a 1.5°C temperature trajectory.

Avaya joins over 3,400 companies worldwide who are leading the way to a low carbon future by working with SBTi to set emission reduction targets grounded in climate science. SBTi, a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), defines and promotes best practice in science-based target setting and independently assesses companies' targets.

We will begin reporting against these targets in our next report.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Avaya commits to reduce absolute Scope 1 and Scope 2 GHG emissions 50% by FY2030 from a FY2020 base year. Avaya commits to reduce scope 3 GHG emissions from use of sold products 55% per million USD gross profit within the same timeframe.



Photo Credit: Srikanth Chikkala, Avaya



Communities

We kick off each fiscal year with our annual Month of Giving (MOG), 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. Over the years, we have worked to clean up our environment, protect animals, feed the hungry, support our veterans, women, marginalized populations, local communities, improve schools and playgrounds for children, and fund important medical care and research.

We have donated more than \$525,000 to our partner, Save the Children to help fund construction of classrooms, offices, and other infrastructure (bathrooms), support book banks and summer learning programs in Mozambique, Uganda, Afghanistan, Vietnam, and New Mexico.

The focus of our 8th annual [MOG campaign](#) was on volunteerism and to promote community impact and drive employee engagement, we launched our Volunteer Time Off (VTO) Policy, giving all non-represented employees globally eight hours of paid time off to volunteer at any approved nonprofit organization during Avaya business operating hours.

We continue our corporate social responsibility (CSR) efforts in India, focusing 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**.

Annual Month of Giving Social Impact



Customers

Our customers value being able to adopt advanced functionality without business disruption, and our streamlined product roadmap and rollout of more than 150 new product features and enhancements since January 2023 deliver that value.

Along with innovation value, we also want to improve our customer relationships by building trust. We launched the [Avaya Trust Center](#) in September 2022 to improve transparency about the policies, practices, and technologies that help our customers ensure the security, compliance, and privacy of their data across Avaya products and services.

Our Commitments to Customers:



Security

To meet business-critical mandates with communications that are secure, compliant, and accredited by major regulatory bodies.



Compliance

To ensure the security of our assets and of the data we handle on customers' behalf by complying with laws, regulations, policies, and customer commitments.



Privacy

To safeguard privacy through processes and policies that protect customer data.



Suppliers

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](#).

As a privately held company, we are no longer required to prepare or submit a conflict minerals report to the U.S. Securities and Exchange Commission. However, we continue to do so as a best practice. 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.

Sustainability Metrics Table

Economy	FY2019	FY2020	FY2021	FY2022	Reference Indices
Revenue (million USD)	2,887	2,873	2,973	2,490	GRI 201-2
Number of employees	7,888	8,266	8,063	7,094	GRI 102-8
Number of contractors	6,522	6,412	7,023	6,156	GRI 102-8
Real estate square feet (million)	2,400	2,104	1,486	1,328	GRI 102-7
Environment ¹					Reference Indices
Energy	CY2019	FY2020	FY2021	FY2022	
Energy consumption (MWh)	92,078	92,819	68,615	78,359	GRI 302-1, TC-SI-130a.1
Diesel	1,622	1381	565	99	
Natural gas	3,300	17,044	11,731	13,998	
Grid-Connected Electricity	66,942	57,081	46,466	50,204	
Gasoline	20,214	17,313	9,853	14,058	
Energy intensity					GRI 302-3
MWh/million USD revenue	31.9	32.3	23.1	31.5	
MWh/employee	11.7	11.2	8.5	11.0	
MWh/thousand square ft.	38.4	44.1	46.2	59.0	
Reduction of energy consumption from previous year (MWh)	20,919	-	12,484	-	GRI 302-4

1. 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	CY2019	FY2020	FY2021	FY2022	
Scope 1 emissions	5,300	4,516	2,543	3,633	GRI 305-1
Scope 2 emissions: location-based	31,456	29,483	23,050	23,033	GRI 305-2
Scope 2 emissions: market-based²	33,685	30,803	25,949	24,731	GRI 305-2
Scope 3 emissions	816,626	840,995	837,060	472,488	GRI 305-3
Total greenhouse gas (GHG) emissions (mtCO₂e)³	855,611	876,314	865,552	500,852	GRI 305-5
GHG emissions intensity (Scope 1 & 2)					GRI 305-4
mtCO ₂ e/million USD revenue	12.7	12.3	9.6	11.4	
mtCO ₂ e/employee	4.7	4.3	3.5	4.0	
mtCO ₂ e/thousand square ft	15.3	16.8	19.2	21.4	
GHG emissions intensity (Scope 3, business travel)					GRI 305-4
mtCO ₂ e/million USD revenue	2.2	1.5	0.1	0.1	
mtCO ₂ e/employee	0.8	0.5	0.03	0.05	
Reduction of GHG from previous year (mtCO₂e)	12,620		10,762	364,700	GRI 305-5
Water⁴	CY2019	FY2020	FY2021	FY2022	
Water withdrawal (ml)	164	141	63.1	74.74	GRI 303-3, TC-SI-130a.2
Waste⁵	CY2019	FY2020	FY2021	FY2022	
Waste recycled (mt)	134.2	112.6	46.8	23.94	GRI 306-2
Hazardous waste	130.6	100	42.3	23.22	
E-waste	130.6	99.8	42.3	23.22 ⁶	
Batteries	0	0.2	0	0	
Non-Hazardous waste ⁷	3.4	12.6	4.5	0.72	

2. FY2020, FY2021 and FY2022 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. Bangalore e-waste data has been excluded as accurate data was not available.

7. Non-hazardous waste refers to plastic, wood, glass, metal, and misc.

Labor Practices and Decent Work					Reference Indices
Diversity and Equal Opportunity	FY2019	FY2020	FY2021	FY2022	
Employees in leadership positions (director or above)					GRI 405-1, TC-SI-330a.3
Gender					
Male	81%	79%	78%	76%	
Female	19%	21%	21.8%	24%	
Age					
Under 30 years old	0%	0%	0%	0%	
30-50 years old	41%	36%	31%	31%	
Over 50 years old	59%	64%	69%	69%	
Minority groups (U.S.) ⁸					
Minority	18%	19%	18.7%	19%	
Non-minority	82%	81%	81%	81%	
Employees in non-leadership positions (all positions below director)					GRI 405-1, TC-SI-330a.3
Gender					
Male	77%	78%	77%	78%	
Female	23%	22%	23%	22%	
Age					
Under 30 years old	6%	6%	5%	5%	
30-50 years old	54%	52%	52%	51%	
Over 50 years old	41%	41%	43%	44%	
Minority groups (U.S.) ⁹					
Minority	26%	27%	28%	27%	
Non-minority	74%	73%	72%	73%	
Percentage of total employees covered by collective bargaining agreements	4%	4%	4%	3.8%	GRI 102-41
Percentage of employees that leave Avaya per year (voluntary)	8%	6%	8%	11.2%	GRI 401-1

8. Minority group data is unavailable for 4% of employees in leadership positions in the U.S. in FY17 and FY18.

9. Minority group data is unavailable for 5% and 4% of employees in non-leadership positions in the U.S. in FY17 and FY18, respectively.

Occupational Health and Safety	FY2019	FY2020	FY2021	FY2022	
Case rates (rate per 100 employees in the U.S.)					GRI 403-9
Total case rate	0.14	0.14	0	0.23	
Lost workday case rate	0.14	0.14	0	0.11	
Injuries by type					GRI 403-9
Slip/trip/fall	50%	50%	0%	35%	
Ergonomic	25%	0%	0%	0%	
Motor vehicle accidents	0%	0%	0%	0%	
Struck by an object	0%	25%	0%	50%	
Lifting	0%	0%	0%	0%	
Reach/pull	25%	25%	0%	17%	
Other	0%	0%	0%	0%	
Society					Reference Indices
Local Communities	FY2019	FY2020	FY2021	FY2022	
Total CSR spend in India (million INR)¹⁰	30.8	23.8	18.1	14.7	GRI 413-1

10. India Fiscal Year is April 1 – March 31

Safe Harbor Statement

This report contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). Generally, words such as “anticipate,” “estimate,” “expect,” “could,” “intend,” “believe,” “plan,” “target,” “forecast” and similar expressions or the negative thereof are intended to identify forward-looking statements. Such forward-looking statements reflect management’s current expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters. Forward-looking statements are inherently uncertain and subject to a variety of assumptions, risks and uncertainties that could cause actual results to differ materially from those anticipated or expected by the management of the Company. These statements are not guarantees of future performance and actual events or results may differ significantly from these statements. Actual events or results are subject to significant known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control. It should be understood that it is not possible to predict or identify all such factors. Given these risks, investors and analysts should not place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement as a result of new information, future events or otherwise, except as required by law. These statements constitute the Company’s cautionary statements under the PSLRA.

About Avaya

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