

# 2012

SUSTAINABILITY REPORT  
A BUSINESS IMPERATIVE

## 2012 REPORTING

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### OUR SUSTAINABILITY PERFORMANCE AT GLANCE

Through our robust approach to sustainability reporting, we prove that it is an integral part of our strategy and our activities. This past year saw us demonstrate ambition, innovation and achievement, all within a very challenging business environment.



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# 1 HOW WE REPORT ON SUSTAINABILITY

For Alcatel-Lucent, sustainability is part of our business.

Through innovation in networking and communications technology, products and services, Alcatel-Lucent is making communications more sustainable, affordable and accessible. It's all part of our corporate vision: *realizing the potential of a connected world*.

Every year, Alcatel-Lucent shares its commitments, achievements and perspectives on sustainability through the publication of a comprehensive report.

Our 2012 sustainability report consolidates all Alcatel-Lucent sustainability activities worldwide for the year, focusing on key achievements and future objectives, and including facts and examples from local initiatives as well as early data from 2013. Unless otherwise stated, all performance data concern the company's global operations.

This year's edition goes a step beyond 2011's interactive PDF format to present the report in web form, enhancing its accessibility, searchability and navigability. In addition to the key metrics above, a summary of each area of sustainability activity is accessible via its own web page, supplemented by a downloadable file of the full set of reporting information under the following headings:

- [Sustainability management](#)
- [Environment](#)
- [Our people](#)
- [Society](#)
- [Ethics and compliance](#)
- [Supply chain](#)
- [Governance](#)

The report is intended for all Alcatel-Lucent stakeholders: customers, investors, employees, analysts, media, suppliers, governmental and non-governmental organizations, and other members of the communities in which we are active.

Alcatel-Lucent published its first Sustainability Report in 2002. Our previous Sustainability Report was published in June 2012.

[See our reports archives](#)

Since 2007, for environmental and accessibility reasons, our reports and all regularly updated sustainability information have been distributed exclusively online.

This section provides quick access to the complete set of sustainability metrics we tracked in 2012.

## 1.1 How to navigate the report

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**VIDEO**  
Indicates a video or a podcast is available.



**CHECKMARK**  
Shows an indicator or qualitative assertion has been reviewed by Ernst & Young as part of the independent assurance process for 2012.

[Read more](#) Links you to more detailed information.

## 1.2 Stay up to date with us and share your feedback

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We hope this online report provides useful information about the sustainability challenges facing businesses and societies today. We will continue to engage in constructive discussions on these topics as we continue to work toward solutions for a thriving, sustainable world. Throughout the year, you can find dynamic, regularly updated content on:

- [Our website](#)
- [Company blogs](#)
- [Social media channels](#)
- [Alcatel-Lucent YouTube channel](#)

Your comments, suggestions and questions are important to us. Please direct any thoughts or inquiries to [sustainability@alcatel-lucent.com](mailto:sustainability@alcatel-lucent.com).

## 2 2012 ALCATEL-LUCENT DASHBOARD: ACHIEVEMENTS, PROGRESS AND COMMITMENTS

### Challenge: Reduce the Impact of Our Products on the Environment

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
<p>Improve the functional energy efficiency of key products* by at least 25% by end of 2012 compared to 2010.</p> <p>* New or recently developed products on an upward lifecycle curve.</p>	BY 2012	● <b>ACHIEVED:</b> The 25% goal was significantly exceeded for many products across the portfolio. Achieved for all key products of Business Divisions in Networks and Platforms group.
<p>Improve the functional energy efficiency of our radio access technology, which is now part of the lightRadio™ portfolio, by at least 75% by 2015 compared to 2008.</p>	BY 2015	● <b>ON TRACK:</b> On track to meet the goal.
<p>Leverage our innovation to establish a common methodology for measuring the carbon footprint of network telecommunications products over their lifecycles.</p>	BY 2012	● <b>ACHIEVED:</b> Developed and introduced LCA estimator methodology to ICT industry (via iNEMI industry consortium project) with very positive support and adoption. Led and introduced common methodology within ITU L1410 (published February 2012) and WRI GHG Protocol ICT Guidance document (publication anticipated mid-2013).
<p>Eliminate PVC from all products.*</p> <p>* Subject to the availability of technically, environmentally and economically sound alternatives.</p>	BY 2015	● <b>ON TRACK:</b> Continued partnerships with suppliers on the identification and introduction of viable alternatives to PVC in cables. Also continued our collaborative R&D on the development and eco-assessment of PVC alternative materials.

### Challenge: Reduce Our Eco-Footprint

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
<p>Reduce our absolute carbon footprint (CO2 equivalent) from our operations by 50% by 2020 (from 2008 baseline).</p>	BY 2020	● <b>ON TRACK:</b> On track to meet the goal. Since 2008, we reduced our carbon footprint by more than 29%.
<p>Reduce water consumption by 20% from 2010 baseline.</p>	BY 2013	<p>● <b>ONGOING:</b> We continue to measure water consumption and have managed to reduce water use by 26% since 2007. In 2012, water usage decreased 7% year over year.</p> <p>The initial water goal was based on calculations that did not account for different uses of water within the facility. However initial water goal was based on calculations that did not account for different uses of water within the facility. A new goal will be established after a better understanding of water usage is obtained by utilizing enhanced metering at selected sites.</p>

### Challenge: Our People

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
<p>Launch a three-year workforce plan with development plans and human capital performance metrics. Bank on 2011 achievements to drive mid- and long-term resource planning capabilities.</p>	BY 2012	● <b>ACHIEVED:</b> We successfully launched a three-year workforce plan with development plans and human capital performance metrics, and built on 2011 achievements to drive mid- and long-term resource-planning capabilities.
<p>Achieve SA 8000 certification in Brazil and Mexico by year-end 2012; extend to other countries that are already compliant with the requirements.</p>	BY 2012-2014	● <b>ONGOING:</b> An SA 8000 assessment was conducted in Brazil and Mexico during 2012. Further rollout to other countries planned to be completed in 2014 will be done according to the Performance Program execution.
<p>Increase representation of women in upper management positions by 20%.</p>	BY 2014	● <b>ON TRACK:</b> Over the course of 2012, the overall proportion of women in upper management positions rose to 16%.

Extend existing equal-pay agreements. By end of 2012, have a plan in place to address gender pay gaps.	BY 2014	● <b>ACHIEVED:</b> Plan is in place to address gender pay gaps.
Further extend the number of countries with teleworking policies by deploying agreements in China and India.	BY 2012	● <b>ACHIEVED:</b> All countries where Alcatel-Lucent has a substantial employee presence now have teleworking policies in place.
Build a company-wide learning architecture that combines existing enterprise support for formal training with the new interactive employee-centric knowledge and learning platforms.	BY 2013	● <b>ON TRACK:</b> Alcatel-Lucent University is implementing a personal and social-networking learning model called My Personal Learning Environment (My PLE). It is both an environment and platform that allows students to better drive and manage their own learning programs.
Leadership Pipeline: Continuation of 2011 efforts with deployment of high-potential identification process, usage of succession pools and pilot of new Leadership Development Offer.	BY 2012	● <b>ACHIEVED:</b> In 2012, we deployed a renewed Leadership Pipeline process accompanied by a new Leadership Development Offer more tailored to individuals and in line with organizational development and business requirements.
Employee engagement: Engagement survey to be launched to drive clear understanding of our human capital actions for improvement.	BY 2013	● <b>ON TRACK:</b> In 2012, our employee engagement survey was administered to 30,000 people (approximately 40% of our total employee population).
Technical Ladder: Deployment of career development path for technical professionals as complementary focus on best-in-class versus Leadership Pipeline.	BY 2013	● <b>ON TRACK:</b> Launched in 2011, the Technical Ladder pilot program was extended to the engineering and research communities in 2012, allowing for further testing and enhancement of the concept and process.
Professional accreditation: Double the number of newly accredited employees to 1,000 by year-end 2012.	BY 2012	● <b>ACHIEVED:</b> We doubled the number of newly accredited employees, with more than 1,000 employees in the accreditation training and application process.
Community learning: Launch community learning for seven most critical functions ('hot profiles') as parallel 'fast track' for learning from best in-class employees.	BY 2012	● <b>ACHIEVED:</b> Exceeding our objectives for 2012, we now have community learning sites for eight critical job functions and programs to foster learning from best-in-class employees.
Gender diversity: Deploy gender diversity awareness training to all people managers.	BY 2012	● <b>ACHIEVED:</b> Gender dynamics workshops were launched to more than 300 people managers in 2012.

## Challenge: Stakeholders Customer Relationship

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
By 2012, enhance our Customer Satisfaction Program by providing quicker feedback and improvement plans to our customers. We will be asking more open-ended questions, allowing the customer to tell us in their own words what is important to them. Goal: 45-56% response rate (where 56% is considered best in class) for the customer relationship and product surveys.	BY 2012	<p>● <b>ACHIEVED:</b> In 2012 we increased customer satisfaction by 1.3% versus 2011.</p> <p><b>CUSTOMER RELATIONSHIP SURVEYS</b></p> <ul style="list-style-type: none"> <li>• 54.4% response rate for customer relationship surveys.</li> <li>• Our NPS* score improved year over year, achieving 13% in 2012 versus 5% in 2011.</li> <li>• Ranked as the 2<sup>nd</sup> supplier in NPS and 4<sup>th</sup> in overall satisfaction out of 15 competitors.</li> <li>• Customer Loyalty Index (CLI) scores slightly increased in 2012 to 7.58 (out of a possible 10 points) vs. 7.51 in 2011.</li> </ul> <p><b>PRODUCT SURVEYS</b></p> <ul style="list-style-type: none"> <li>• 51.4% response rate for product surveys.</li> <li>• Product NPS moved from 3% in 2011 to 15% in 2012.</li> <li>• Product Survey CLI score reached 7.83 in 2012 versus 7.43 in 2011, showing improvement for a majority of our product lines.</li> </ul> <p>* The Net Promoter Score (NPS) measures the percentage of customers that are highly likely to recommend Alcatel-Lucent minus the percentage that are less likely to recommend Alcatel-Lucent.</p>

## Challenge: Stakeholders Public Affairs

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
Via the Public Affairs team, continue to promote digital plans in countries around the world to support ICT for all.	BY 2012	● <b>ACHIEVED:</b> Best practices around digital plans, broadband strategies and spectrum allocation were shared in 2012 with multilateral organizations (ITU, Broadband Commission, World Bank, Inter-American Development Bank, African Development Bank) and public authorities from Brazil, Ecuador, Venezuela, Mexico, Colombia, South Africa, Morocco, Nigeria, Sri Lanka, Indonesia, India and Malaysia.
Via the Public Affairs team, continue to promote with public authorities best-in-class sustainability policies (in particular, corporate governance) to enhance legislation and voluntary initiatives.	BY 2012	● <b>ACHIEVED:</b> Promoted best-in-class sustainability practices with U.S., EU and French authorities to create a fair, level playing field among telecom equipment vendors, either directly or through professional associations. Through professional associations, discussed, decided on and created a voluntary charter to be signed by stakeholders.

## Challenge: Philanthropy - Alcatel-Lucent Foundation

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
Via our Alcatel-Lucent Foundation, provide digital training to 13,500 children in the 2010-2014 timeframe.	BY 2014	● <b>ON TRACK:</b> Via Foundation Global Signature Program ConnectEd. By September 30, 2012, it had provided digital training to 12,513 youth, 60% of them girls.
Via the Alcatel-Lucent Foundation, create a group-wide strategy to guide corporate philanthropic activities and include priorities aligned with business drivers, description of system to measure results/impacts.	BY 2013	● <b>ACHIEVED:</b> A group-wide strategy was created and aligned with business drivers. A system to measure results/impacts was created using the foundation guidelines and the London Benchmarking Group (LBG) tool and standards to provide quantitative and qualitative assessments of the economic, societal, environmental and social impact of philanthropic investments.
Introduce executive program for employee volunteering, including skills enhancement and training for community investment.	BY 2013	● <b>ACHIEVED:</b> Via Foundation company Signature Program, 'Campus in the Cloud', which is linked directly to our business objectives and approach to community investment – sharing skills and expertise already available within the Company.

## Challenge: Ethics and Compliance

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
People manager training: Target 100% participation in ethical leadership.	BY 2012	● <b>ACHIEVED:</b> 97% completion for this training requirement across the target audience.
Business integrity training: Target 100% participation by employees globally in deployed ethics and compliance training.	BY 2012	● <b>ACHIEVED:</b> 99% participation in the Code of Conduct review and acknowledgment process.
Conflict of interest: Increase transparency around disclosure of potential conflicts of interest.	BY 2012	● <b>ON TRACK:</b> Per our commitment we developed and raised awareness of new conflict of interest disclosure training and a related web-based disclosure process scheduled for deployment in 2013.

## Challenge: Governance

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
Ensure the improvement of gender diversity in our Board of Directors.	BY 2012	● <b>ACHIEVED:</b> The Board of Directors has continued to bring the Company into compliance with the provisions of the law of January 27, 2011, concerning the balanced representation of men and women at boards of directors, namely by submitting to the Shareholders' meeting first the cooptation, then the ratification of appointment by cooptation of Ms. Kim Crawford Goodman as a director.  The Board of Directors will hence count three women, representing 27% of the directors.

## Challenge: Supply Chain

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
Establish a systematic improvement program with suppliers assessed as being below satisfactory, ensuring 80% of active suppliers assessed are satisfactory or above – and that action plans are in place for the remaining 20%.	BY 2014	● <b>ON TRACK:</b> 2012 objective (70% of active suppliers rated satisfactory or above) has been achieved. A considerable achievement given that we performed 110 new assessments or reassessments.
Include specific sustainability requirements in 70% of procurement sectors for the purchase of own-use services/products.	BY 2012	● <b>ACHIEVED:</b> In the first half of 2012, we completed our objective to have sustainability requirements identified for 70% of our own-use procurement sectors. This enabled us to deepen the knowledge and interest of commodity managers purchasing own-use products and services for sustainability.

## Challenge: Risk & Crisis Management

COMMITMENTS FOR THE COMING YEARS	TIME FRAME	STATUS 2013
Update each regional Enterprise Risk Management (ERM) deliverables (risk maps) every 2 years.	BY 2012 (APAC) BY 2013 (EMEA, Americas)	● <b>ON TRACK:</b> APAC risk map updated in 2012. Due to the new operating model put in place on January 1, 2013, the ERM 2013 updates for EMEA and Americas will be replaced by an enhanced corporate-wide ERM deliverable that will include regions.
Have an updated corporate-level ERM deliverable.	BY 2012	● <b>ACHIEVED:</b> Updated corporate risk map presented on March 13 & 14, 2012 to the Audit & Finance Committee and Board of Directors.
Cover more than 80% of key risks with a follow-up of mitigating actions.	BY 2012	● <b>ACHIEVED:</b> 100% of key risks covered by mitigating actions.
Organize an annual Audit & Finance Committee ERM review.	BY 2012	● <b>ACHIEVED:</b> Review by the Audit & Finance Committee conducted on March 13, 2012; review by the Board of Directors conducted on March 14, 2012.
Have more than 90% of all identified critical functions covered by our consolidated, enterprise-wide Business Continuity Management Program.	BY 2012	● <b>ACHIEVED:</b> The percentage of all identified critical functions covered through the BCM program is at 90.1% as of December 31, 2012.
Run at least 1 crisis trial.	BY 2012	● <b>ACHIEVED:</b> Test of EMEA crisis plan conducted in June 2012.



## 3 ENVIRONMENTAL INDICATORS




### 3.1 Definitions and methodology

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Our 2012 energy and water consumption, carbon footprint assessment and waste-generation reporting perimeter includes all sites owned or leased by Alcatel-Lucent as of December 2012.

In setting organizational boundaries and for corporate reporting of consolidated greenhouse gas emissions, we employ the “operational control” approach when establishing organizational boundaries. Within this approach, we account for 100% of GHG emissions from operations over which we have operational control. We continue to attempt to obtain utility information from landlords in leased situations where the utility usage can be allocated accurately to our leased space – for example, via a separate electric meter. If such information cannot be obtained, electricity and/or natural gas usage is estimated utilizing “energy intensity” factors as stipulated within our EHS Program Reporting Plan.

For the 2012 assessment, 225 facilities were directly responsible for managing energy and water consumption, carbon footprint assessment and waste generation reporting at their particular site. Sites with direct facility data input responsibility accounted for 81% of the total real estate building area and 74% of the total Alcatel-Lucent headcount. From this scope, the number of facilities that reported effectively resulted in the following corresponding percentage of total Alcatel-Lucent employees:

- **Energy consumption and CO<sub>2</sub>e emissions:** 225 sites (accounting for 74% of our employees) provided actual facility specific energy consumption and CO<sub>2</sub>e emissions information. This included inputting utility billings, fuel purchases and emitted GHG chemical emission data directly entered into a web-based tool by facility personnel. To account for 100% of our employees, facility energy consumption usage and CO<sub>2</sub>e emissions estimation algorithms were employed for sites that could not obtain such information. In addition, fuel usage data for marine vessels, along with fuel and mileage data for leased automobiles were obtained to account for 100% of world- wide Alcatel-Lucent mobile source operations. 
- **Water consumption:** 119 sites (accounting for 66% of our employees) provided water usage information. To account for 100% of our employees, extrapolation procedures were applied based on calculated ratios per employee.
- **Hazardous waste production:** 51 sites (accounting for 43% of our employees) provided information on hazardous waste production. To account for 100% of our employees, extrapolation procedures were applied based on calculated ratios per employee. 
- **Non-hazardous waste production:** 118 sites (accounting for 53% of our employees) provided information on non- hazardous waste production. To account for 100% of our employees, extrapolation procedures were applied based on calculated ratios per employee. 
- **Waste electrical and electronic equipment production:** 142 sites (accounting for 62% of our employees) provided information on waste electrical and electronic equipment. To account for 100% of our employees, extrapolation procedures were applied based on calculated ratios per employee.

The EHS Reporting Protocol is available upon request at: [sustainability@alcatel-lucent.com](mailto:sustainability@alcatel-lucent.com)


## 3.2 Evolution in 2012

The scope of our 2012 sustainability campaign grew from 2011: all facilities that were able to obtain energy usage information, regardless of building area or employee headcount, were required to participate using a web-based tool. As a result, more actual facility operational data was obtained, requiring less estimation to obtain 100% company-wide assessment.

In part due to the consolidation of facilities to more efficiently utilize resources, as well as our efforts to implement energy efficiency projects and conduct energy efficiency awareness programs for employees, we have achieved a reduction of total CO<sub>2</sub>e emissions from our facilities of 11% from 2011 levels.

In 2011, we clarified the wording of our commitment to “reduce our absolute carbon footprint (CO<sub>2</sub> equivalent) by 50% of 2008 baseline by 2020” by adding the term “from our operations”, meaning Scopes 1 and 2 only. The reason for this is that as we continue to add new Scope 3 indicators, we need to keep a stable baseline from which to track our progress on reducing our carbon footprint. Additionally, we constantly work with our key suppliers to reduce our Scope 3 emissions even though they are not part of our 50% reduction goal.

## 3.3 Environmental and energy consumption indicators

ENVIRONMENTAL INDICATORS	UNITS	2010	2011	2012	2012 PERIMETER
<b>Carbon Footprint Assessment-Worldwide Operations<sup>(1)</sup></b>					
<b>Scope 1</b>					
Stationary source fuel combustion	tCO <sub>2</sub> e <sup>(4)</sup>	63,403	54,541	56,540	100%
Mobile source fuel combustion	tCO <sub>2</sub> e <sup>(4)</sup>	82,419	81,153	66,292	100%
Facility and mobile source refrigerant losses	tCO <sub>2</sub> e <sup>(4)</sup>	5,333	4,381	4,070	100%
Direct emission of GHG from manufacturing/R&D/product development	tCO <sub>2</sub> e <sup>(4)</sup>	142	248	237	100%
Fire suppression system losses	tCO <sub>2</sub> e <sup>(4)</sup>	72	12	1	100%
<b>Scope 2</b>					
Electricity usage	tCO <sub>2</sub> e <sup>(4)</sup>	570,039	505,862	448,788	100%
Purchase of hot water/steam	tCO <sub>2</sub> e <sup>(4)</sup>	9,377	5,761	8,356	100%
Purchase of chilled water	tCO <sub>2</sub> e <sup>(4)</sup>	448	221	50	100%
<b>Scope 3<sup>(2)</sup></b>					
Purchased goods and services:					
• Contracted manufacturing services	tCO <sub>2</sub> e <sup>(4)</sup>	99,632	94,083	218,328	100%
• Contracted marine services	tCO <sub>2</sub> e <sup>(4)</sup>	58,019	58,768	71,668	100%
• Purchased paper <sup>(7)</sup>	tCO <sub>2</sub> e <sup>(4)</sup>	1,257	1,229	1,371	100%
Fuel- and energy-related activities not included in Scope 1 and 2	tCO <sub>2</sub> e <sup>(4)</sup>	45,273	39,188	58,208	100%
Upstream transportation and distribution <sup>(8)</sup>	tCO <sub>2</sub> e <sup>(4)</sup>	208,578	198,782	171,474	100%
Waste generated in operations <sup>(9)</sup>	tCO <sub>2</sub> e <sup>(4)</sup>	2,418	5,602	935	100%
Business travel	tCO <sub>2</sub> e <sup>(4)</sup>	114,494	107,184	76,790	100%
Employee commuting	tCO <sub>2</sub> e <sup>(4)</sup>	109,555	104,237	190,141	100%
Downstream transportation and distribution <sup>(8)</sup>	tCO <sub>2</sub> e <sup>(4)</sup>	6,447	5,861	5,303	100%
End-of-Life treatment of sold products <sup>(10)</sup>	tCO <sub>2</sub> e <sup>(4)</sup>	2,951	2,951	9	100%
<b>Grand Total (Scope 1 + 2 + 3)</b>	<b>tCO<sub>2</sub>e<sup>(4)</sup></b>	<b>1,379,857</b>	<b>1,270,064</b>	<b>1,378,561</b> 	<b>100%</b>

ENVIRONMENTAL INDICATORS	UNITS	2010	2011	2012	2012 PERIMETER
<b>Carbon Footprint Assessment-Facility Operations Only<sup>(1,5)</sup></b>					
Indirect emissions of CO <sub>2</sub> e, linked to consumed electricity	kt CO <sub>2</sub> e <sup>(3)</sup>	559	512	449	100%
Indirect emissions of CO <sub>2</sub> e per employee	t CO <sub>2</sub> e <sup>(4)</sup>	7	7	6	100%
Direct emissions of CO <sub>2</sub> e, linked to consumed fossil energy	kt CO <sub>2</sub> e <sup>(3)</sup>	73	63	62	100%
Direct emissions of CO <sub>2</sub> e per employee	t CO <sub>2</sub> e <sup>(4)</sup>	1	1	1	100%
Total emissions of CO <sub>2</sub> e	kt CO <sub>2</sub> e <sup>(3)</sup>	647	581	519	100%
Total emissions of CO <sub>2</sub> e per employee	t CO <sub>2</sub> e <sup>(4)</sup>	8	8	7	100%
<b>Consumed Energy-Facility Operations Only<sup>(1,5)</sup></b>					
Consumed electricity	GWh	1,125	1,014	958 Q	100%
Consumed electricity by employee	MWh	15	13	13	100%
Consumed fossil energy	GWh	308	317	328 Q	100%
Consumed fossil energy by employee	MWh	4	4	5	100%
Total consumed energy	GWh	1,491	1,357	1,323 Q	100%
Total consumed energy by employee	MWh	19	18	18	100%
<b>Carbon Footprint Assessment - Worldwide Scope 1 and Scope 2<sup>(1,6)</sup></b>					
Indirect emissions of CO <sub>2</sub> e, Worldwide Scope 2 operations	kt CO <sub>2</sub> e <sup>(3)</sup>	n/a	n/a	457	100%
Indirect emissions of CO <sub>2</sub> e per employee	tCO <sub>2</sub> e <sup>(4)</sup>	n/a	n/a	6	100%
Direct emissions of CO <sub>2</sub> e, Worldwide Scope 1 operations	kt CO <sub>2</sub> e <sup>(3)</sup>	n/a	n/a	127	100%
Direct emissions of CO <sub>2</sub> e per employee	tCO <sub>2</sub> e <sup>(4)</sup>	n/a	n/a	2	100%
Total emissions of CO <sub>2</sub> e	kt CO <sub>2</sub> e <sup>(3)</sup>	n/a	n/a	584	100%
Total emissions of CO <sub>2</sub> e per employee	t CO <sub>2</sub> e <sup>(4)</sup>	n/a	n/a	8	100%
<b>Consumed Energy - Worldwide Scope 1 and Scope 2<sup>(1,6)</sup></b>					
Purchased electricity, Worldwide Scope 2 operations	GWh	n/a	n/a	958	100%
Purchased electricity by employee	MWh	n/a	n/a	13	100%
Total purchased Worldwide Scope 2 operations	GWh	n/a	n/a	955	100%
Total consumed Scope 2 energy by employee	MWh	n/a	n/a	14	100%
Consumed fossil energy, Worldwide Scope 1 operations	GWh	n/a	n/a	581	100%
Total consumed Scope 1 energy by employee	MWh	n/a	n/a	8	100%
Total consumed energy, Worldwide Scope 1 and 2 operations	GWh	n/a	n/a	1,576	100%
Total consumed energy by employee	MWh	n/a	n/a	22	100%

ENVIRONMENTAL INDICATORS	UNITS	2010	2011	2012	2012 PERIMETER
<b>Water and Wastes</b>					
Consumed water	m <sup>3</sup>	2,744,454	2,765,474	2,565,582	100%
Consumed water per employee	m <sup>3</sup>	36	38	37	100%
Production of hazardous waste	t	2,230	1,116	1,061 <b>Q</b>	100%
Production of hazardous waste per employee	kg	28	15	15	100%
Percentage of hazardous waste recycled <sup>(11)</sup>	%	80	50	68	100%
Production of non-hazardous waste	t	19,767	20,934	16,453 <b>Q</b>	100%
Production of non-hazardous waste per employee	kg	248	275	227	100%
Percentage of non-hazardous waste recycled <sup>(11)</sup>	%	68	71	71	100%
Production of Waste Electrical & Electronic Equipment (WEEE) <sup>(12)</sup>	t	4,464	6,314	7,481	100%
Percentage of WEEE recycled/reused	%	98	96	97	100%
<b>Other Emissions</b>					
Solvents	No significant quantities, indicator not relevant and not consolidated				
Halogenated hydrocarbon	No significant quantities, indicator not relevant and not consolidated				
Discharge into water (heavy metals)	No significant quantities, indicator not relevant and not consolidated				
Ozone-depleting substances	No significant quantities, indicator not relevant and not consolidated				
NOx, SOx and other criteria air contaminants <sup>(13)</sup>	t	576	103	116	100%
<b>Miscellaneous</b>					
Alcatel-Lucent headcount, ISO 14001 certified	%	29	39	43	100%
New products covered by ecodeclarations <sup>(14)</sup>	%	100	100	100	100%
Functional energy efficiency improvement of key products	%	20	n/a	25 <b>Q</b>	100%
Domestic product freight by truck	%	n/a	98	99	100%
International product freight by ocean vessel	%	n/a	40	51	100%

- (1) Emission factors based on initial values issued by IPCC and kept constant for data consistency.
- (2) The presentation of our Scope 3 indicators follows the categories and guidance provided by the GHG Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard, published in November, 2011.
- (3) kt CO<sub>2</sub>e: Kilo metric tons of CO<sub>2</sub> equivalency (includes the following GHGs: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFCs and PFCs).
- (4) t CO<sub>2</sub>e: Metric tons of CO<sub>2</sub> equivalency (includes the following GHGs: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFCs and PFCs).
- (5) CO<sub>2</sub>e values include Scope 1 and Scope 2 emissions for facility operations only (includes facility mobile combustion)
- (6) Complete Scope 1 and 2 activities – worldwide.
- (7) Purchased paper includes 100% of paper used in operations and purchased under corporate contract; does not include externally printed marketing collateral.
- (8) Product transport includes 100% of emissions from air and marine transport worldwide, and truck transport from Europe.
- (9) Energy usage at environmental remediation sites.
- (10) Recycled electronic equipment.
- (11) Recycled: not released in a landfill or not burned without energy recovery.
- (12) WEEE data includes electronic waste generated by Alcatel-Lucent operations and WEEE take-back. Not reported as production per employee since production includes take-back.
- (13) Products of combustion from facility stationary operations.
- (14) Associated with new products released during the cited year.

### 3.4 Energy consumption indicators

#### Total energy consumption in joules or multiples

	AMOUNT	UNITS	TCO <sub>2</sub> E	MWH	GJ
Facility Operations_Coal Gas	967	megawatt hours	155	967	3,480
Facility Operations_Distillate Fuel Oil (#1, 2, 4 and diesel)	891,162	liters	2,402	9,497	34,124
Facility Operations_Natural Gas	292,058	megawatt hours	53,012	292,058	1,051,410
Facility Operations_Propane	20,592	liters	32	146	525
Facility Operations_Residual Fuel Oil (#5, 6)	299,973	liters	940	3,484	12,542
Facility Mobile Sources_CNG	689	kilograms	0	10	36
Facility Mobile Sources_Diesel	1,292,714	liters	3,498	13,750	49,500
Facility Mobile Sources_Ethanol	186	liters	0	1	4
Facility Mobile Sources_Gasoline	748,604	liters	1,758	7,207	25,944
Facility Mobile Sources_LNG	1,340	liters	2	9	31
Facility Mobile Sources_Propane	99,092	liters	154	701	2,525
			61,952	327,830	1,180,121

#### Total direct energy consumption in joules or multiples by renewable primary source

	AMOUNT	UNITS	CO <sub>2</sub> E	MWH	GJ
Facility Mobile Sources Ethanol	186	liters	0	1	4

#### Total direct energy consumption in joules or multiples by non-renewable primary source

	AMOUNT	UNITS	CO <sub>2</sub> E	MWH	GJ
Facility Operations_Coal Gas	967	megawatt hours	155	967	3,480
Facility Operations_Distillate Fuel Oil (#1, 2, 4 and diesel)	891,162	liters	2,402	9,479	34,124
Facility Operations_Natural Gas	292,058	megawatt hours	53,012	292,058	1,051,410
Facility Operations_Propane	20,592	liters	32	146	525
Facility Operations_Residual Fuel Oil (#5, 6)	299,973	liters	940	3,484	12,542
Facility Mobile Sources_CNG	689	kilograms	0	10	36
Facility Mobile Sources_Diesel	1,292,714	liters	3,498	13,750	49,500
Facility Mobile Sources_Gasoline	748,604	liters	1,758	7,207	25,944
Facility Mobile Sources_LNG	1,340	liters	2	9	31
Facility Mobile Sources_Propane	99,092	liters	154	701	2,525
			61,952	327,810	1,180,117


## Total amount of indirect energy in joules or multiples

	TOTAL MWH	TOTAL GJ	RENEWABLE MWH	RENEWABLE GJ	NON- RENEWABLE MWH	NON- RENEWABLE GJ
Purchased Hot Water/Steam	36,831	132,591	8,729	31,424	28,102	101,167
Purchased Chilled Water	52	187	8	29	44	157
Purchased Electricity	958,187	3,449,473	184,915	665,694	821,461	2,783,779
<b>TOTAL</b>	<b>995,070</b>	<b>3,582,251</b>	<b>193,652</b>	<b>697,147</b>	<b>849,607</b>	<b>2,885,103</b>

## 4 SOCIAL INDICATORS

With the convergence of our HR information systems, data on all social indicators are collected and consolidated at the corporate level. The only exception is health and safety data, which are issued from our sustainability reporting tool. The health and safety survey covered 69 countries.

SOCIAL INDICATORS	2010	2011	2012	2012 PERIMETER
<b>1. Headcount</b>				
Total headcount as of December 31	78,139	74,366	72,344 <span style="color: red;">Q</span>	100%
Number of recruits	8,661	4,331	4,776	100%
Headcount increase due to the full consolidation of previously non-fully consolidated companies	53	51	62	100%
Headcount increase due to acquisitions and insourcing	3,687	442	47	100%
Headcount reductions	(10,978)	(8,618)	(8,543)	
Headcount reduction due to businesses transferred or sold	(1,153)	(14)	(1,961)	100%
Headcount reduction due to outsourcing and transfers	(666)	(857)	(73)	100%
Headcount reduction due to redundancies	(2,660)	(1,542)	(1,700)	100%
Headcount reduction due to normal departures (retirements, end of temporary work contracts, resignations, deaths)	(6,499)	(6,205)	(4,809)	100%
<b>2. Diversity</b>				
Percentage of women/headcount	22%	21%	21% <span style="color: red;">Q</span>	100%
Percentage of men/headcount	78%	79%	79%	100%
Percentage of women (Leadership Pipeline)	19%	19%	23%	100%
Number of disabled employees	148	157	168	France <sup>(1)</sup>
<b>3. Training</b>				
Training budget (as a percentage of payroll)	1.00%	1.00%	1.00%	100%
Total hours of training per employee	17.8	16	15	100%
Percentage of training time via e-learning technologies	38%	40%	51%	100%
<b>4. Mobility</b>				
Number of expatriates worldwide	498	391	358	100%
Expatriates by host region (Europe)	151	100	97	100%
Expatriates by host region (North America)	31	24	25	100%
Expatriates by host region (South America)	12	8	7	100%
Expatriates by host region (Middle East, Africa and India)	147	131	129	100%
Expatriates by host region (Asia-Pacific)	157	128	100	100%

SOCIAL INDICATORS	2010	2011	2012	2012 PERIMETER
<b>5. Health and Safety</b>				
Number of days of absence due to work-related accidents including occupational diseases per employee	0.07	0.08	0.07 	98% <sup>(2)</sup>
Frequency rate for work-related accidents including occupational diseases (number of accidents per year, per 1 million hours worked)	1.48	1.42	1.21	98%

(1) For Alcatel-Lucent France legal entity.

(2) Based on country legislations.

#### Additional notes

- In 2012, number of days of absence due to work-related accidents including occupational diseases per employee by region is 0.18 in APAC, 1.31 in EMEA and 1.92 in Americas.
- In 2012, distribution of frequency rate for work-related accidents including occupational diseases for total employee headcount by region was 0.01 in APAC, 0.08 in EMEA and 0.11 in Americas.
- Regarding the number of absence days due to work-related accidents including occupational diseases per employee: this value is the best possible estimate based on available data and given the challenges which may occur to a global company of our size, when trying to apply a common definition in all the countries where we are present. Each country has its own practices and/or regulations. Since some countries report calendar days instead of working days, the published indicator is overvalued.

## 5 REPORTING FRAMEWORK

Our sustainability strategy and reporting framework conform to the following key regulatory requirements and international sustainability frameworks:

### 5.1 Article 225 of France's Grenelle II law (July 10, 2010)

Grenelle II requires companies to include information in their annual report on the environmental, social and societal impacts of their business activities and on their commitments to sustainable development – and to have an independent third-party verification of the published information.

See the correspondence Grenelle II table

SUBJECT	TOPIC	REQUIRED INFORMATION	REFERENCES
Environment	Overall environmental policy	Company organization to take into account environmental issues (including policy, assessment approach or certification)	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.1 OVERALL ENVIRONMENTAL POLICY
Environment	Overall environmental policy	Employee awareness training and communication activities on environmental protection	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.1 OVERALL ENVIRONMENTAL POLICY
Environment	Overall environmental policy	Allocation of resources to prevent environmental risks and pollution	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.1 OVERALL ENVIRONMENTAL POLICY
Environment	Overall environmental policy	Amount of provisions and guarantees to address environmental risks, provided such information is not likely to cause serious harm to society in an ongoing dispute	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.1 OVERALL ENVIRONMENTAL POLICY
Environment	Pollution and waste management	Prevention, reduction or compensation measures for air emissions or water and soil discharges that seriously affect the environment	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.2 POLLUTION AND WASTE MANAGEMENT

SUBJECT	TOPIC	REQUIRED INFORMATION	REFERENCES
Environment	Pollution and waste management	Actions taken to support prevention, recycling and waste disposal	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.2 POLLUTION AND WASTE MANAGEMENT ; 4.2.6 ENVIRONMENT INDICATORS
Environment	Pollution and waste management	Inclusion of noise pollution and any other form of pollution specific to the activity in question	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.2 POLLUTION AND WASTE MANAGEMENT
Environment	Sustainable use of resources	Water consumption and water supply based on local conditions	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.3 SUSTAINABLE USE OF RESOURCES ; 4.2.6 ENVIRONMENT INDICATORS
Environment	Sustainable use of resources	Consumption of raw materials and measures taken to improve the efficiency of their use	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.3 SUSTAINABLE USE OF RESOURCES
Environment	Sustainable use of resources	Energy consumption, measures taken to improve energy efficiency and renewable energy use	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.3 SUSTAINABLE USE OF RESOURCES ; 4.2.6 ENVIRONMENT INDICATORS
Environment	Sustainable use of resources	Soil use	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.5 BIODIVERSITY PROTECTION
Environment	Climate Change	Greenhouse gas emissions	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.4 CLIMATE CHANGE ; 4.2.6 ENVIRONMENT INDICATORS
Environment	Climate Change	Adaptation to the impact of climate change	4.2.1 OVERALL ENVIRONMENTAL POLICY
Environment	Biodiversity protection	Measures taken to protect or develop biodiversity	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.2.5 BIODIVERSITY PROTECTION
Social	Employment	Total number and breakdown of employees by gender, age and geography	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.1 EMPLOYMENT ; 4.3.8 SOCIAL INDICATORS
Social	Employment	Hirings and dismissals	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.1 EMPLOYMENT ; 4.3.8 SOCIAL INDICATORS
Social	Employment	Compensation and evolution	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.1 EMPLOYMENT
Social	Work organization	Work time organization	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.2 WORK ORGANIZATION AND MANAGEMENT
Social	Work organization	Absenteeism	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.2 WORK ORGANIZATION AND MANAGEMENT
Social	Social relationships	Organization of social dialogue, including procedures for consultation and negotiation with staff	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.3 SOCIAL RELATIONSHIPS
Social	Social relationships	Review of collective agreements	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.3 SOCIAL RELATIONSHIPS
Social	Health and Safety	Health and safety work conditions	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.4 HEALTH AND SAFETY
Social	Health and Safety	Review of agreements signed with trade unions or staff representatives on workplace health and safety	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.4 HEALTH AND SAFETY



SUBJECT	TOPIC	REQUIRED INFORMATION	REFERENCES
Social	Health and Safety	Occupational accidents (including frequency and severity rates) and occupational diseases	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.4 HEALTH AND SAFETY ; 4.3.8 SOCIAL INDICATORS
Social	Training	Training policies	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.5 TRAINING
Social	Training	Total number of hours trained	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.5 TRAINING
Social	Equal opportunity	Measures in favor of equality between women and men	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.6 DIVERSITY AND EQUAL OPPORTUNITY
Social	Equal opportunity	Measures for employment and integration of disabled people	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.6 DIVERSITY AND EQUAL OPPORTUNITY
Social	Equal opportunity	Policies against discrimination	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.6 DIVERSITY AND EQUAL OPPORTUNITY
Social	Promotion and enforcement of ILO core conventions	Freedom of association and collective bargaining rights	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.7 PROMOTION AND ENFORCEMENT OF ILO CORE CONVENTIONS
Social	Promotion and enforcement of ILO core conventions	Measures toward the elimination of discriminatory treatment in employment and occupation	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.7 PROMOTION AND ENFORCEMENT OF ILO CORE CONVENTIONS
Social	Promotion and enforcement of ILO core conventions	Measures toward the elimination of forced or compulsory work	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.7 PROMOTION AND ENFORCEMENT OF ILO CORE CONVENTIONS
Social	Promotion and enforcement of ILO core conventions	Measures toward the effective abolition of child labor	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.3.7 PROMOTION AND ENFORCEMENT OF ILO CORE CONVENTIONS
Societal	Territorial, economic and social impact of the company	in terms of employment and regional development	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.1 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT
Societal	Territorial, economic and social impact of the company	on local population	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.1 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT
Societal	Relationships with persons or organizations interested in the company's business, including:	Dialogue conditions with those persons or organizations	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.2 ENGAGEMENT WITH STAKEHOLDERS
Societal	Relationships with persons or organizations interested in the company's business, including:	Actions of partnership or philanthropy	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.2 ENGAGEMENT WITH STAKEHOLDERS
Societal	Subcontractors and suppliers	Consideration of social and environmental issues in the company's procurement policy	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.3 RESPONSIBLE PURCHASING
Societal	Subcontractors and suppliers	Importance of subcontracting and the social and environmental responsibility of suppliers and subcontractors	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.3 RESPONSIBLE PURCHASING

SUBJECT	TOPIC	REQUIRED INFORMATION	REFERENCES
Societal	Fair practices	Actions taken to prevent corruption	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.4 FAIR PRACTICES
Societal	Fair practices	Measures taken for consumer health and safety	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.4 FAIR PRACTICES
Societal	Human rights: Actions taken to support human rights	Human rights: Actions taken to support human rights	SEE 20-F ADDITIONAL INFORMATION DOCUMENT 4.4.5 INDUSTRY DIALOGUE ON HUMAN RIGHTS

## 5.2 United Nations Global Compact (UNGC)

Our sustainability report and company strategy conform to the United Nations Global Compact by:

- Incorporating information on our sustainability activities according to the 24 UN Global Compact Advanced Level assessment criteria
- Incorporating the principles of the UN’s “Caring for Climate” eco-sustainability initiative in all our activities

[Read more about Alcatel-Lucent and UNGC Advanced Level criteria](#)

[Read more about Alcatel-Lucent and UNGC](#)

In 2012, we ranked among the top 25 UNGC “Caring for Climate” performers for our commitments to setting goals, disclosing carbon emissions, and developing and expanding strategies and practices. We were also among the top quadrant of companies reporting according to the UNGC Advanced Level criteria.

