

INFINERA  
SUSTAINABILITY  
REPORT  
2016

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## About this Report

This is the second annual sustainability report of Infinera Corporation (referred to herein as “we,” “us,” “our” and “Infinera”) and covers the 2016 calendar year. This report provides an overview of our sustainability programs and activities based on our identified material aspects. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It has not been externally assured. A full GRI Content Index, as well as a cross reference to the United Nations Global Compact (UNGC) Principles can be found on pages 40-42. To provide feedback or ask questions, please contact [sustainability@infinera.com](mailto:sustainability@infinera.com).

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“Our company is committed to leveraging our role as an established leader in transport networking to model responsible choices that create a positive impact on the world around us.”



We are proud of the work our company is doing to help create a more sustainable world at a time when the promise of technology and growing demands on our natural resources require businesses to take a greater leadership role.

It is encouraging to see what we have achieved since releasing our first sustainability report in 2016, yet our journey is just beginning. Our company is committed to leveraging our role as an established leader in transport networking to model responsible choices that create a positive impact on the world around us.

Environmental stewardship drives us to find ways to continually reduce our environmental impact. It informs the development of new products to meet customer demand for increased network capacity and scale, as well as how we innovate and design solutions that use less energy.

Our social responsibility focus leads us to invest in our supply chain and in employee and leadership development, while promoting ethical business practices so we are well positioned for sustainable growth.

This report highlights our progress to date in meeting our sustainability goals in the areas of business ethics and product, environmental and social responsibility (page 12). Achievements include:

- Demonstrating an innovative new technology to improve the energy and space efficiency of our Infinite Capacity Engine
- Reducing our energy consumption by 10 percent as a function of our operational footprint
- Implementing a Code of Business Conduct and Ethics in our value chain
- Organizing more than a dozen employee volunteer events with local charities and making financial contributions to support key causes

While we met our water use and waste reduction goals last year, we did not make significant progress toward our 2018 greenhouse gas (GHG) emissions reduction goal. Reaching that target is challenging us to consider what more we can do to reduce the power consumption of our operations (pages 26-28).

This report highlights our philanthropic efforts worldwide that are contributing to improving the health, education and well-being of people in our communities (page 37).

We made a significant commitment to sustainability last year by joining the United Nations Global Compact. We support the UNGC’s Ten Principles centered on human rights, labor, the environment and anti-corruption. These principles will continue to guide our efforts in 2017 and beyond as we deepen our commitment to sustainably advancing communications infrastructure across the globe.

We invite you to join us on our journey and encourage your feedback on the steps we are taking to be a better corporate citizen. Please visit [www.infinera.com](http://www.infinera.com) to learn more about our company and follow our progress and contributions to society.

A handwritten signature in black ink, appearing to read 'Tom Fallon'. The signature is fluid and cursive, with a long horizontal line extending to the right.

**Tom Fallon**  
Chief Executive Officer

# ABOUT INFINERA

## About Infinera

We provide optical transport networking equipment, software and services to telecommunications service providers, internet content providers (ICPs), cable providers, wholesale and enterprise carriers, research and education institutions, enterprise customers, and government entities across the globe.


Meeting customers' specific deployment needs and providing industry-leading customer support is in our DNA. We believe that when our customers win, we win.

We are committed to sustainable development. We design products to increase optical performance and reliability while reducing physical size, power consumption and heat dissipation. By decreasing power consumption, we reduce GHG emissions and the environmental impact of our products, while lowering energy usage and costs for customers.

By providing innovative optical transport solutions, we play a leading role in advancing communications that results in new and more sustainable ways to communicate anywhere, anyhow and anytime.



AMERICAS		EUROPE		APAC	
Sunnyvale, CA	Corporate headquarters and manufacturing	London, UK	Sales, service and support	Bangalore, India	Software development
Carrollton, TX	Sales, service and support	Stockholm, Sweden	Research and development, sales, service and support	Beijing, China	Research and development
Annapolis, MD	Research and development, service and support			Hong Kong	Sales, service and support
Allentown, PA	Manufacturing and research			Tokyo, Japan	Sales, service and support
Ottawa, Canada	Research and development				



**MISSION** Earn a superior return by enabling our customers to build and operate the world's best optical networks.

**VISION** To enable an infinite pool of intelligent bandwidth that the next communications infrastructure is built upon.

**VALUES** Drive For Results  
We are aggressive in the pursuit of our goals.

**Customer-Centric Focus**

The success of our customers is paramount and we will do everything necessary to honestly earn our customer's business.

**Pioneering Spirit**

We are courageous and we take risks. We solve problems others are afraid to solve, or can't even see.

**Honesty & Humility**

We are committed to hold ourselves to the highest standards of conduct and behavior in every action, interaction, and aspect of our work.

**World-Class Quality**

We are committed to ensuring the highest standards of quality in our products, our services and our approach to doing business.

**Teamwork**

We are comfortable with cross-functional structures, and, regardless of title, we work as a team. We make things happen.

**Products and Services**

Our highly scalable optical networking solutions support the growing demand for high bandwidth across network locations from the core to the point of access. Infinera Intelligent Transport Networks allow operators to scale network bandwidth, accelerate service innovation and automate optical network operations. Our end-to-end packet-optical portfolio of purpose-built products combines optical, digital and packet networking, and is designed for long-haul, subsea, data center interconnect and metro applications.

For long-haul and subsea, the DTN-X Family of products feature up to 2.4 terabits per second super-channels leveraging large-scale photonic integrated circuit (PIC) technology. For the metro market, we offer the XTM Series packet-optical platform along with the XTG Series passive wavelength-division multiplexing (WDM) platform to provide applications for triple-play broadband, cable, business Ethernet and mobile crosshaul solutions. The Infinera Cloud Xpress Family provides innovative solutions for data center interconnect applications.

Our packet-optical portfolio is designed to be managed with a single network management system. In addition to offering our traditional management system for WDM operations, we provide solutions for enabling the programmability of our Intelligent Transport Networks with our Digital Network Administrator network management system, as well as software-defined networking (SDN) through the Xceed Software Suite. Our multi-layer SDN platform enables customers to write software applications that leverage the scalability, flexibility and openness of our Intelligent Transport Networks to deliver innovative services while efficiently using their network resources.

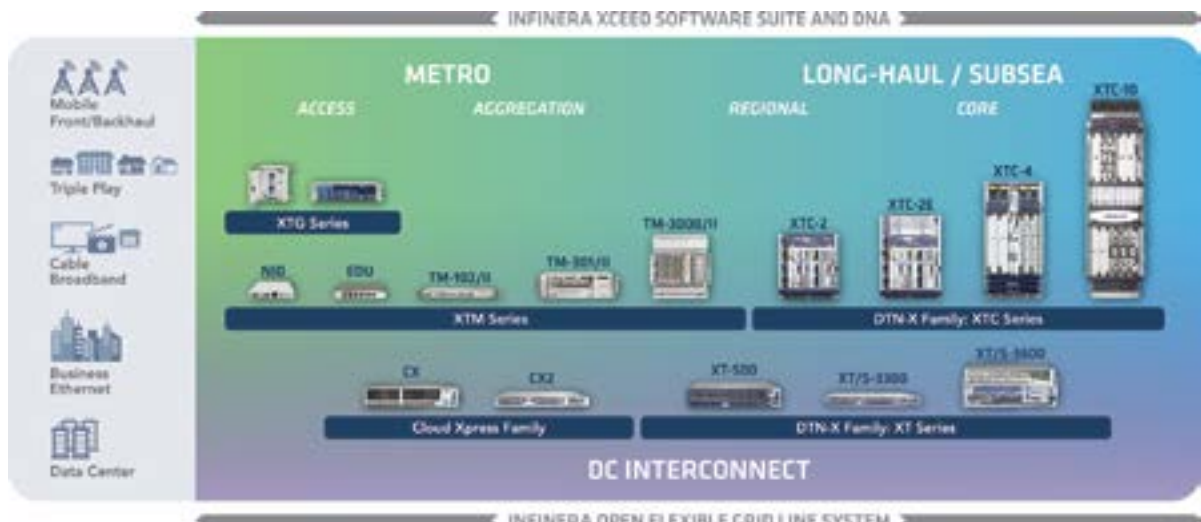
In 2016, we announced the Infinera Infinite Capacity Engine, our next-generation technology that delivers a family of multi-terabit opto-electronic subsystems powered by our fourth-generation PIC and next-generation FlexCoherent digital signal processor. The Infinite Capacity Engine is a family of different subsystems that can be customized for a variety of network applications across our product portfolio.

**Our Customer Support Services**

We provide a comprehensive range of support services for all hardware and software products. These support services cover all phases of network ownership from the initial installation through day-to-day maintenance activities and professional services. Our support services are designed to enable customers to efficiently manage and maintain network operations based on today's ever-increasing demands for lower operational costs and minimized downtime. Our support organization continues to scale and provide world-class services that successfully support customers in over 80 countries, and we continue to expand our services portfolio to meet the evolving needs of our customers.

**Our Sales Approach**

We market and sell products and related support services primarily through our direct sales force, supported by marketing and product management teams. We also use distribution or support partners to enter new markets or when requested by a potential customer.



## ABOUT INFINERA

### Our Customers

Meeting customers' specific deployment needs and providing industry-leading customer support is in our DNA. Our commitment is to develop innovative Intelligent Transport Networks and provide customers with the Infinera Experience, which consists of four pillars:

- **Technology leadership:** Our Intelligent Transport Networks provide network operators with unparalleled scale, flexibility and performance.
- **World-class quality:** Our commitment to quality enables network operators to deploy highly reliable networks.
- **Customer-centric focus:** Our team does whatever it takes to help operators solve network challenges and win in their markets.
- **Time as a weapon:** With our Intelligent Transport Networks, operators deploy networks faster, scale bandwidth more quickly and accelerate time to revenue.



**Sustainability Context Through the Value Chain**

We act in a global marketplace with varying business practices and market conditions. It is vital, therefore, to identify and minimize risks and capitalize on opportunities along the value chain to build robust operations and business strategies.

Our suppliers are globally distributed, which makes it crucial that we are sourcing responsibly and managing the social and environmental risks in the supply chain. We have extensive management systems in place to identify and mitigate risks. See page 14 for more information.

From an environmental perspective, we consider both the environmental impact of our operations as well as the life cycle impacts of our products and services. In particular, we are taking a close look at the potential financial, regulatory and continuity impacts of climate change on our business.

The regulatory risks associated with climate change pose a potential financial risk to our business. Changes in fossil fuel taxation, for example, have led to higher transport and delivery costs. Other risks are flooding, extreme weather conditions and drought that could potentially affect both suppliers and transportation. See pages 19-22 and 25-28 for information about our environmental management programs.

Finally, we are driving initiatives that benefit local communities and causes and want to attract and develop the right people to maintain a competitive advantage. We place special emphasis on providing a good working environment and being an employer of choice across all our global operations. See pages 34-36 for more information on our workplace programs.





# SUSTAINABILITY MANAGEMENT

## Stakeholder Engagement

A number of stakeholders influence our business on a daily basis. We continuously interact with stakeholders in different ways to enhance relations, build trust, and gain insights critical to our business.

Our priority is to address our stakeholder groups' key areas of interest through our business and sustainability strategy. Key stakeholders are those that have a high level of influence and direct interaction with our company on a daily basis: customers, employees, suppliers, stockholders and the community.

These stakeholders are crucial to enabling us to establish and achieve our overall targets and sustainability objectives. If we succeed, our success will be mutually beneficial.

In 2016, we expanded our engagement with stakeholders on issues of sustainability and focused on getting feedback on:

- Validation of relevant material issues
- Cohesive coverage of relevant topics
- Confirmation of emerging issues we should keep on our radar for future consideration

We engaged with the stakeholder groups through interviews, questionnaires or surveys.



Engagement with selected key customers was done in meetings and through surveys and professional associations. This group was interested in the energy performance of our products, responsible sourcing, and innovative ways we are reducing our environmental impacts.

To get feedback from employees, we conducted a worldwide survey. Employees believe that we act responsibly from a sustainability perspective but can further strengthen these activities. Areas such as product power-efficiency and waste management were mentioned. Further engagement in social responsibility activities was also highlighted, as was encouraging employee volunteer activities.

In the stakeholder dialogue with suppliers, we engaged key contract manufacturers (CMs) and suppliers. Discussion topics included sustainability aspects that are critical for suppliers and how Infinera can contribute to their efforts. Some suppliers asked how we work with the United Nations' Sustainable Development Goals (SDG) and benchmark against top industry competitors. Sustainability aspects highlighted in the discussions were: diversity and inclusion, renewable energy and decision-making from a sustainability perspective.

Topics of interest for stockholders identified in interviews were: corporate governance and risk management, how our Board supports and engages in sustainability strategy and targets, and how we manage and reduce the environmental impacts of our products and operations. Investors conduct environmental, social and governance (ESG) assessments using materials published in annual reports, sustainability reports, financial disclosures, investor presentations and press releases. A majority use third-party evaluation ESG research vendors, most often engaging MSCI or Sustainalytics.

Key issues for community members include the environmental impact of our products, social responsibility, community involvement and influence, and business practices. Community members can include governments, civil society, non-governmental organizations, industry partners, media, academia and the general public.

The feedback from the sustainability dialogue has been evaluated and 2016 priorities are shown in the stakeholder engagement table on the next page.

## SUSTAINABILITY MANAGEMENT

STAKEHOLDER GROUP	KEY PRIORITIES	HOW WE ENGAGE
Customers	Product energy performance	Surveys and questionnaires
	Environmental impact of products	Personal meetings
	Business practices	Demos
	Responsible sourcing	Seminars and conferences
	Innovation to reduce environmental impact and inspire others	Requests for quotation
		Innovation collaborations
		Professional associations
Employees	Customer satisfaction	Code of Business Conduct and Ethics
	Increase community involvement and employee engagement worldwide	Staff meetings
	Minimize environmental impact of our products and operations	Incident follow up
	Human rights	Intranet and email
	Continue to act responsibly and with transparency	All hands meetings
Suppliers	Business ethics	Supplier Code of Conduct
	Labor and human rights	Evaluations and procurement
	Responsible sourcing	Annual supplier forum
	Innovate, further improve sustainability performance through benchmarking, incorporate SDG	In-person meetings
	Incorporate sustainability aspects in ordinary business processes	Audits
Stockholders	Economic performance	SEC filings
	Risk management	Interim reports
	Responsible sourcing	Sustainability report
	Environmental performance and legal compliance	Website
	Business ethics and corporate governance	Investor and analyst meetings
		Investor conferences
	Interviews	
	Surveys	
Community	Corporate governance, compliance with requirements and risk management	Environmental reporting
	Minimize environmental impact of products and operations	Collaborations
	Social responsibility components	Media communications and releases
	Innovation and community involvement	Certification audits
	Economic performance and Business practices	Participate events
		Local group leadership
	Local philanthropy	

**SUSTAINABILITY MANAGEMENT**

**Materiality**

The concept of materiality—identifying the sustainability issues that matter most—guides the development of our sustainability strategy and the contents of our sustainability communications.

We undertook a materiality analysis in 2015 that started with an internal workshop of participants from key functional areas evaluating the aspects of our value chain covered by the UNGC and GRI reporting frameworks as well as those emphasized in customer surveys. Participants also considered competitors, legal requirements and best practices benchmarks.

The assessment found that our most important stakeholders (based on influence and interactions) were customers, employees, suppliers, stockholders and the community. The assessment prioritized material aspects based on their impact levels and how they affect stakeholders' views and decisions.

Our key aspects were grouped into four focus areas: business ethics, product responsibility, environmental responsibility and social responsibility.

In 2016, we built on the materiality assessment by expanding our stakeholder engagement and soliciting feedback on key issues. Questions included whether one focus area should be emphasized over another, if other sustainability aspects should be included, and how we can contribute to the most important sustainability aspects with other stakeholders.

Feedback from our stakeholder dialogue gave us valuable information on how to further strengthen our sustainability efforts but did not indicate any need to update our key focus areas or material aspects. Our CEO and members of our management team validated the materiality analysis findings and the outcome of the 2016 stakeholder dialogue. This methodology is compliant with the fourth-generation GRI guidelines, with materiality analysis applied to define the scope of sustainability reporting.

	SUPPLY CHAIN	OUR BUSINESS	PRODUCT USAGE
<b>Business Ethics</b>			
Fair business practices and responsible corporate governance	[Material]		
Risk management	[Material]		
Legal compliance		[Material]	
<b>Product Responsibility</b>			
Responsible sourcing	[Material]		
Product compliance	[Material]		
Product environmental impact		[Material]	
<b>Environmental Responsibility</b>			
Emissions including carbon footprint		[Material]	
Waste management		[Material]	
<b>Social Responsibility / Working Responsibility</b>			
Health & safety		[Material]	
Employee development & engagement		[Material]	
Human rights & labor practices	[Material]		

**Sustainability Governance**

Our commitment to sustainability starts at the highest level of our company. Our management team sets the corporate sustainability strategy and establishes our sustainability goals. Responsibility for implementing the sustainability strategy resides within our dedicated Corporate Quality and Sustainability team together with respective business units and departments. Dedicated personnel throughout the company are trained to manage, monitor and report on sustainability issues.

In 2016, we strengthened our sustainability initiatives by engaging employees and inviting them to identify and recommend ways to make continuous improvements to our initiatives. Ongoing programs and projects were further highlighted to increase employee knowledge and awareness of the work we are doing. This includes activities in areas such as product design, product packaging and transportation. We expect to start seeing the result of these efforts in 2017.

**Fulfillment of Sustainability Goals 2016**

We are building on our 2016 accomplishments and continuing to make progress in each of our four focus areas:

- Promoting business ethics and anti-corruption through continued implementation of the Code of Business Conduct and Ethics in our value chain
- Reducing the environmental footprint of our products
- Reducing the environmental footprint from our operations
- Improving working conditions within Infinera to be an attractive employer and drive initiatives that benefit local communities and causes

The table on the next page highlights what we achieved last year.

**Sustainability Goals 2017**

BUSINESS ETHICS	PRODUCT RESPONSIBILITY	ENVIRONMENTAL RESPONSIBILITY	SOCIAL RESPONSIBILITY/ WORKING ENVIRONMENT
Implement Code of Business Conduct and Ethics in the value chain	Increase product power efficiency	Targets for green house gas emissions	Facilities and working environment well positioned for sustainable growth
Establish business amenities and gift policy	Reduce CO <sub>2</sub> emissions and waste at transportation	Waste reduction	Employee development
Compliance obligations	Compliance obligations	Responsible use of water	Sustainable people and culture growth



# SUSTAINABILITY MANAGEMENT

## 2016 Sustainability Goals Performance

	2016 TARGETS	PROGRESS	PERFORMANCE
<b>BUSINESS ETHICS</b>  Goal: Secure high business ethical guidelines in our value chain	Implement updated Code of Business Conduct and Ethics	✓	>95% of all employees trained and have signed to adhere to Code of Business Conduct and Ethics
	Review reseller agreement and establish Partner Code of Conduct	✓	Reseller agreement reviewed and Partner Code of Conduct established and posted
	Establish Business Amenities and Gift policy	✗	Goal moved to 2017
<b>PRODUCT RESPONSIBILITY</b>  Goals: Minimize environmental impact of our product usage	Release of enabling technology 'Infinite Capacity Engine' that will improve the power and space efficiency	✓	We announced the new technology (Infinite Capacity Engine) in 2016, and have demonstrated early implementations of it within customer networks
<b>ENVIRONMENTAL RESPONSIBILITY</b>  Goal: Minimize environmental impact of our business operations	3% reduction in GHG emissions overall by 2018 (baseline is 2015)	—	CO <sub>2</sub> e emissions for 2016 compared to 2015 normalized to: Full-Time Equivalent (FTE): +9% Operational Space: -8% See Environmental section pg 25 - 29 for more details
	Water efficiency; 3% reduction in 2018 (baseline is 2015)	—	Water usage for 2016 compared to 2015 normalized to: FTE: +2% Operation Space: -14%
	68% landfill diversion in California and 100% in Pennsylvania	✓	Tracking at 68% to 69% for California, 100% for Pennsylvania
<b>SOCIAL RESPONSIBILITY / WORKING ENVIRONMENT</b>  Goal: Facilities and working environment well positioned for sustainable growth and contribute to a sustainable development	Strive for zero accidents and injuries – Implement a company wide reporting process for major sites accidents and injuries	✓	Reporting process for major sites' injuries and illnesses has been implemented. Infinera EHS is collecting Injury/illness data for all major U.S. and international sites. For more details, see page 33
	Leadership development	✓	Leadership promotion criteria established. Succession plan framework completed for 2016. Several leadership development forums conducted during the year
	Global Culture Survey results and action planning	✓	Global Culture survey completed and the results was shared within the organization. Every executive choose 1-3 areas to focus on in their respective areas
	Driving initiatives that benefit local community and causes	✓	Completed. See Social Responsibility section pg 30 - 39 for more information

✓ = Completed      — = In progress      ✗ = Not completed

# Memberships & Associations

We participate in a numerous of industry associations, trade groups and peer-networking organizations—many of which have a special focus on sustainability. Below are a few of the groups we engaged with in 2016:

## American Society for Quality (ASQ)

A global community of experts and the leading authority on quality in all fields, organizations and industries. ASQ Silicon Valley is a knowledge-based local community of quality professionals dedicated to the promotion and advancement of quality tools, principles, and practices in their communities. We have employees on the Leadership and Membership committees of the ASQ Silicon Valley chapter. Learn more at [www.asq.org/](http://www.asq.org/).

## Conflict Free Smelter Initiative (CFSI)

A program founded by members of the Electronic Industry Citizenship Coalition and the Global e-Sustainability Initiative. The CFSI offers companies and their suppliers an independent, third party audit that determines which smelters and refiners can be validated as 'conflict-free' in line with current global standards. Learn more at [www.conflictreesourcing.org](http://www.conflictreesourcing.org).

## QuEST Forum

A association of companies including service providers, suppliers and liaisons that is dedicated to impacting the quality and sustainability of products and services in the information and communications technology industry. We are a participant in QuEST Forum's network function virtualization (NFV) initiative created in 2015 to asses the needs and requirements of organizations developing and offering NFV services, encompassing reliability, performance and security. One of our employees is a TL 9000 expert and serves on the QuEST Forum Leadership team as Americas Best Practices Conference chair and New Member Peer Program chair. Learn more at [www.questforum.org/](http://www.questforum.org/).

## Silicon Valley Leadership Group (SVLG)

A public policy, trade organization representing almost 400 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley. These include energy, transportation, education, housing, health care, tax policies, economic vitality and the environment. A number of our executives sit on several SVLG committees. Learn more at <http://svlg.org/>.

## United Nations Global Compact (UNCG)

The world's largest corporate sustainability initiative. The UNGC is a voluntary program that commits companies to align strategies and operations with universal principles on human rights, labor rights, environment and anti-corruption, and to take actions aimed at advancing societal goals. Learn more at <https://www.unglobalcompact.org/>.

## Women in Photonics, Silicon Valley

A group started by and composed of women representing the vibrant and diverse work force of Silicon Valley from both industry and academia, specifically in the field of optic and photonics. Its mission is to provide a platform for networking, career growth, and development in the field of photonics for women at different stages in their careers. Learn more at <http://wiphotonics.weebly.com/>.

# BUSINESS ETHICS

We are committed to operating with integrity in all our decisions, in all our facilities and throughout our business. From our Code of Business Conduct and Ethics to our risk management and avoidance strategies and our ongoing training for employees, good corporate governance and fair and honest business practices are expected of everyone.

## Fair Business Practices

Our Code of Business Conduct and Ethics sets out our commitments to, and expectations for, employees. It covers all operations, subsidiaries, affiliates and related entities worldwide on the following topics:

CODE OF BUSINESS CONDUCT AND ETHICS	
Making Decisions Honestly & Ethically	Compliance with laws, rules and regulations
	Conflicts of interest
	Insider trading
	Corporate opportunities
	Competition and fair dealing
	Payments to government personnel
	Political activities
	Money laundering and funding illegal activity
	Following anti-boycott laws
	Complying with export and import controls
Protecting Infinera Information & Infinera Assets	Record keeping
	Confidentiality
	Protection and proper use of Infinera assets
Be Safe & Reliable	Purchasing policies and supplier relations
	Labor rights
	Human rights
	Health and safety
	Environmental impact

While the Code of Business Conduct and Ethics does not address every possible circumstance an employee might encounter, it does provide guidance for the most common ethical situations. It also outlines the process employees can use to raise concerns about our ethical, social or environmental practices, including:

- Talking with their local supervisor or a member of local management
- Discussing the issue with a Human Resources representative
- Reporting violations or suspected violations to the Legal Department
- Calling our third-party Ethics and Compliance hotline

Our whistleblower policy provides a mechanism for employees who reasonably believe they are aware of conduct that violates our legal duties—including, but not limited to, questionable accounting, internal accounting controls or auditing matters, or the reporting of fraudulent financial information to our stockholders, government or the financial markets—to raise concerns without facing harassment, discrimination or retaliation.

## Risk Management

We are committed to risk management in all areas of our business. Members of our senior management team are responsible for the implementation of our day-to-day risk management processes, while the board of directors, as a whole and through its committees, has responsibility for the oversight of overall risk management. In addition, each of the committees of the board of directors considers any risks that may be within its area of responsibilities.

**Compliance**

We take compliance with laws and regulations very seriously throughout the company. We strive to maintain a culture of compliance with applicable laws, rules and regulations in every jurisdiction. We adhere to the highest standards of ethics and business conduct.

We comply with the California Transparency in Supply Chains Act 2010 that requires retailers and manufactures of a certain size doing business in the State of California to disclose their efforts to eradicate slavery and human trafficking from their direct product supply chains for the goods they sell.

We also comply with the UK Modern Slavery Act 2015, which requires companies providing goods and services with annual sales of £36M (\$46M) or more to publish an annual Slavery and Human Trafficking Statement setting out the steps the company has taken to ensure slavery and human trafficking is not taking place in its supply chain or business.

We had no confirmed cases of breaches to our Code of Business Conduct and Ethics in 2016. There were no formal grievances or legal claims filed against us along with their status during 2016.

COMPLIANCE AND GRIEVANCES IN 2016	
Business Ethics	0
Environment	0
Labor and Human Rights	0
Product Responsibility	0
Customer Privacy	0
<b>Total</b>	<b>0</b>

*Grievances and legal claims may be filed from within the company or from an external source.*

Learn more about Infinera’s approach to corporate governance, risk management and executive compensation in our proxy statement at [infinera.com](http://infinera.com).

**Compliance Training**

Human Resources and Legal work closely together to ensure that our employees have appropriate training on compliance-related issues including our Code of Business Conduct and Ethics and our Anti-Bribery Compliance Policy. We have an online training module that allows managers to assess a new employee’s job responsibilities to ensure that appropriate compliance training is identified and assigned. Employees receive a welcome email with login credentials and complete the training electronically. Automatic reminders are sent out for refresher training, and status reports are sent regularly to supervisors for employees who fail to complete the training in a timely manner.

ETHICAL TRAINING	ENVIRONMENTAL HEALTH & SAFETY TRAINING	JOB SPECIFIC TRAINING
Insider Trading Policy	Universal and Hazardous Waste Training	Root Cause Corrective Action
Foreign Corrupt Practices Act	Injury and Illness Prevention	Electrostatic Discharge Training
Workplace Ethics	Compressed Gas Safety	Lockout / Tagout (Electrical Safety)
Harassment Awareness	Storm Water Pollution Prevention	Security Awareness

*Listed in the table are examples of training course in respective areas*



# PRODUCT & SUPPLIER RESPONSIBILITY

## Responsible Sourcing

We have developed a network of suppliers that support our business. We see our suppliers and their subcontractors as integral to our success, and select those that adopt strong ethical standards, respect the rights of their employees and demonstrate environmental stewardship.

Our Supplier Code of Conduct sets out the minimum standards expected of our suppliers so they act ethically, responsibly and in compliance with applicable laws and regulations. Our suppliers are required to apply our code to their first-tier suppliers and subcontractors, including providers of contract labor. We expect suppliers to be transparent about their compliance with this code through self-assessment and disclosure or third-party audits.

Topics covered in the Supplier Code of Conduct include:

SUPPLIER CODE OF CONDUCT	
<b>Respect for Human Rights &amp; Labor Rights</b>	Compensation
	Hours of work
	Forced labor
	Young workers
	Harassment
	Nondiscrimination
<b>Health &amp; Safety</b>	Freedom of association
	Providing a safe and healthy workplace
	Health and safety training
<b>Environmental Responsibility</b>	Illegal drugs
	Hazardous substance management and restriction
	Non-hazardous waste management
	Wastewater management
	Stormwater management
	Air emissions management
	Boundary noise
	Environmental permits and reporting
<b>Ethics</b>	Pollution prevention and resource reduction
	Compliance with our Ethics Policy
	Bribery, gifts and favors
	Business records
	Conflicts of interest
	Competition
	Money laundering
<b>Management Systems</b>	Privacy
	Responsible sourcing of minerals
	Commitment to responsible business practices
	Management accountability and responsibility
	Risk assessment and management
	Performance objectives
Communications	
Audits and assessments	

## PRODUCT RESPONSIBILITY

Key suppliers of raw materials and purchased assemblies are screened for compliance with our Supplier Code of Conduct before being added as an approved supplier. In addition, every two years, key suppliers are required to extend their commitment to compliance with the code. At the end of 2016, 100 percent of these suppliers—20 in total—had renewed their commitment.

In addition to complying with our Supplier Code of Conduct, key suppliers are expected to be transparent about the sustainability impacts of the materials and components they provide to us. We require that key suppliers report their GHG emissions to the Carbon Disclosure Project; disclose on their website sustainability priorities, goals and progress; and cooperate with our efforts to monitor the supplier's conformance, including conducting on-site assessments of their facilities, using questionnaires and surveys and taking other measures necessary to properly review their performance. We reserve the right to disqualify any potential supplier or terminate any relationship with a supplier that has failed to conform to these standards.

### Management and Oversight

We expect our suppliers to conduct their business not only in a lawful manner, but also in compliance with the same high standards of integrity and ethics that we apply to our operations. Below are some of the ways that we manage supply chain risk and hold suppliers accountable.

#### Surveys and On-Site Audits

We use surveys and conduct on-site audits of our major CMs and key suppliers to assess and evaluate their performance on topics including labor conditions, child labor and human trafficking. We consider these principles in the selection of our CMs and suppliers, with the intention to actively monitor their compliance through our internal audit program.

Supplier audits are announced and conducted by Infinera at selected supplier facilities using audit protocols in line with the standards of the Electronic Industry Citizenship Coalition's Code of Conduct and our Supplier Code of Conduct. We believe that employees at supplier facilities have the right to freely choose employment, the right to free association, and the right to be free of harassment and unlawful discrimination.

#### 2016 SUMMARY OF SURVEYS, AUDITS, AND TRAINING

Number of supplier reviews	48
Number of supplier on-site audits	18
Suppliers complying with Infinera Supplier CoC	100%
Infinera procurement of personnel trained in business ethics	100%
Number of instances of non-compliance	0
Number of supplier terminations over ethics / compliance / etc.	0

#### Annual Supplier Forum

For the past 10 years, we have hosted an annual Infinera Supplier Forum (ISF) for senior executives at some of our key suppliers (for semiconductors, mechanical and optical parts and assemblies from CMs, installation service providers, and key second-tier vendors). The objective of this forum is to share our vision and product strategies, including our sustainability and corporate social responsibility initiatives, and enable direct discussions with suppliers. Featured speakers at ISF 2016 included our CEO, President, and other members of our management team, along with members from our marketing and operations teams.

## SUPPLIER DIVERSITY

Suppliers are key to our success. They provide impactful innovation in all aspects of our operations and give us a competitive advantage in the marketplace. Our dedication to supplier diversity supports the use of diverse and qualified suppliers certified under classifications that include:

- Small Business Enterprise (SBE)
- Women Business Enterprise (WBE)
- Minority Business Enterprise (MBE)
- Small Disadvantaged Businesses (SDB)
- Historically Underutilized Business Zone (HUBZone)
- Veteran Business Enterprise (VBE)
- Service Disabled Veteran Business Enterprise (SDVBE)
- Disabled Small Business Owners (People with Disabilities)
- LGBT Business Enterprise (LGBTBE)

We are actively involved in organizations and outreach events involving groups such as:

- **Western Region Minority Supplier Development Council (WRMSDC)**—This group supports the growth and welfare of minority communities by championing the use of minority-owned businesses in Northern California, Nevada and Hawaii.
- **National Minority Supplier Development Council (NMSDC)**—The council is the global leader in advancing business opportunities for certified Asian, Black, Hispanic and Native American business enterprises and connecting them to member corporations.
- **Technology Industry Group (TIG)**—The forum brings awareness of supplier diversity to the high tech supply chain. It brings the foremost industry experts from high tech companies together in a setting where knowledge is shared and connections are made.

A key part of our Supplier Diversity Program is an initiative to help develop and grow the small businesses we work with, and contribute to the economic growth of the communities where we operate.

One program success in 2016 involved outreach to small local businesses for printing. AlphaGraphics Sunnyvale was selected to print the forum agenda. This was a minority owned business not yet certified with the WRMSDC. The engagement was an opportunity to support the development of this supplier and to be instrumental in helping the business with the application process to become a certified Minority Business Enterprise (MBE)—which, as this report went to print, it is. In addition, we introduced the company's owner to the Stanford Latino Entrepreneur Leaders Program, a highly immersive six-week program that provides business owners with valuable education, an enhanced network, personal mentorship and a better understanding of how to access capital resources to grow their business. Acceptance to this program will give AlphaGraphics Sunnyvale a desired boost toward their goal to grow and double in size.

## PRODUCT RESPONSIBILITY

### Compliance Across the Value Chain

We are committed to maintaining compliance with worldwide environmental laws and regulations that apply to our operations, products and services.

Our businesses and operations are subject to federal, state, local and international laws and regulations put in place to protect the environment.

Compliance with these regulations requires us to work diligently with the suppliers manufacturing our products.

We have a comprehensive environmental program that consists of systems, processes, and tools to maintain data collection and retrieval, and the reporting of product information. This includes a process for continuously updating the system and refreshing data specifically for:

- Banned substances under **RoHS**
- Reportable substances under **REACH**
- Waste management under **WEEE**

We accomplished the following in 2016 to successfully meet our compliance for these environmental regulations:

To date, we have not received notification of any product environmental violations related to: the Waste Electrical and Electronic Equipment (WEEE) Directive; Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS); and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulations.

### RoHS

The RoHS Directive focuses on the use of certain hazardous substances in electrical and electronic products that have proven to be harmful to the environment and human health. Our RoHS program attained the following achievement in 2016 by improving processes for product life cycle data management, obtaining certification of RoHS compliance and qualification and auditing our CMs and suppliers. In addition, we accomplished the following in 2016 to improve our RoHS compliance:

- Refreshed the program database for over 25,000 components with supplier RoHS certification of conformance to ensure their compliance to RoHS requirements.
- Maintained and updated the RoHS program infrastructure database.
- Completed product transitions for those with expiring RoHS exemptions to ensure product compliance with changing RoHS requirements.

### REACH

The REACH initiative sets guidelines for the production and use of certain chemical substances on the European Chemical Agency (ECHA) candidate list for registration and reporting. Our robust REACH program is designed to ensure we meet all applicable requirements based on our compliance obligations. We continually work with our suppliers to provide information and communicate with customers as needed. We accomplished the following in 2016 to maintain compliance with REACH requirements:

- Reviewed and refreshed our operational processes for supply chain REACH substance reporting purposes.
- Verified that the chemical substance registrations are in place by the original substance producers as required by the REACH initiative.
- Collected data on REACH substances from suppliers for approximately 25,000 components used in products and identified substances of very high concern.

### WEEE

The WEEE directive defines regulations for waste management of electronic and electrical equipment through reuse, recycling and recovery of products. We follow robust processes to manage the requirements of WEEE regulations. We have a recycling and take-back program and are registered with European countries as needed. We comply with product identification requirements such as labeling for all products as required. We were compliant with the WEEE directive in 2016 and achieved the following:

- Maintained WEEE registration in all European Union (EU) countries, and re-registered in countries as required by local governance offices.
- Provided required monthly, quarterly and annual WEEE reporting and payment for the sales of products into EU
- Implemented identification marking and labeling for new products introduced to the marketplace.

## PRODUCT RESPONSIBILITY

### Conflict Minerals

We have established a conflict minerals program in order to monitor the source of conflict minerals sourced from the Democratic Republic of the Congo and adjoining countries, where certain conflict minerals are sometimes mined and sold under the control of armed groups to finance conflict characterized by extreme levels of violence. Our strategy has three main components:

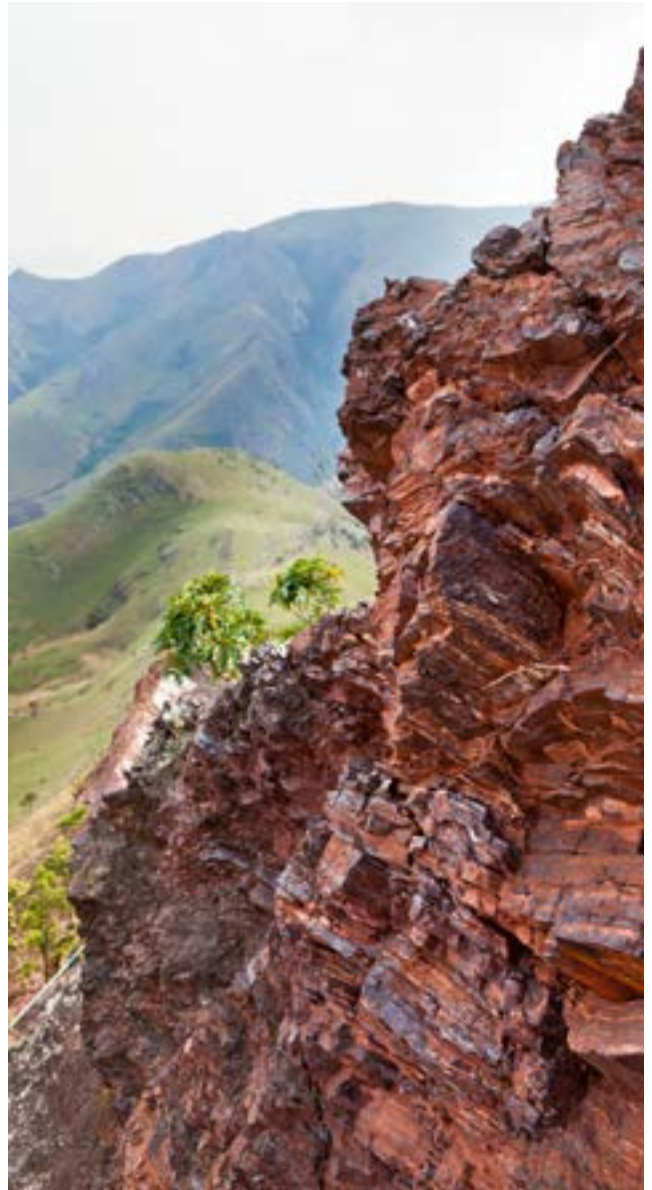
**Conflict mineral policy:** We require all manufacturing suppliers to have a policy in place to reasonably ensure that the minerals in the products they supply or manufacture does not directly or indirectly finance or benefit armed groups in the DRC or adjoining countries.

**Supplier engagement:** We communicate our conflict minerals program requirements to our suppliers, and they annually report on conflict minerals in their supply chain using the Conflict Minerals Reporting Template. Following the due diligence framework provided by the Organization for Economic Co-operation and Development, we follow up with suppliers that provide incomplete or contradictory answers for clarification, and provide feedback when necessary on how to improve the quality of their reports.

**Annual disclosures:** In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, we report our conflict minerals program to the Securities and Exchange Commission (SEC) annually.

Our grievance mechanism and reporting process encourages employees, suppliers and other affected parties to report concerns and violations of this policy. Concerns can be reported anonymously and are covered under our whistleblower protection and non-retaliation provisions.

To read our most recent conflict minerals report filed with the SEC, visit [infinera.com](http://infinera.com).



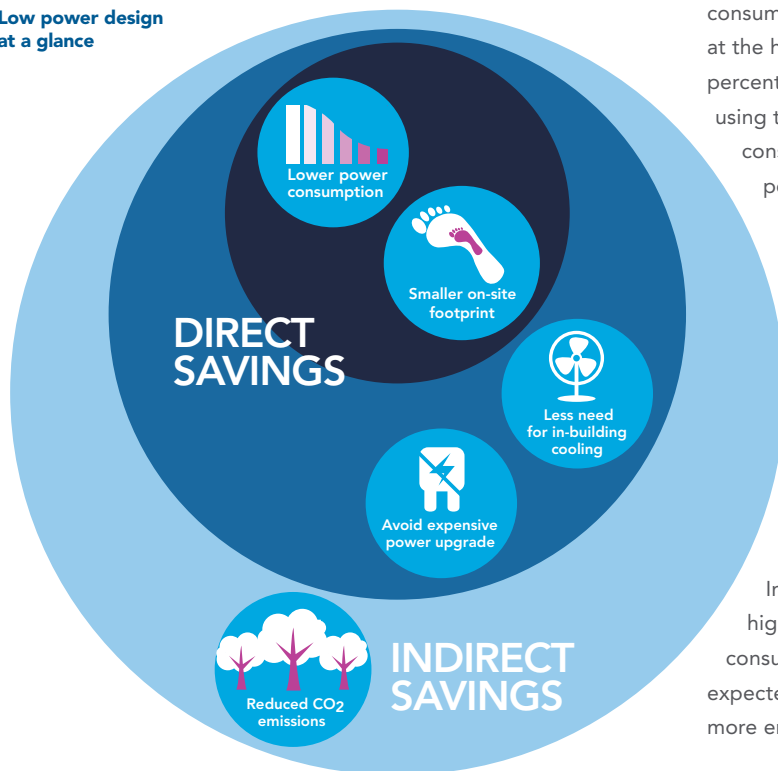
## Our Products Support Sustainable Development

Our customers have historically made their buying decisions based primarily on the lowest total cost of ownership. As laws and regulations, public policy and corporate purchasing increasingly address environmental sustainability issues, we need solutions that address not just competitive pricing but the overall environmental impact of our products.

The use of our products and solutions is helping reduce GHG emissions in two ways. First, we design our products for low power consumption. Operating a network is complex and expensive, with the cost of energy an ongoing concern. The more efficient we make the network, the less it costs for our customers and the environmental impact from the use of our products is reduced. That is why developing energy-efficient products is at the top of our list of product development goals.

Secondly, our products enable the efficient use of services such as web conferencing and teleconferencing. By employing these services, we can help achieve the reduction of global travel and its associated negative environmental impact. While harder to measure across our customer base, we believe that our products and technology innovations are a key element of a low-carbon future.

### Low power design at a glance



### Reduced Greenhouse Gas Emissions

Higher electricity costs. Limited space. Availability issues. These are just a few of the challenges network operators face in developing tomorrow's advanced transport networks. In all types of networks—from power-hungry data centers to devices at the edge of the network—there is a need to reduce GHG emissions.

Our low power design offers a way to meet these needs while reducing environmental impact by providing products and solutions that are the most energy-efficient in the industry, using up to 75 percent less energy than competitive offerings.

### Reduced Need for Cooling

Lower power design reduces the need for cooling because it results in products and systems that generate less heat. For every watt (W) of hardware power that our low power design saves, the room temperature and therefore the need for cooling are also reduced by up to 0.5 W. This means every 1 kilowatt (kW) savings in hardware power results in an overall savings of up to 1.5 kW in a building's total power consumption.

More specifically, our DTN-X Family of products has flexible settings to conserve power. For example, the DTN-X XTC-4 system changes fan rotations per minute (RPM) depending on the ambient temperature, and the fan power consumption changes based on the RPM as a result. The fan power consumption is 122 W at the lowest temperature and 1753 W at the highest temperature. This can save operators up to 93 percent power depending on the ambient temperature when using this product. Similarly, the DTN-X XTC-10 has a fan power consumption range from 208 W to 3505 W, saving up to 94 percent power.

The Infinera XTM Series was developed using our low power design philosophy. This series adapts fan speed to ambient temperature to keep normal power consumption as low as possible, and uses lower-rated fuses than competitive products to avoid expensive power upgrades to existing facilities. The platform offers low power consumption with just 5W per 10G transponder. For high-capacity transport, the XTM Series has a power consumption of just 55 W per 100G transponder.

In 2016, we began developing a next-generation, high-capacity unit for this series that will reduce power consumption further to 20W per 100G. This technology, expected to be available in 2017, is designed to be 40 percent more energy-efficient than the nearest competitive product.

## PRODUCT RESPONSIBILITY

### Avoid Expensive Power Upgrades

Lower power consumption makes it easier to deploy systems in areas where power is limited. Competing systems have significantly higher power requirements that require expensive power upgrades.

### Our Transparency Gives You Power

To make it easier for customers and prospective customers to understand and compare the energy use of our products, we provide detailed power consumption data in accordance with the industry-standard recommendations of the Alliance for Telecommunications Industry Solutions.



### Product Quality and Customer Satisfaction

We have a dedicated team that manages product quality and customer satisfaction and works closely with internal teams, operations and business units to make sure that our products and services meet the highest level of quality.

We are registered according to TL9000 and apply those requirements to our quality and customer satisfaction practices, using reviews and surveys for direct customer feedback. Companies certified to TL9000 benefit from a well-defined common standard addressing the telecommunications quality system requirements for design, development, production, delivery and service.

As an active QuEST Forum member company (see page 14), we also benefit from best practice collaboration, quality benchmarking studies, and recognition for promotion of excellence from the leading companies in the information and communications technology sector.

### Product Design and Development

We work closely with our customers to develop design specifications that meet their needs for performance, quality and compliance. Increasingly, these design specifications call for energy use requirements, restrictions on hazardous substances and compliance with laws and regulations on conflict minerals. Once we have a design in place, we create a production plan. This includes selecting parts and components, qualifying suppliers and CMs, and determining production timelines and quality assurance processes.

To mitigate the risk in our supply chain and ensure we are positioned to meet our product specifications on time and on budget, we:

- Qualify multiple sources of critical components to spread risk geographically.
- Score suppliers using our proprietary risk tool, which covers aspects including capacity, quality, performance, sustainability and responsiveness, along with other risk factors like geography, stability and longevity.
- Conduct additional monthly risk reviews, focusing on key items identified by the risk tool.
- Maintain an electronic database of product specifications for an interface with customers and suppliers to provide a consistent set of expectations and requirements throughout the value chain.

## PRODUCT RESPONSIBILITY

### Quality Manufacturing

We have vertically integrated production facilities, which means that we manufacture our products in factories we own and operate, giving us excellent control over the entire process. In some instances, we also use CMs to assemble portions of our products. Each CM procures components necessary to assemble the products in our forecast according to our specifications and bills of material. To make sure we manage risk during manufacturing, we:

- Maintain quality, health and safety, and environmental management system certifications.
- Validate manufacturing methods and processes.
- Monitor and comply with product specifications and legal and regulatory requirements.

Despite outsourcing certain manufacturing operations for cost-effective scale and flexibility, we perform rigorous in-house quality control testing to establish the reliability of our products. To mitigate risk during this phase, we:

- Implement extensive quality assurance and reliability testing.
- Establish systems integration and validation requirements.
- Conduct testing and validation of software.

### Customer Satisfaction and Feedback

Our commitment to product responsibility doesn't stop once our products are installed. To go the extra mile to make sure that our customers are satisfied, we:

- Conduct quarterly operations reviews with customers. These reviews cover specific reliability issues for each customer, our services and new products, upgrades and ongoing service provisions. The reviews provide essential input to customer satisfaction scorecards.
- Conduct internal reviews by surveying product and service data from deployments to sustaining product through metrics, which are developed collaboratively with customers and by using customer scorecards and TL9000 metrics.
- Use customer satisfaction scorecards to gauge levels of satisfaction and measure experience. Feedback from these is tracked internally and communicated across the company. We convert qualitative to numeric values as a way to measure customer experience related to problems being reported and defects in the field, among other metrics.
- Consider customer requests for improvements to our products and services into our product and service development life cycle.

### Customer Privacy

We are committed to respecting individual privacy rights and expectations, and to protecting personal data against unauthorized access, use, retention or disclosure. These aspects are considered throughout the value chain as part of design and development, installation, deployment and sales.

We are not aware of any complaints about breaches of customers' privacy received from any outside parties or regulatory bodies, or of any leaks, thefts or losses of customers' personal data from breach of customer privacy.

## SUPPORTING CUSTOMER SATISFACTION THROUGH TECHNICAL TRAINING

Technical training is an essential part of our services that enables customers and partners worldwide are certified to install, operate, maintain and troubleshoot our products. Through technical training, the end users (our customers) gain the skills needed to use our products to maximize efficiency, reduce unnecessary product replacements and extend the life of our products in their networks.

Our technical training uses a blended learning approach to help customers and partners reduce travel time and time away from the office. Combining eLearning and other distance-learning curriculums with classroom training results in more focused and customized training, which saves time and costs and avoids related infrastructure requirements.

Training is delivered worldwide: at a customer's location; in training labs in Sunnyvale, Baltimore, London, Stockholm and Hong Kong; or through live remote sessions using Lync, Skype and WebEx. All trainees are given access to eLearning for refresher training and as a support resource.

To keep the training at the highest quality level, courses are constantly revised to reflect today's market and customer needs, and certification programs are maintained. Using certificates helps guarantee that all customers and partners have a verified skill set and knowledge base.

Technical training is provided for all our platforms and is available immediately after product release.



# Awards for Product Innovation in 2016

## Global Telecoms Business Award 2016

Global Telecoms Business (GTB) Award 2016: Next-Gen Technology for University Research Network was awarded to Infinera for our DTN-X platform network at the Mid-Atlantic Broadband Communities Corporation (MBC) that enabled MBC to increase network scale to several terabits per second of connectivity across Virginia. GTB awards showcase and celebrate the most successful telecommunications projects from across the globe. The award recognized how we delivered a successful project, overcame various challenges and obstacles in a project's lifecycle, and demonstrated true industry innovation.

## IHS Market Momentum Leader in Global Optical Equipment

IHS named Infinera the Market Momentum Leader in Global Optical Equipment based on market momentum in its 2016 IHS Optical Network Hardware Vendor Scorecard. The ranking recognized that we continue to "benefit from the rapidly growing Internet content provider and data center interconnect market, and delivered outstanding market share gains, tight finances and solid customer perceptions over the period assessed."

## Lightwave Innovation Review

Lightwave Innovation Reviews: Infinera Datacenter Interconnect Solution 4.5 recognized the Infinera Cloud Xpress and XT-500 Datacenter Interconnect Solution as being one of the leading optical transport platforms. Lightwave recognizes optical communications technology based on a number of factors including excellent products with technical features and performance that provide "clear and substantial benefits" and superb products that set "new standards for performance and provide groundbreaking and new technical milestones."

## Magyar Telekom's TOP3 Sustainable Supplier Award

Magyar Telekom, part of the DTAG Group of companies, recognized Infinera as one of its top three sustainable providers out of 122 companies. The recognition was based on assessing suppliers' environmental, social and economic aspects.

# ENVIRONMENTAL RESPONSIBILITY

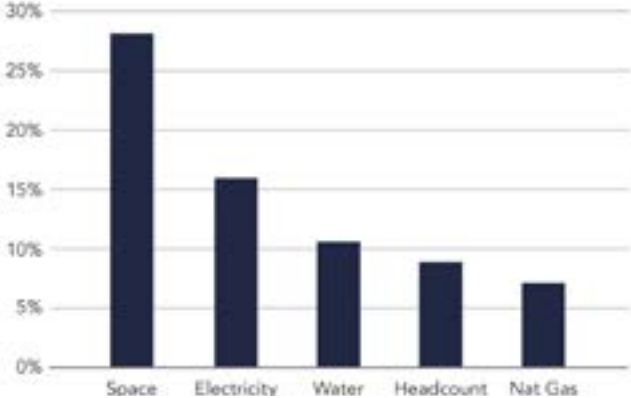
We are committed to reducing the environmental impact of our operations through energy efficiency, waste reduction, and resource conservation. We have a dedicated team of EHS experts and facility managers who work closely with individual sites to manage environmental risks that consider local and regional concerns.

Our precautionary approach is based on a risk assessment process that identifies, assesses and mitigates environmental risk throughout our operations and supply chain. In the U.S. and Sweden, we have environmental management systems registered to ISO 14001. We are considering additional registrations worldwide.

## Environmental Compliance

We take compliance with environmental regulations seriously. We regularly review our programs and operations using a third-party expert for independent assurance. This review reaffirmed that our programs are capable of maintaining a high level of day-to-day compliance with local, state and federal regulations. Changes in legal requirements and operations are incorporated into the annual review of our EHS hazard and risk assessment, and calendar of activities.

Responsible Use of Resources:  
Percent Increase from 2015 to 2016



The above chart summarizes our responsible use of resources. While the physical space occupied by our global operations increased by 28 percent from 2015 to 2016, our use of electricity, water, and natural gas increased by only 16 percent, 11 percent, and 7 percent, respectively. We seek to continue this trend as we grow our business operations. Headcount, space, and electricity data represent our major sites in the U.S., India, China, and Sweden. Water use data represents our site in the U.S., India, and Sweden. Natural gas usage data represents our U.S. sites (as there is no natural gas usage in our non-U.S. sites).

## Energy and Climate

We believe that climate change is a significant environmental challenge facing society today. To identify our risks and opportunities, we measure energy consumption and carbon dioxide (CO<sub>2</sub>) emissions from our business each year. Energy consumption has been closely monitored at our facilities since 2014 to identify areas for improvement. Efforts to increase our energy efficiency have reduced our energy use by approximately 3,850 megawatt hours (MWh) since the program was implemented.

ENERGY CONSUMPTION (MWh)*		
	2016	2015
Electricity	33,060	28,463
District heating**	731	654***
District cooling****	665	404
<b>Total</b>	<b>34,456</b>	<b>32,686</b>

\* Major sites and sales offices included: U.S., Sweden, and India.

\*\* District heating: District heating is a system for distributing heat generated in a centralized location for residential and commercial heating requirements such as space heating and water heating. District heating in Sweden is generated by 86 percent renewable sources.

\*\*\* Correction to 2015 data

\*\*\*\* District cooling: District cooling delivers chilled water to buildings like offices and factories needing cooling (Sweden).

### Recent Energy Efficiency Highlights

In 2014 and 2015, we implemented energy efficiency projects at buildings in Sunnyvale, Allentown and Bangalore, India. Projects included replacing inefficient fluorescent lighting with newer LEDs, upgrading our HVAC systems, and replacing an inefficient compressed air plant and chillers with higher-efficiency units. Between 2014 and the end of 2016, these projects delivered annual savings of approximately 1,550 MWh in Sunnyvale, approximately 1,000 MWh in Allentown and approximately 1,300 MWh in Bangalore, India. Looking forward we are continuing to implement energy efficient projects in our facilities.

### EMISSIONS BY SCOPE 1 & 2 (TONS OF CO<sub>2</sub> EQUIVALENTS [tCO<sub>2</sub>E])\*

	2016	2015
Fleet vehicles (S1)	32	29
Facilities (production gases) (S1)	114	115
Facilities (energy use) (S2)	14,598	12,970
<b>Total emissions</b>	<b>14,744</b>	<b>13,114</b>

\*S1 and S2 stand for Scope 1 and Scope 2 according to GHG protocol. The chart above covers our major sites in the U.S., Sweden, and India.

### EMISSIONS BY SCOPE 3 (TONS OF CO<sub>2</sub> EQUIVALENTS [tCO<sub>2</sub>E])\*

	2016
Transportation and distribution	27,394
Business travel	6,330
Employee commuting	2,991
Purchased office supply	149
Fuel and energy related	5,557
<b>Total</b>	<b>42,421</b>

The chart above covers our major sites in the U.S., Sweden, India, China, Canada, the United Kingdom and Hong Kong.

### CO<sub>2</sub> Emissions Key Performance Indicators (Scope 1 and 2)

Absolute GHG emissions vary over time and often correspond to the expansion or contraction of an organization. It is therefore useful to use reporting metrics that take these factors into account and monitor relative GHG emissions intensity.

REFERENCE DATA	KPI*
<b>2016</b>	
59,737 square meters of operational space	0.24 tCO <sub>2</sub> e per square meters
2240 full-time employees (FTE)	6.58 tCO <sub>2</sub> e per full-time equivalent employee
<b>2015</b>	
46,544 square meters of operational space	0.28 tCO <sub>2</sub> e per square meters
2056 full-time employees (FTE)	6.38 tCO <sub>2</sub> e per full-time equivalent employee

\*The chart above covers our major sites in the U.S., Sweden, and India.

## ENVIRONMENTAL RESPONSIBILITY

### Air Emissions

The semiconductor fabrication facility in Sunnyvale is the only site subject to air emissions permitting requirements. Monitoring and reporting of air emissions is also required, including Toxic Release Inventory (TRI) emissions. We are required to report on n-Methyl 2-Pyrrolidone (NMP) emissions and off-site transfers since we use greater than 10,000 pounds per year. NMP is a common “low-volatility” solvent used to clean wafer surfaces. The majority of the spent material is manifested offsite for reclamation and treatment, with only an estimated small fraction being emitted. TRI reports can be found on the U.S. Environmental Protection Agency’s TRI website.

### Waste and Recycling

Each of our facilities identifies and implements the most appropriate options for waste diversion and reduction based on operations and the type of waste generated. Production waste associated with manufacturing our products –such as cardboard and paper, scrap metal and foam—is sorted and recycled. Hazardous waste is treated and removed by qualified service providers. Our design and sales offices mainly focus on recycling items including bottles, cans and office paper. Qualified vendors are contracted to manage all waste, with a focus on recycling and safe management of waste that cannot be recycled in accordance with federal and state regulations.

Among our 2016 achievements in this area, we reduced the hazardous waste from fabricating our photonic integrated circuits by 12 percent compared to 2015.

Our Sunnyvale office kept equipment scrap material out of landfills by selling it. This eliminated the need to haul the equipment away and generated proceeds that were reinvested. Our Bangalore, India office reduced laptop e-waste by recycling more than 300 laptops.

We diverted increasing amounts of landfill waste and eliminated related methane and GHG. Our Bangalore office began a composting project in June 2016 by replacing disposable food containers with stainless steel containers, and paper towels with cotton towels in the gym and yoga room. It reduced wet waste by more than 10,000 pounds (4,536 kilograms), increasing our global compost total to 41,918 pounds (19,013 kilograms), up from 22,356 pounds (10,140 kilograms) in 2015. Our Allentown facility continues to be a 100-percent landfill-free site with all waste being recycled or incinerated.

### WASTE GENERATION (METRIC TONS)

Non-Hazardous Waste	2016	2015
Recycled	243	205
Compost	19	10
Incinerated	62	57
Landfilled	106	93
<b>Total</b>	<b>430</b>	<b>365</b>

Hazardous Waste	2016	2015
Recovery	22	25
Incineration	6	8
Treatment Offsite	73	92
Landfill	1	<1
Other (Universal Waste)	1	1
<b>Total</b>	<b>103</b>	<b>126</b>

*This table covers waste generation at our Sunnyvale, California, and Allentown, Pennsylvania facilities.*

## ENVIRONMENTAL RESPONSIBILITY

### Waste Categories

NON-HAZARDOUS WASTE	
Recycled	Paper, cardboard, plastic bottles and cans, and printer cartridges
	Polyurethane and non-polyurethane foam from office, shipping and receiving
Composted	Kitchen waste
Incinerated	Mixed non-hazardous trash
Landfilled	Mixed non-hazardous trash
HAZARDOUS WASTE	
Recovery	Solvent waste (fuel blended or recycled offsite as feedstock)
Incineration	Flammable wipes used in cleaning of equipment
	Corrosive wipes used in cleaning of equipment
Treatment Offsite	95:5 (%) water/hydrofluoric acid from semiconductor fab
	Concentrated acidic waste
Landfill	Wafers and solid material not able to be incinerated
Other	Universal Waste (approved recycle/recovery facility)
	- Alkaline and lithium batteries
	- Fluorescent and high-intensity discharge (HID) lamps
	- Electronic waste (e-waste/universal waste)



### Water Management

Fabricating semiconductors requires significant amounts of water, while offices and design facilities use less water in kitchens, bathrooms and landscaping irrigation. Most of our water management efforts focus on maximizing water efficiency at our fab facilities. When the opportunity arises, however, we also take advantage of other opportunities to conserve water.

Over the last several years, we have taken advantage of local utility rebate programs to implement low-flow solutions in restrooms and break areas. We continue to evaluate process water opportunities and track water use to identify where improvements are needed. Landscape irrigation water is city-recycled water wherever possible. Since our buildings are leased, we advocate for low-water-use landscaping with owners and property managers.

Treatment of process water is accomplished by a permitted, on-site acid waste neutralization plant and discharged to the municipal sewage treatment system.

WATER CONSUMPTION (CUBIC METERS)	2016	2015
Total Consumption	73,039	65,936

*This table covers our major sites and sales offices in the U.S., Sweden and India.*

### Xeriscaping

In February 2016, we completed a drought-friendly, turf reduction project at our headquarters in Sunnyvale. We started the project in September 2015 when California was facing an historic drought. We installed a new water meter and replaced building lawns with a drought-tolerant, more sustainable landscape. We also reduced potable water usage by more than 900 cubic meters per year at our semiconductor fabrication building, and eliminated lawn chemicals and treatments. As this report went to print, California's historic drought was declared to be officially over. Even so, with experts predicting that dry seasons will be the new normal for the State, water conservation remains a key priority.

## ENVIRONMENTAL RESPONSIBILITY

### Facilities Supporting Sustainability Growth

Each of our facilities has dedicated personnel assigned to facility management and building managers that continually investigate and implement energy-saving practices. We have implemented numerous projects in each location, including: a new building management system, retrofitting light fixtures with LED lamps, retro-commissioning building infrastructure to optimize performance and using hot aisle/cold aisle environments for our labs.

In Bangalore, India, for example, we replaced the lighting in washrooms with LED lights and installed sensors in washrooms and conference rooms to save power when rooms are not in use.

In 2016, we completed an energy-reduction project at one of our Sunnyvale buildings, which was a joint effort between Infinera, an energy-efficiency consultant and our energy utility. The project included a building management system and modifications that enable the most energy-efficient operations. The system let us participate in the utility's Automatic Demand Response program, helped reduce energy use and saved more than \$100,000 a year.

Our U.S. facilities have bike lockers and electric vehicle charging stations. Our Sunnyvale employees have access to carpooling resources and are eligible for a regional transportation pass. All U.S. employees can be reimbursed for commuter benefits. A worldwide commuter survey in 2016 found that on average, 54 percent of our employees use alternative transportation.

### Green Teams

We also harness the power and enthusiasm of our employees to help green the way we operate. We have people from all our locations participating in Green Teams, a diverse group of employees who volunteer to work on our environmental initiatives. Since we started the program at our headquarters in Sunnyvale in 2011, the teams have identified resource conservation improvements including composting, segregation of waste and minimization of water and energy use. We actively solicit and evaluate employee suggestions and adopt them as appropriate. The Green Team issues a quarterly newsletter for employees on how to take simple steps—such as using online paycheck vouchers and composting—to reduce their environmental impact, and provide support and guidance to help employees “green” their personal lives. We have had several “green bag” lunchtime meetings open to all employees that feature outside speakers on relevant topics. In 2016, we had speakers from Energy Upgrade California. These ambassadors addressed employees about ways to save energy and water, reduce carbon footprint, conserve natural resources and make informed energy management choices.



In 2016, we received a Gold rating by EcoVadis based on the annual assessment. EcoVadis scores companies in four areas: environmental, labor practices and human rights, fair business practices, and sustainable procurement. The EcoVadis assessment evaluates a company's CSR management system and benchmarks their overall score to other companies operating within the same industry.

Our Gold rating is an indicator of our commitment to our transparency and visibility of our sustainability program.

# SOCIAL RESPONSIBILITY

We believe a connected world is a better world, but that connection in and of itself is not enough. Connections need to foster mutual respect, appreciation of ideas and the lifting up of those most in need. In our realm of social impact, there has to be movement toward sustained relationships and betterment within our global community. Our social responsibility efforts are designed with this in mind.

## Our Workforce

We grew from 2,056 to 2,240 employees in the last fiscal year. As our business, products and service offerings continue to grow, our management, operational and financial resources will face challenges and opportunities. To manage growth effectively, we will continue to enhance our information technology, financial infrastructure and operating and administrative systems, as well as our ability to efficiently manage headcount and processes.

With thousands of employees and contractors around the world, our core value of teamwork is a critical aspect of our success. We are working hard to see to it that the Infinera culture, which emphasizes collaboration and innovation, is embedded into every effort and operation.

This strategy supports our success through attracting, retaining and developing top industry talent, with an emphasis on excellence, transparency and contributing to a dynamic and engaging environment.

## Diversity and Inclusion

We are committed to providing employees with a non-discriminatory work environment that promotes open and honest communication and embraces dignity, respect and diversity in all aspects of our operations.

### Discrimination and Harassment

To maintain our culture of diversity, all employment decisions are based on a principle of mutual respect and dignity for one another, as well as compliance with local laws. Our equal employment policy prohibits discrimination on the basis of gender, religion, age, origin, sexual orientation or functional disability, as well as any other legally protected class.

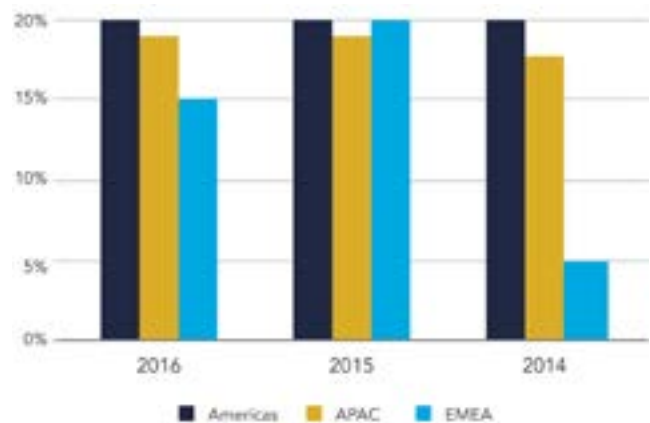
Harassment can take many forms, including physical actions, verbal or written remarks, or visual depictions. We strictly prohibit any acts of harassment, whether by an employee or a non-employee, and require regular training to ensure managers are aware of what constitutes harassment.

### Employee Diversity

Employees are our most important resource and the basis for our success. We strive for an environment characterized by respect for the individual, where cultural and ethnic diversity are blended by teamwork into a harmonious workforce. We are proud to have a broad spectrum of employees with diverse social and professional backgrounds.

We are required to put into place an affirmative action plan at each of our U.S. locations. This plan includes equal employment opportunities that guarantee the rights of each person in all actions, including recruitment, selection, training, compensation, promotion and recreation, all of which are based upon individual ability, interests and performance.

### Gender Diversity Percent of Women



The increase in female workers in Europe from 2014 to 2015 was primarily a result of the Transmode acquisition.

## SOCIAL RESPONSIBILITY

### Race and Ethnicity



Because race and ethnicity categories differ between countries, as do laws regarding tracking of employee racial association, we only report this diversity data in our U.S. facilities, where the majority of our employees are located.



### Human Rights and Labor Rights

We support and respect internationally proclaimed human rights, including the principles reflected in the Universal Declaration of Human Rights issued by the General Assembly of the United Nations. We are always seeking new ways to demonstrate our commitment and dedication to ethical practices. To that end, we publicize our internal standards and supplier requirements, including but not limited to the policies below:

- Code of Business Conduct and Ethics
- Supplier Code of Conduct
- Partner Code of Conduct

We further support the elimination of all forms of forced, bonded or compulsory labor. We do not recruit child labor but do support the elimination of exploitative child labor.

We support the right to freedom of association. Our office in Sweden has 100 percent of its workforce covered by a collective bargaining agreement (CBA). In facilities where workers are not unionized, we have mechanisms in place that enable workers to have a voice in operational decision-making.

In our manufacturing plants, there are numerous EHS meetings and committees involving employees. We seek to provide adequate notice to employees in advance of any significant changes to our operations.

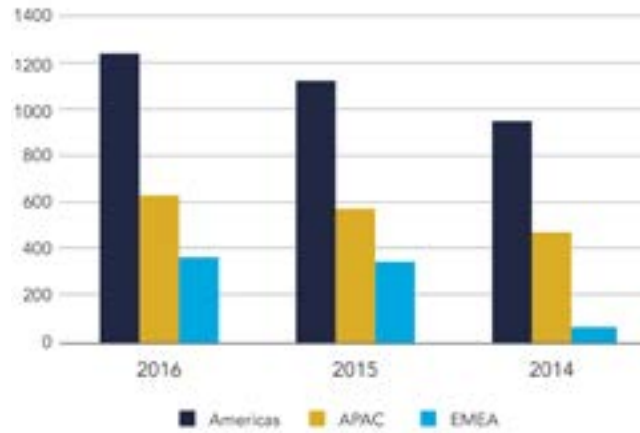
We provide appropriate levels of transparency and notice based on organizational change and labor standards per region and by country. For example, our office in Sweden provides a minimum of four weeks' notice for operational changes according to its CBA Teknikavtalet (maximum 52 weeks). Notice periods and provisions for consultation and negotiation are specified in the collective bargaining agreement.



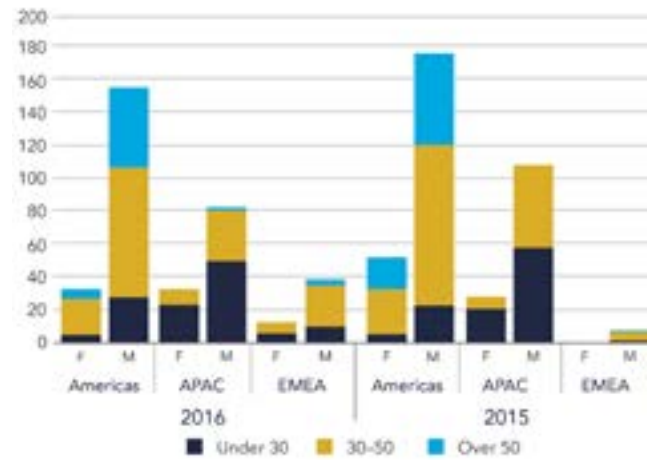
# SOCIAL RESPONSIBILITY

## 2016 Facts & Figures

Our Employees



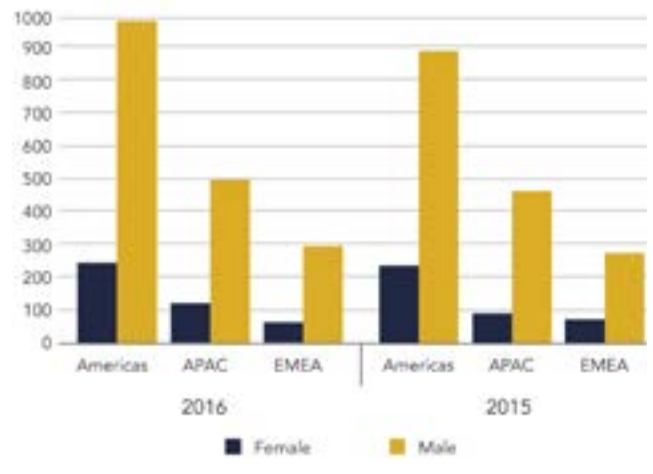
Hires by Age Group, Region & Gender



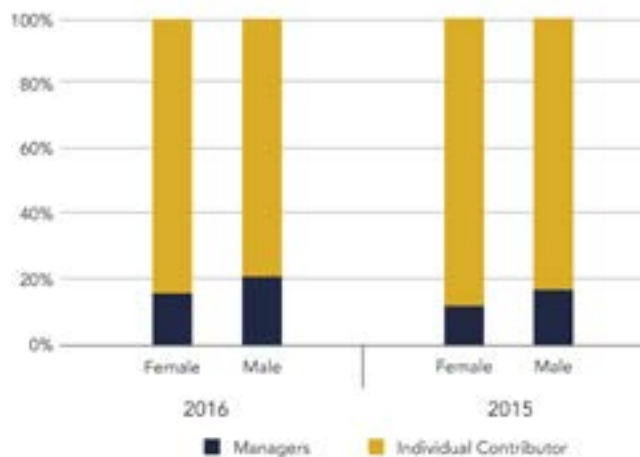
Employees by Management Level & Gender



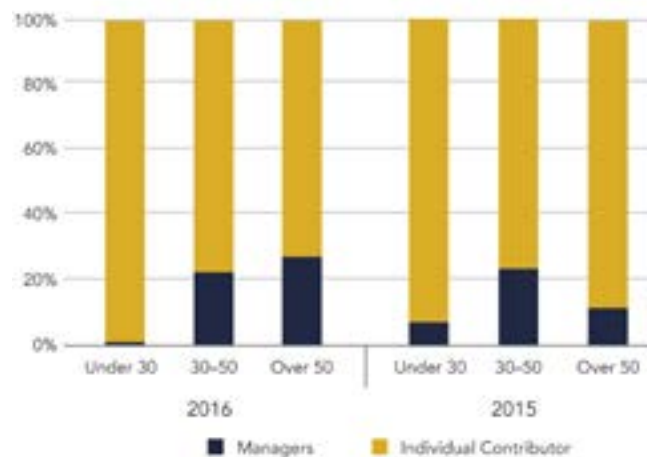
Employees by Region & Gender



Employee Category Percent by Gender



Employee Category Percent by Age Group



# SOCIAL RESPONSIBILITY

## Health and Safety

We are committed to providing all employees with a healthy and safe work environment by preventing accidents and improving physical and psychosocial conditions. Our health and safety programs focus on the following elements:

- **Accountability:** Each employee is responsible for maintaining a healthy and safe workplace by following health and safety rules and practices and reporting accidents, injuries, and unsafe equipment, practices or conditions.
- **Conduct:** We do not tolerate violence or threatening behavior. Employees should report to work in a condition to perform their duties, free from intoxication due to drugs or alcohol. The use of illegal drugs in the workplace is never permitted.
- **Compliance:** We strive to comply with relevant health and safety regulations everywhere we operate.

## Management Systems

We maintain an Occupational Health and Safety Assessment Series (OHSAS) 18001-certified safety management system in our Sunnyvale and Allentown facilities that helps us identify, manage and continuously improve safety risks and performance across all of our activities. This includes using:

- Safety policies that outline requirements and expectations
- Standard operating procedures that provide detailed instructions for safely completing tasks
- Audits and corrective action plans to identify and redress health and safety gaps
- Detailed data tracking and reporting to measure performance over time

Health and safety is a top priority, particularly in our manufacturing operations, which involve an elevated safety risk for certain tasks. We have a dedicated team of EHS professionals that oversees all aspects of EHS for the company, with the help of local representatives at each site. EHS programs are implemented throughout the company based on the site's individual risk assessment. At sites with significant health and safety impact, risk assessment is further detailed through recognized methods such as job hazard analysis.

## Safety Training

Training is based on the specific hazards of the job and is assigned based on management input with EHS oversight. Training curriculum is selected from a predetermined list of classes within a learning management system that is managed by our Human Resources department. For example, required safety classes may include topics like chemical safety, laser safety, electrical lock out/tag out, forklift training, and office or industrial ergonomics.

Our emphasis on the importance of ergonomics stems from our heightened awareness of the physical implications of any repeatable task that our employees do in their daily jobs. Our ergonomic concerns range from typical office ergonomics to industrial ergonomics. We have measures in place to address these issues, from educating employees to mandatory ergonomic training to information sessions. Additionally, we conduct ergonomic evaluations in-house and by an outside ergonomic specialist—in response to a concern, or as requested by an employee.

## Emergency Preparedness

We have trained Hazardous Materials Teams at locations where appropriate. For example, we have a trained team that is certified by the State of California's Emergency Management Agency to respond to all on-site emergencies involving hazardous materials. At other sites with hazardous materials, we have Emergency Response Teams that can respond to any medical emergencies that arise.

## SAFETY PERFORMANCE

	2016	2015
Fatalities	0	0
Number of OSHA Recorded Cases	5	3
Number of Lost Time Injury Cases	1	1
Number of Restricted Work Day Cases	2	1

*This table covers U.S. employees only. At this time, we do not track health and safety data by gender.*

## SOCIAL RESPONSIBILITY

### Case Study: Safe Handling Of Chemicals

We continue to make improvements to protect employees and the public from potential exposure to the hazardous materials used in our fabrication facility.

In addition to using a state-of-the-art Bulk Chemical Delivery room, an automated closed system for chemical delivery, and multiple engineering controls designed to ensure the safe use and handling of hazardous materials, we eliminated or minimized the steps needed to manually handle chemicals.

For hydrogen bromide, we eliminated the manual handling of solution mixing and delivery to process tools by designing, procuring and utilizing specialized equipment. In 2017, for N-Methyl-2-pyrrolidone, we are on track to go from 40 percent up to 55 percent bulk operation, and reduce our manual operation from 60 percent to approximately 45 percent.

We maintain Safety Data Sheets (SDS) for all chemicals. In buildings where chemicals are handled, SDS are kept in binders and are also available electronically. Our chemical purchases also go through a formal review process to evaluate safety and environmental impact.

### Development and Engagement

We believe in the value of continuous learning and foster a culture of professional growth. We encourage employees to share candid feedback about working for our company through our Executive Suggestion site and on public forums such as [Glassdoor.com](https://www.glassdoor.com).

In 2016, we conducted a culture survey, and the findings are guiding our investment in a more formal leadership and development platform that blends various learning approaches. In 2017, we are committed to investing in development offerings designed to enhance leadership capabilities.

### Employee Career Development

We believe individuals should play an active role in their career development to achieve professional goals. Because we realize that experiential learning is the most powerful type, we focus on providing new job-based learning opportunities that include working on new projects, cross-functional transfers, expanded roles and relocations to other geographies.

New employees are introduced to Infinera through an orientation program where they receive an overview of our industry, products and culture.

Our Summer Scholar Development Program for college freshmen provides job-specific skills, mentoring, peer-networking opportunities, and a holistic understanding of our business. We are continuing to invest and grow our university hiring program globally.

### Training

We offer various learning opportunities to employees at all levels. Topics include Project Management, Business Writing, Influencing, Management Essentials, Time Management and Presentation Skills.

From a formal learning perspective, our employees were given a variety of offerings and, on average, employees received 4.1 hours of formal learning, including compliance training.



## SOCIAL RESPONSIBILITY

LEADERSHIP AND DEVELOPMENT COURSES FOR MANAGERS	LUNCH AND LEARN INFO SESSIONS	COURSES AND PROGRAMS FOR EMPLOYEES AT ALL LEVELS
Leadership through coaching	Evaluation, acquisition and integration	Infinera influencer
Managing within the law	Our stock and investor relations strategy	Mastery of mindset
Leadership effectiveness	Five tips to getting your emails noticed	Powerful presentations
Transitioning from individual contributor to people manager	How to negotiate anything	Meditation
Executive coaching	Understanding our earnings report	Project management
Coaching conversations		Managing time and priorities
		Effective communication
		Work style analysis: individuals and teams
		Toastmasters club

### Learning Management System (LMS)

In 2016, we expanded our significant investment in a sophisticated learning management system (LMS). Our first use phase for the LMS has been “core training” to automate product training for our workers and customers, and to automate business ethics, safety and compliance training for employees. As we onboard employees in manufacturing and engineering jobs, we are planning to develop a knowledge-management use case to automate their training on our manufacturing and engineering processes and systems.

### Employee Coaching

We believe that once-a-year performance evaluations are not enough. We encourage management and employees to engage in more frequent and regular dialogue and engage in an interactive process to provide timely recognition and ongoing feedback. This helps build relationships with transparency and better align teams and departments.



Our Coaching Conversations are two-way discussions intended to drive outcomes in a rapidly shifting environment. Through our annual trainings and HR guidance, we develop our managers into stronger leaders who are comfortable having healthy exchanges with their employees, and leading teams that focus on solutions. In turn, employees are encouraged to discuss career aspirations and ideas with their managers or a mentor on a bi-annual basis. This Career Conversation is intended to broaden an individual’s skills and knowledge. This is an opportunity for employees to discuss their career interests and review activities and progress.

### Wages and Benefits

Our goal is to provide our talent with a total compensation package competitive with the market. Total compensation includes base salary, bonuses and equity awards (for eligible employees). Factors such as internal and external comparisons, individual employee performance, potential, and unique skills or knowledge required for the success of the company affect the composition and level of total compensation for each employee.

### Employee Participation in U.S. Employer-Sponsored Benefits



## SOCIAL RESPONSIBILITY

### U.S. Benefits

All regular full-time employees and regular part-time employees who work 30 or more hours per week are eligible for all Infinera benefits. All regular part-time employees who work between 24 hours and 29 hours per week are eligible for partial benefits. Part-time employees working fewer than 24 hours per week will be eligible for such benefits as are legally required.

### Health Insurance

Health insurance is one of the most critical benefits offered at Infinera. Our goal is to offer comprehensive benefits while minimizing costs for our employees and for Infinera. We currently provide a comprehensive health benefit program that includes medical, dental and vision plans for eligible employees and their dependents. We pay the majority of the cost of health insurance for employees.

Employees in the U.S. are offered a choice of health plans that include medical, dental and vision. Employees may also enroll in a flexible spending account for healthcare, dependent care and commuter costs. The cost of basic life, accident and disability insurance, and the Employee Assistance Plan, is employer-paid.

Offering a choice of medical plans allows employees to choose a plan that best suits their needs. Among the plan choices, most employees have enrolled in a preferred provider organization, or PPO, plan that has greater flexibility when choosing a physician and hospital.

### 401(k) Retirement Plan

We offer a 401(k) retirement savings plan to our U.S.-based employees. Employees are eligible to enroll as of their hire date and contribute a percentage of salary up to the maximum limit imposed by the Internal Revenue Service. In 2016, we implemented an employer match. Our 2016 401(k) participation rate was 83 percent.

### Global Operations

Our goal is to provide market-competitive benefits as part of our total reward structure to ensure peace of mind for all employees around the globe and their dependents. Our primary coverages pertain to private medical coverage, life insurance and various forms of accident or disability coverage.

We strive to provide these coverages where they are legally required, where group and individual plans can be obtained, and to make them market-competitive. These coverages can be found in all major regions, including the U.S., Sweden, Canada, the United Kingdom, India and China. Additionally, many of these coverages are in places across the rest of the

Americas, EMEA and APAC. Benefits may differ based on location, statutory requirements and local customary best practices.

### Wellness Programs

We promote and support the health, safety, and well-being of our employees. Through our wellness program, employees can participate in team sports and various fitness challenges as well as financial wellness and healthy living programs. Last year for instance, our Bangalore employees competed in an endurance test and cricket and foosball tournaments. For employees without access to our on-site fitness centers, we offer a reimbursement subsidy for gym membership.

### Employee Recognition

We are proud of our talented and hardworking team. Our standards and expectations are high, but from time to time individual contributors and sometimes a team of people will perform above and beyond our high standards. These efforts are worthy of special recognition that can come in a multitude of ways:

A personalized thank you during a one-on-one meeting or through an email or team meeting

- You Rock awards that any employee can use to recognize a colleague who has gone above and beyond
- Spot bonuses
- Guiding Light awards that spotlight employees who exemplify Infinera values
- Five- and 10-year awards to recognize longtime employees
- Annual events such as picnics, Take Your Kids to Work Day, afternoon socials, lunches, and corporate achievement celebrations





## Community Engagement

We actively support the communities where we operate and encourage employees to do the same. Through our Infinera Community Fund (ICF), company-sponsored volunteering opportunities, and donation matching, Infinera is fulfilling our commitment to be a good corporate citizen. We are proud of the positive impact we have in our surrounding communities.

### Community Fund

Our ICF and all-employee volunteer team was founded in 2010. ICF's mission is to foster mutual respect, appreciation of ideas, and the lifting up of those in need through employee-run events and initiatives in our local communities. We want to support the causes that matter most to our employees, empowering them to make a difference in their neighborhoods and the world at large.

We have ICF members throughout our offices. We encourage employees to work and engage with non-profit organizations in their areas to help benefit the communities where we live and work.

ICF offers employees an active internal portal dedicated to helping them find ways to give back locally. Employees can learn about current company volunteer opportunities and team-building events, and submit matching fund requests. The portal has photo galleries of past events, including fundraising activities.

### Volunteerism

ICF organizes quarterly volunteer events for employees and contractors so they have an opportunity to give back to the community with their coworkers. Volunteers receive paid time off to participate in these events, which are scheduled during the normal workday.

Infinera India uses a structured approach to manage its Corporate Social Responsibility obligations, and its activities are aligned with Schedule VII of the Companies Act (2013):

- Promoting education, including special education, and employment-enhancing vocational skills especially among children, women, the elderly, and the differently abled and livelihood enhancement projects.
- Promoting gender equality; empowering women; setting up homes and hostels for women and orphans; setting up old-age homes, day care centers and such other facilities for senior citizens; and measures for reducing inequalities faced by socially and economically backward groups.
- Promoting healthcare, including preventive health care; sanitation; eradicating hunger, poverty and malnutrition; and making available safe drinking water.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

### Organizations we have supported include:

- Animal Food Bank of Lehigh Valley, PA
- Cake4Kids
- Caring Place
- Community Services for Children
- DESIRE Society
- Family Giving Tree
- FeetFirst Build a Bike
- HandsOn Bay Area
- Karunashraya
- Maryland Food Bank
- Nisvartha Foundation
- One Warm Coat
- Ronald McDonald House
- Sacred Heart Community Service
- Samarthanam Trust for the Disabled
- Say Trees
- Second Harvest Food Bank
- Toys for Tots
- Valley Youth House



Below are some of the 2016 volunteer events our employees participated in.

#### United States

- **Allentown Holiday Donation Drive**  
 Employees participated in the One Warm Coat program and donated coats, hats and gloves to The Caring Place, Valley Youth House and Community Services for Children. Donations were also made in the form of goods to the Second Harvest Food Bank of the Lehigh Valley, Animal Food Bank of the Lehigh Valley and Toys for Tots.
- **Build a Bike Challenge in partnership with FeetFirst**  
 Employees volunteered to provide children with their very first bikes. As a fun team-building event, employees competed in physical and mental challenges in a race to see which team could build a bike the fastest. The winning team donated and presented the bikes to the Boys and Girls Club. Financial donations were also made.
- **Cake4Kids**  
 Employees in Sunnyvale held a bake sale as a fundraiser for foster children and at-risk youth who are supported by Cake4Kids. This organization works to raise children's self-esteem and confidence by providing them with cakes on their special day. Our employees both baked and purchased a variety of goods, then donated the proceeds to pay for birthday cakes for the children. In many cases, the birthday cake was considered their only present.
- **Ronald McDonald House at Stanford**  
 Sunnyvale employees also volunteered their time in a day of service at the Ronald McDonald House at Stanford, which provides a home away from home for families with seriously ill or injured children. We also donated toys, games, diapers, wipes and pacifiers, which are a much needed by families going through financial hardships due to their child's illness. Monetary donations were also made.

- **Family Giving Tree 2016 Holiday Wish Drive**

We partnered with the Family Giving Tree, which since 1990 has fulfilled gift wishes for more than one million children in the San Francisco Bay Area. Employees participated in a holiday gift drive for families in need to help them celebrate the holidays. Employees were encouraged to choose a wish card from Family Giving Tree posters in lunch and break rooms in each of our Sunnyvale buildings. More than 170 gifts were donated. We also invited employees in other locations to make donations or fulfill wishes online.

- **Maryland Food Bank**

Employees in Maryland facilitated a food drive for the Maryland Food Bank, a hunger-relief organization that meets the immediate needs of the community and works to find ways to reduce hunger statewide. Employees collected nonperishable and dry goods and donated them for the Thanksgiving holiday.

- **McClellan Ranch Preserve Green Event**

Employees volunteered at the McClellan Ranch Preserve to beautify the surroundings of the 18-acre natural park. Activities included weeding, mulching, and removal of invasive plants. The preserve is home to more than 100 bird species and has a nature museum, community garden and nature trails. The preserve offers educational nature classes and activities including a junior scientists club.

#### Sweden

- **Christmas Gift-Wrapping Activity**

Employees in our Stockholm office gift-wrapped and donated Christmas presents to Stadsmissionen, an organization that supports homeless people.

## SOCIAL RESPONSIBILITY

### India

- **DESIRE Society**

Our work with this organization centers on improving the facility's infrastructure—both indoor and outdoor—so that it is more hygienic. That work focused on renovating toilets, the kitchen and dining area, and improving accommodations for children. This group helps disadvantaged children in Southern India who have HIV, have been abandoned by one or both parents, were born to sex workers, have been abused, and/or face poor socio-economic conditions.

- **Karunashraya Public Charitable Trust**

We supported this organization, which provides free palliative care to advanced-stage cancer patients, by helping construct a care ward and donating money for medical expenses. Doctors, counselors, physiotherapists, nursing staff and volunteers form an effective support group to help patients and their families. Our support also helped develop free patient home care for these patients.

- **Nisvartha Foundation**

Our employees in Bangalore supported 14 of the students selected by the foundation to receive help as they pursue higher education. Students living in poverty are chosen based on merit and aided to properly learn, earn and eventually improve their income levels.

- **Samarthanam Trust for the Disabled**

We helped support this trust with the construction of a sports and fitness room. The trust aims to provide access to quality education for differently-abled and underprivileged children. Key objectives are to provide access to education by enrolling children in the residential school, ensure academic quality and discipline, enhance leadership and team building spirit in children and ensure their health and hygiene.

- **Say Trees**

We committed to planting 2,000 saplings in plantations in and around Bangalore in lakes, schools and parks. Say Trees focuses on protecting the environment and promoting the importance of conservation. It leads more than 50 tree-plantation drives during four months of the monsoon season. Initiatives include research, education and advocacy around the importance of environmental preservation and tree plantation.

- **United Way of Bangalore**

This project aims to preserve and enhance the biodiversity at Uttarahalli Lake, and our employees completed projects including: cleaning the lake bed and removing water hyacinth, installing a water pipeline across the lake to aid in watering plants, planting 100 sapling trees and engaging in a community activity that supported the project.

### Donation Matching

We also support local causes with employee-matching donations. ICF offers a quarterly fund-matching program. Employees can apply for funding and the committee reviews their application to make sure it fits within the program guidelines. Once funds are approved, the committee sends the matching funds to the non-profit organization.

In 2016, matching donations were made to the following organizations:

- Countywide Coalition to Fix Our Roads
- Ronald McDonald House
- Green-o-logy
- Doctors without Borders



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- Board of directors and management team
- Technologies, products and solutions
- Financial performance and investor relations
- Recent news, press releases, awards and list of customers



# UNGC & GRI CONTENT INDEX

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We are a proud member of the UNGC, a voluntary initiative based on CEO commitments to implement 10 universal sustainability principles on human rights, labor, the environment and anti-corruption, and to take actions that advance societal goals.

This report explains our progress in implementing the UNGC principles, cross-referenced in the adjacent table.

## UNGC & GRI CONTENT INDEX

We report on our sustainability efforts according to GRI Guidelines according to “In accordance – Core” level. This report has not been externally assured. The GRI content index includes General Standard Disclosure Items and Specific Standard identified as material in our materiality analysis.

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Global Headquarters  
140 Caspian Court  
Sunnyvale, CA 94089  
USA  
Tel: 1 408 572 5200  
Fax: 1 408 572 5454  
[www.infinera.com](http://www.infinera.com)

Asia and Pacific Rim  
Infinera Asia Limited  
8th floor  
Samsung Hub  
3 Church Street  
Singapore 049483  
Tel: +65 6408 3320

Europe, Middle East,  
Africa  
Infinera Limited  
125 Finsbury Pavement  
London EC2A 1NQ,  
United Kingdom  
Tel: +44 207 065 1340

Customer Service and  
Technical Support  
North America  
Tel: 877 INF 5288  
Outside North America  
Tel: 1 408 572 5288

For more information  
Contact Us  
[infinera.com/contact-us](http://infinera.com/contact-us)

