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## Ribbon Communications

# Our Approach to Responsible Supply Chain Management

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### Overview

Ribbon is a leading, publicly traded, global provider of communications technology, employing thousands of individuals operating in more than 100 countries. Using our trusted solutions, our customers can offer services that improve the quality of life for billions of people around the world, support digital inclusion across markets and lower global greenhouse emissions through efficient bandwidth utilization and cloud-based applications.

Ribbon views its' suppliers, including contract manufacturers, resellers and agents, as an extension of its own business and therefore aims to ensure that high standards of compliant, ethical and transparent conduct are observed through Ribbon's entire supply chain. Ribbon has trained all procurement specialists on topics in the areas of Responsible Procurement and on the detail of our Responsible Procurement Policy.

### Our Approach

Ribbon conducts its' business in accordance with the highest ethical standards and in compliance with all applicable governmental laws, rules and regulations in every country in which we operate. The principles of integrity, accountability and fair dealing are the cornerstone of Ribbon's business and are critical to its future success. This approach is extended through our supply chain and applies to all those Ribbon engages with, to provide its' products and services to customers.

Specifically, our Approach to Responsible Supply Chain Management includes:

**Positive Supplier Relationships:** Ribbon aims to maintain positive, mutually beneficial relationships with all its suppliers and is respectful and considerate in interactions with them. We seek to develop long-term partnership relationships with key suppliers so that we can grow sustainably together. Where possible, we source products and services from local suppliers in our different markets, and small enterprises and diverse suppliers to engage with us. We communicate openly with suppliers on performance reviews, opportunities and resolution of issues as they arise.

**Supplier Code of Conduct:** Ribbon's suppliers are expected to conduct their business in an ethical and compliant manner. Ribbon's [Supplier Code of Conduct](#) is a binding commitment in Ribbon's procurement

contracts and suppliers are obliged to uphold its provisions. Our Supplier Code of Conduct was developed with the principles of the Responsible Business Alliance (RBA) to provide explicit guidance to suppliers relating to our expectations of them in the work they do for Ribbon. Acceptance and conformance to the Code covers five areas of performance:

- **Human Rights and Labor:** Suppliers are expected to support and respect the protection of human rights of workers and must treat all with dignity and respect.
- **Health and Safety:** Suppliers must ensure safe working conditions and a healthy work environment for their workers.
- **Environment:** Suppliers are to demonstrate good stewardship of the environment while working to reduce the environmental impacts of their operations.
- **Business Conduct and Ethics:** Suppliers must commit to, and enforce, the highest standards of ethical conduct and fair business practices.
- **Monitoring and Compliance:** Suppliers will establish and maintain an appropriate management and monitoring system to ensure compliance with the Code.

We aim to help our suppliers meet our strict supply standards. Where relevant, we provide training and/or other resources to assist suppliers in meeting the standard.

**Responsible Supplier Engagement:** We commit to being a responsible customer to our suppliers. We pay competitive rates for our products and services and are mindful of the need for our suppliers to maintain a sustainable, profitable business. Our payment terms are competitive in our local markets and we strive to pay suppliers on time and in line with our contracts. We make efforts to promptly resolve issues that arise.

**Supplier Due Diligence:** As part of its ongoing supplier management, Ribbon does not knowingly engage suppliers that do not meet Ribbon's legal, financial, environmental, social, human rights and governance standards. Ribbon conducts due diligence on suppliers, including resellers and agents, incorporating periodical screenings, risk assessments, compliance health checks and financial propriety checks.

**Ethical Sourcing and Conflict-Free Supply Chains:** We aim to source products through suppliers that meet our strict social standards as outlined in our [Supplier Code of Conduct](#). Such conduct includes proactive confirmation of the ethical supply of finished goods, components, products and services throughout our supply chain. Where our suppliers engage other suppliers in their supply chain, we expect them to apply these same standards. In particular, given the nature of our business, we have identified conflict minerals as a specific area of focus, and expect suppliers to observe best practice to ensure a conflict-free supply chain for Ribbon, and report transparently about their sourcing of Tantalum, Tungsten, Titanium and Gold (3TG) as per our annual requests to comply with U.S. legislation and disclosure on this topic. See our [Policy on Conflict Minerals](#).

### Robustness of our Supply Chain:

Ribbon's robust supply chain minimizes the impact of disruptions, ensuring a consistent flow of goods and services. Our processes are flexible and adapt quickly to changes in demand, supply or unforeseen local and regional events. This supply chain stability is a cornerstone of Ribbon's ability to meet customer demands and maintain Business Continuity.

Ribbon's Supply Chain is assured through a combination of the following activities and processes, designed to ensure the resiliency of our product and service deliveries:

- **Geographical Diversification of Agile Manufacturing and Material Sourcing:** This encompasses both our vendors and their facilities. It ensures that our Supply Chain is not regionally vulnerable with manufacturing performed across the world including Europe, the Middle East, Asia and the Americas. This addresses potential impacts from either extreme weather or local disruptions.
- **Proactive Planning with Suppliers on Disaster Recovery:** Addressing everything from local planned outages and national holidays to unplanned labor issues or crises events. This is ensured through rigorous supplier qualification and evaluation of their BC Plans.
- **Strategic Warehousing and Logistics Resiliency:** We are harnessing in country fulfillment with global contingency routing.
  - Where our nominal supply chain is through Asia or the Middle East, in times of crisis we can fulfill orders for North America via Florida. This includes full product configuration and marshalling.
  - Enhanced Customs and Border pre-clearances are routinely used to speed product and component deliveries throughout the world.
- **Services and Support:** Our customer deployment times are minimized by our ISO 27001 and 22301 certified management systems.
  - Our Cloud & Edge Customer support case resolution uses a global follow-the-sun model delivering continuous service 24x7x365.
  - With our IP Optical business, some customers (in the US for example) have requested and receive dedicated in-country support and services. These arrangements are secured against disaster with regional facilities providing immediate backup and globally with the entire Ribbon Services Team.
- **Using Predictive Technology:** Ribbon models material forecasts and uses data trend analysis from RFP demands and market dynamics tracking, to facilitate proactive component pipelines. Ribbon's product **Muse™** is used for automatic reporting on customer equipment utilization, risk analysis and early warning of hardware demand.
- **Collaborative Supplier Relationships:** We work as a group to pool our purchasing power with our larger partners and benefit from their component supplier resiliency.

**Monitoring Supplier Adherence:** We monitor the adherence of contract manufacturers, strategic suppliers and general suppliers to our Supplier Code of Conduct, with priority given to Tier 1 suppliers, defined as critical to our business continuity and/or those with our highest spend. Monitoring is performed in line with our risk-based assessment and may include physical third-party audits, remote internal audits, self-reporting and/or legal, media and ethical rating scans, depending on the supplier assessed risk level.

In all cases, where non-conformances are observed, we formulate a corrective action plan with suppliers that includes actions to be addressed in a specified timeframe. Where necessary, we may provide training and/or other resources to assist suppliers in addressing these issues. We expect our suppliers to adhere to our strict supply standards, and in cases where, after due process addressing non-conformances, suppliers are unable to meet these standards, we may terminate our relationship with them.

**Grievance Mechanisms:** Suppliers are encouraged to report instances of suspected or actual compliance or ethical violations, confidentially and in good faith, to Ribbon's Procurement Managers or directly to Ribbon's EVP, Chief Legal Officer. All reports are promptly investigated and appropriate actions undertaken.

## Governance

Executive direction of our supply chain management is led by our Supply Chain Directors in our Cloud & Edge and IP Optical business units, who report to our EVP and General Manager of these units, and supported by Ribbon's Executive Vice President and Chief Legal Officer.

See also:

Ribbon's [Code of Conduct](#)

Ribbon's [Policy on Conflict Minerals](#)

## Disclosure

We report transparently to our stakeholders on progress and performance related to our supply chain in our [annual Sustainability Report, available on our website.](#)

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