RIBBON COMMUNICATIONS
OUR APPROACH TO MATERIALITY

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2. Overview

Material topics are those that represent the company's most significant economic, environmental and social impacts and/or topics that substantially influence the assessments and decisions of stakeholders. It is important to define the material impacts of a business in order to focus sustainability activities on what matters most to gain the best outcomes for the business and for society, as well as to gain an early understanding of potential areas of risk and opportunity.

Stakeholders are defined as groups (or individuals) that can reasonably be expected to be significantly affected by a company's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.
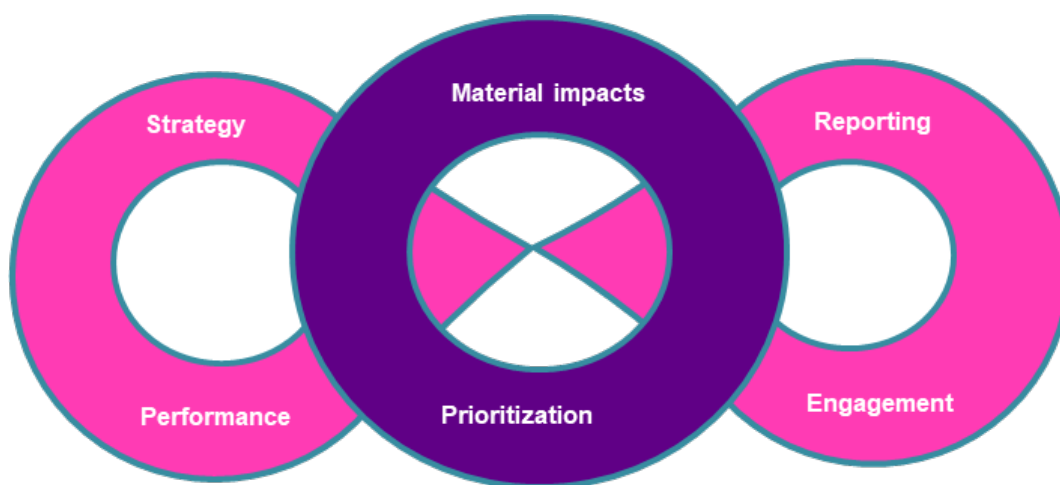
Assessing materiality and defining key material sustainability topics help identify and prioritize the sustainability issues that matter most to our business and stakeholders. A materiality assessment analyzes inputs from internal and external stakeholders along with global sustainability trends and topics, to form a specific set of priorities for a company to use in its strategy development and sustainability disclosure (reporting) activities.

Some sustainability material topics are also financially material – or can become so over time. This means that not only do they have an impact on society and the environment, they also have the potential to affect the financial results of a business – positively or negatively.

A materiality assessment informs corporate sustainability disclosure. Annual sustainability reporting is primarily focused on those topics that are deemed material as these are the topics that are most relevant for all stakeholders.

Typically, a materiality assessment includes, aggregates and prioritizes a range of information from different sources, including but not limited to:

- Business strategy and capabilities
- Employee concerns and expectations
- Customer expectations
- Regulatory frameworks
- Global sustainability trends

- Voluntary sustainability disclosure standards and mandated disclosure requirements
- Investor disclosure demands
- Peer group's materiality priorities and disclosures
- Management assessment of relative importance of the impacts on society and the environment AND the relative strength of stakeholder concerns

3. Our Approach

Ribbon is committed to following a strategic approach to sustainability and strives to continuously improve its contribution to sustainable development while minimizing areas of negative or potentially negative impact. At the same time, Ribbon believes that managing sustainability proactively can help Ribbon identify opportunities to improve its impacts on society and the environment and deliver sustainable business growth, while gaining an understanding of potential sustainability risks.

Therefore, Ribbon undertakes to define and prioritize sustainability topics in a structured process that can serve as a basis for strategy development, action planning, resource allocation, stakeholder engagement and sustainability communications. Sustainability topics defined as material are incorporated in our sustainability strategy and targets. Non material sustainability topics remain on our radar in case of future changes, and we strive to maintain performance in these areas in line with overall expectations of our stakeholders.

Material sustainability topics are generally complex, strategic topics that retain their relevance and importance over several years. We undertake to conduct a full materiality assessment every 5 years, with annual reviews and modifications in light of strongly emerging trends or changes in our business. We conducted our first full materiality assessment in 2021.

4. 2021 Materiality Assessment

Our 2021 materiality assessment followed a structured process, involving management review and approval at each stage.

4.1 Stakeholder engagement

The materiality assessment aimed to incorporate the interests, concerns and expectations of key stakeholders, defined in our stakeholder map (see ribboncommunications.com: Our Approach to Stakeholder Engagement). These stakeholder groups were defined and grouped into categories reflecting our approach to each stakeholder group as follows:

COLLABORATE	CONSULT	COMMUNICATE
Customers	Capital Markets	Communities
Employees	Industry	Financers
Society and Planet	Regulators	Influencers
Suppliers		

With these stakeholders in mind, we gathered additional inputs to inform our overall analysis of the relevant universe of sustainability topics for Ribbon.

4.2   Developing a universe of sustainability topics

We analyzed and aggregated the expectations of global stakeholders a broad range of standards, frameworks, trends, disclosures and direct inputs from a range of external and internal sources as follows:

Key frameworks: Globally relevant sustainability standards and frameworks (in alphabetical order):

- EcoVadis
- Global Reporting Initiative (GRI)
- ISO 26000
- ISS ESG rating elements
- NASDAQ ESG Reporting Guide
- Sustainability Accounting Standards Board (SASB) Technology Hardware and Software Standards
- UN Sustainable Development Goals
- World Economic Forum ESG Metrics

Expectations of customers, peers and suppliers: We reviewed expectations based on our regular interactions with customers and suppliers, and added analysis of material disclosures from eight large global customers, six global competitive companies and two global suppliers.

Industry trends: We scanned our universe for information about key trends and emerging sustainability topics that are connected to our current and future business as well as consulting with our own senior leaders who are active in our markets.

All these inputs enabled us to compile a list of 127 individual sustainability topics with each having the potential to be highly material in terms of our impact on society and the environment or in terms of the expectations and interests of stakeholders.

The next step was to assess these topics in detail and select those from the list that had the highest impact and the highest relevance to stakeholders.

4.3   Prioritizing sustainability topics

We took a dual approach to prioritization of the 127 topics included in our list:

Assess degree of impact: In order to assess the degree of impact of each topic, we ranked each on a scale of 0-20, based on a consensus of management evaluation and judgement. The criteria for this assessment included the size of Ribbon's organization and overall ability to lead/influence market change and transformation, as well as management priorities resulting from market and stakeholder demands, as perceived by Ribbon managers. Of the full list, 19 topics scored 10 or more, while 26 topics scored zero.

Assessing stakeholder interest: In order to create a prioritization of the 127 topics from a stakeholder standpoint, we scored each topic according to its relevance to each stakeholder group, based on our analysis of the frequency of appearances in different disclosures and frameworks we analysed. To reflect the differential impact of each stakeholder group on our business, each stakeholder was assigned a weight on a scale between 0.2 and 1.5, where customers were assigned the highest weighting, followed by employees and suppliers. Combining the priority

scores by topics with the overall stakeholder weighting, we identified the most significant sustainability topics from a stakeholder standpoint.

Using these assessments of sustainability topics prioritized from different standpoints, we proceeded to select the most material topics.

4.4   Selecting the most material sustainability topics

We calculated an overall rating for each topic after normalizing both stakeholder assessments and impact assessments to a standard scale, allowing for comparability. We set a threshold for high materiality at 15 topics, believing that this represents a strong overall coverage of important issues reflecting different aspects of our business and meets a broad range of stakeholder needs.
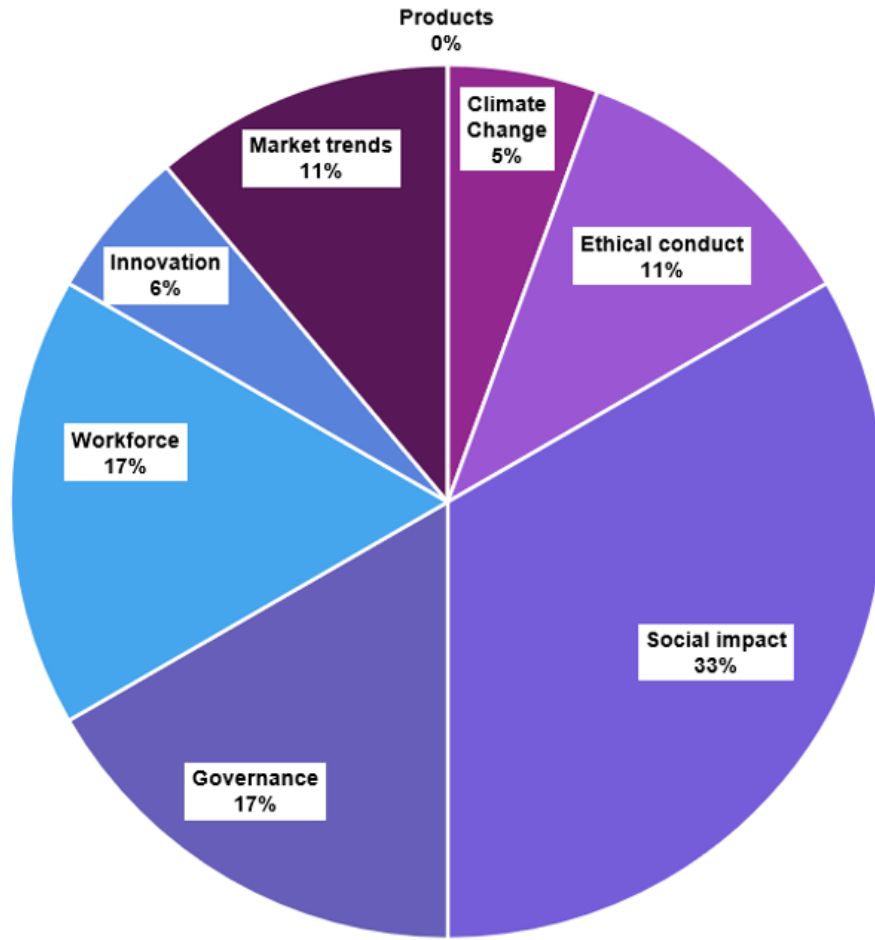
This list was reviewed by our senior management and our Board of Directors.

The top 15 material sustainability topics agreed by management in 2021 are:

Cluster	Material topic
Ethical Conduct	Business ethics
Climate Change	GHG emissions & reductions
Governance	Cybersecurity & information security
Social Impact	Access to connectivity
Circularity	Sustainable products
Workforce	Diversity, equity and inclusion
Workforce	Employee engagement
Workforce	Occupational health & safety
Governance	Data privacy management
Workforce	Employee training and development
Social Impact	Digital inclusion
Social Impact	Advanced technologies & innovations
Innovation	Digital transformation
Supply Chain	Responsible Supply Chain Management
Governance	Business continuity & recovery

See the Appendix in this document for full definitions of each material topic.

Material Impacts by Cluster

Products 0%

Climate Change 5%

Market trends 11%

Ethical conduct 11%

Innovation 6%

Workforce 17%

Social impact 33%

Governance 17%

4.5   Aligning material topics to reporting standards

We mapped our material topic to the GRI Reporting Standards for the purposes of sustainability disclosure.

Material Priority	GRI Standard	Specific GRI Disclosures
Business ethics	GRI 205: Anti-Corruption 2016	205-3
	GRI 419: Socioeconomic Compliance 2016	409-1
GHG emissions & reductions	GRI 302: Energy 2016	302-1
		302-3
	GRI 305: Emissions 2016	305-1
		305-2
		305-3
		305-4
Cybersecurity & information security	Ribbon Indicator*	-
Access to connectivity	GRI 203: Indirect economic impacts 2016	203-2
Sustainable products	GRI 302: Energy 2016	302-5
Diversity, equity and inclusion	GRI 405: Diversity and Equal Opportunity	405-1
Employee engagement	GRI 401: Employment 2016	401-1
Occupational health & safety	GRI 403: Occupational Health and Safety 2018	403-1
		403-2
		403-3
		403-4
		403-5
		403-6
		403-7
		403-9
		403-10
Data privacy management	GRI 418: Data privacy 2016	418-1
Employee training and development	GRI 404: Training and Education	404-1
		404-2
		404-3
Digital inclusion	GRI 203: Indirect economic impacts 2016	203-2
Advanced technologies & innovations	GRI 203: Indirect economic impacts 2016	203-2
Digital inclusion	GRI 203: Indirect economic impacts 2016	203-2
Responsible supply change management	GRI 414: Supplier Social Assessment 2016	414-1
Business continuity & recovery	Ribbon Indicator*	-

* Suitable GRI Standard not available. Proprietary metric to be developed by Ribbon to measure performance in this area.

4.6 Aligning material topics to the SDGs

To align our material topics to the Sustainable Development Goals, we grouped them into four clusters (which also represent the basis of our sustainability strategy) and identified the relevant SDG targets that we can most significantly contribute to achieving.

Material Clusters and Topics	SDG	SDG Relevant Targets
Business Integrity • Business ethics • Responsible supply chain management • Business continuity & recovery	**12** RESPONSIBLE CONSUMPTION AND PRODUCTION	• **Target 12.4:** Responsible Management of Chemicals and Waste • **Target 12.5:** Substantially reduce waste generation • **Target 12.6:** Adopt sustainable practices and sustainability reporting • **Target 12.7:** Promote sustainable procurement practices
Secure and Inclusive Technology • Data privacy management • Cybersecurity & information security • Access to connectivity • Digital inclusion	**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE	• **Target 9.1:** Develop sustainable resilient and inclusive infrastructures • **Target 9.4:** Upgrade industries and infrastructures for sustainability • **Target 9.5:** Enhance research and upgrade industrial technologies • **Target 9-C:** Universal access to information and communications technology
Low Carbon Economy • GHG emissions & reductions • Sustainable products • Advanced technologies & innovations • Digital transformation	**13** CLIMATE ACTION	• **Target 13.1:** Strengthen resilience and adaptive capacity to climate related disasters • **Target 13.2:** Integrate climate measures into policies and planning
Future-Fit Workforce • Diversity, equity and inclusion • Employee engagement • Occupational health & safety • Employee training and development	**8** DECENT WORK AND ECONOMIC GROWTH	• **Target 8.1:** Sustainable economic growth • **Target 8.4:** Improve resource efficiency in consumption and production • **Target 8.5:** Full employment with decent work with equal pay • **Target 8.7:** Protect labor rights and promote safe working environments

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5. APPENDIX

5.1 Definition of material topics

Material topic	Definition
Business ethics	Ethical conduct across our business at all levels, inline with our corporate values and code of business conduct. Includes compliance with all applicable regulations including those related to taxes, competitive behavior, anti-corruption, anti-bribery, and conflict of interest.
GHG emissions & reductions	Contributing to climate change mitigation through decarbonization of our own operations and through our entire value chain – including the indirect greenhouse gas emissions from third party manufacturers. Carbon mitigation strategies include energy efficiencies, renewable energy uptake and effective management of climate risk.
Cybersecurity & information security	Instituting appropriate infrastructure, technology, control and checks to prevent harm to our business or breaches of corporate systems via all forms of cyber-attacks, malware, ransomware or any other illegal or unethical violations of our systems.
Access to connectivity	Expanding our reach to new markets, including emerging markets, and working collaboratively to help ensure access to internet and appropriate internet infrastructure is available everywhere.
Sustainable products	Delivering ongoing improvements in the environmental sustainability of our products throughout the product lifecycle.
Diversity, equity and inclusion	Providing equitable opportunities for everyone to contribute and experience a sense of belonging at Ribbon. This includes proactive outreach to recruit diverse talent and establishing development programs that provide opportunity for all individuals to grow and succeed.
Employee engagement	Ensuring a values-based culture that inspires employees to contribute and enjoy a sense of meaning in their work. Delivering effective communication channels, programs to engage employees in the community and encouraging creativity, innovation and welcoming new ideas.
Occupational health & safety	Compliance with applicable health and safety regulations across all or business and fostering a culture of safety in everything we do through effective safety management, training and communication.
Data privacy management	Exercising appropriate, compliant and ethical control of third-party information, including collection, storage and deletion to ensure respect and confidentiality of individual and organizational data inline with all applicable laws and our standards of ethical conduct.
Employee training and development	Providing all employees, as appropriate for their role and potential, with access to relevant training and professional development tools so they can achieve personal and professional growth and contribute effectively to delivering Ribbon's business objectives.
Digital inclusion	Collaborating to ensure an environment in which those who have access to the internet and digital literacy capabilities that assist individuals to navigate, understand and make the most of digital life to help them thrive in a modern world.
Advanced technologies & innovations	Continuously innovating and delivering new technologies to improve accessibility, reliability, speed and cost-effectiveness of Ribbon solutions.

Digital transformation	Supporting global internet technology and communications developments, such as 5G, to promote effective rollout for the benefit of all. This includes related applications that are needed for smart cities, smart transportation, and a range of Internet of Things applications.
Responsible Supply Chain Management	Ensuring a diverse network of suppliers to support our business, and managing supplier networks effectively so that we are confident that all uphold our standards of ethical conduct, human rights and environmental stewardship.
Business continuity & recovery	Maintaining an effective business continuity and recovery plan so that Ribbon can continue to support its customers even in times of unforeseen crises or disruptions. Our customers are dependent upon our continued support in order to serve their millions of end-users; our business continuity infrastructure is essential for their trust in our business.