

Lucent Technologies
Bell Labs Innovations



Lucent Technologies



Business Guideposts:

A PERSONAL COMMITMENT



Important Notice to Employees

This code of conduct, *Business Guideposts: A Personal Commitment*, provides information about the standards of integrity that Lucent requires all employees to follow. It does not address every situation or set forth every rule, nor is it a substitute for the responsibility of every employee to exercise good judgment. Lucent, at its sole discretion, may modify the terms of *Business Guideposts* at any time. Such modifications immediately become effective for all employees, regardless of their hiring date.

Unless U.S. law is applicable, where local country laws contain mandatory requirements that differ from the provisions of this document, such requirements prevail for employees working in those countries. *Business Guideposts* is intended for the employees of Lucent, its subsidiaries and joint ventures controlled by Lucent. However, Lucent expects that contractors, consultants, agents, representatives and others conducting business on behalf of Lucent will conform to the behaviors required by *Business Guideposts*. The document should be shared with these individuals, and the failure to conform to these guidelines should be considered a potential basis for terminating Lucent's relationship with them.

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To All Employees,

As we work in an environment that changes continuously, one thing remains constant: our commitment to Lucent's value system. It's the basis on which we conduct business day to day, and it requires us to uphold the highest levels of business ethics and personal integrity.

That is why we've established a new version of *Business Guideposts: A Personal Commitment*, a comprehensive handbook that describes Lucent's guidelines for ethical business behavior and addresses a wide range of business and personnel issues. Ethical behavior starts with being open and honest in all our relationships both inside and outside the company, and demonstrates the basic values that bind us together.

By reading the handbook and complying with the guidelines that comprise our code of conduct, you can ensure that Lucent remains truly dedicated to business ethics. Since no code of conduct can anticipate and cover every business situation, common sense and good judgment are your best guides. In other instances, you also may want to consult your co-workers, your supervisor or other managers for guidance.

For answers to specific questions on guidelines in *Business Guideposts*, you can contact Lucent Security at 1-888-CORPSEC in the United States and Canada, or 1-908-582-0183 for all other locations.

Each of us plays an important role in assuring the highest level of business ethics and integrity in our company: from every meeting we conduct, to every contract we negotiate, to every strategy we implement. Working together, we must set and meet the highest standards of business excellence that our customers, shareholders and employees expect from us, and ensure Lucent's long-term success.



Lucent's Mission

The people of Lucent are committed to this mission:

To be the partner of choice for the world's leading service providers by helping them create, build and maintain the most innovative, reliable and cost-effective communications networks and meet their customers' growing needs through the rapid deployment of new communication services.

Lucent's Values

Our values are based on our proud and shared traditions, and guide our actions as we go forward to create our future. These values are our touchstone. They describe the kind of company that we aspire to be. They guide the behavior and decisions of all Lucent Technologies people around the world as we interact with our customers, our partners, our suppliers, the communities in which we work and live, and – most of all – each other. We value:

1. A total focus on serving our customers

We work with customers as a team. We strive to ensure we are their partner of choice. We meet every commitment we make to them and communicate swiftly when there is an issue. We understand their total business, anticipate their needs and exceed their expectations. We also understand what competitors are offering and do better by regularly measuring our performance, sharing the results, and working for continuous improvement. Where appropriate, we will work collaboratively with global business partners to address customers' needs.

2. A commitment to business excellence

Results focused

We are results focused. We set clear goals that reflect our aspiration to be the best in the world, approaching the market with a "take share" attitude and focusing on profitable growth and positive cash flow. We focus only on those activities that produce meaningful results. We establish clear accountability, and reward people and teams who deliver those results. We each take individual ownership for the success of Lucent Technologies.

Innovation

We continuously innovate so that our products, processes and services better serve customers. We give people the flexibility to perform their jobs and we reward their creativity.

Quality

We deliver products with better than benchmark quality and reliability from the beginning of the product cycle. We work to achieve continuous

improvement in our processes and products through a commitment to quality principles, and ensure quality in every customer interaction.

Speed

We maintain a sense of urgency about fulfilling commitments, and are faster than the competition in recognizing and responding to customer needs. We make decisions and act on them with speed. Though we work rapidly, we do not sacrifice quality and safety. We bring products to market faster in response to customer requirements. We take informed risks to increase speed.

Highest business ethics

We uphold the highest level of business ethics and personal integrity in all of our dealings with our customers, shareholders, suppliers, partners and each other.

3. A deep respect for the contributions of each person to the success of the team

We believe a diversity of people and ideas is a business imperative, and that diversity must be aggressively sought and nurtured. We recognize excellence in each other, and we listen to and value each other's ideas and opinions. No person is alone in his or her pursuit of an objective; we are a team. We are honest and candid in all our dealings with customers, shareholders, suppliers, partners, the communities in which we work and live, and with each other. We encourage constructive contention and confront issues with mutual respect. We treat everyone with dignity and respect. We pro-actively communicate and share information with colleagues throughout the business. We support behavior consistent with our values and speak up when we see behavior that is inconsistent with them.

4. A strong sense of social responsibility

We allocate a reasonable portion of corporate resources to support the communities where we work and live, and accept our responsibilities to serve and enhance those communities and the society on which we depend.



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OUR CUSTOMERS

We are Committed to Maintaining our Customers' Trust

Truthfulness Is the Cornerstone of Our Marketing

Lucent people compete vigorously, but fairly. We do not misrepresent our products or capabilities, even if it means losing a sale. Where failure to disclose a significant fact could mislead a customer, we disclose the information. We communicate clearly and precisely so that our customers understand the terms of our contracts, including schedules, prices and responsibilities.

Our Advertising Is Accurate

To maintain our customers' hard-won trust, our advertisements and other communications must always accurately and fairly describe our products. Anything that could be construed as deceptive would be a serious disservice to our customers and could hurt Lucent's good name.

Question

I downloaded some criticisms of a competitor from an Internet site. Can I share them with a customer?

Answer

We prefer to market by highlighting the advantages of our products and services. Reliable information about the shortcomings of a competitor's offering may be communicated. However, under no circumstances should we attempt to market by providing our customers with unverified information.

We Do Not Buy Business Through Gifts and Favors

Never pay, offer or promise to provide money, favors, inappropriate gifts or anything else of value to influence, direct, obtain or retain business or secure any improper advantage. Never allow an agent, representative or business partner to make these types of payments, offers or promises on

Lucent's behalf. These payments or favors may be considered bribery, which violates Lucent's policy, as well as the laws of most countries where we conduct business. It is equally unacceptable to take bribes in any form, although certain gifts may be accepted in accordance with the guidelines set forth in the Supplier section below.

Question

Can I give one of my customers or suppliers tickets to a sporting or cultural event?

Answer

Giving tickets is acceptable if it's part of relationship management, and if your supervisor gives approval in advance. However, giving gifts of tickets to a customer is against Lucent policy if your customer is a U.S. government official, employee or representative. If the customer is an official, employee or representative of a government in a country other than the United States, contact the [Law Division](#) before offering or giving tickets.



We Comply with All Rules and Regulations That Apply to Sales to Government Customers

Special care must be taken when dealing with government customers. Activities that might be appropriate when working with private sector customers may be improper and even illegal when dealing with government employees. The same caution should be used when providing goods and services to another customer who, in turn, will deliver the product or service to a government end-user. If you work with government customers (e.g., local or national), be aware of applicable procurement, bribery and other laws.



The U.S. government has very strict rules prohibiting the provision of gifts, entertainment, meals, favors or other things of value to its employees. These special rules also apply to the government's contractors and subcontractors. It is never appropriate to offer or provide gifts or other favors to a U.S. government official, employee or customer, regardless of the value of such gift or favor. If you are directly or indirectly involved in providing products or services to the U.S. government, in certain cases you also may not receive gifts, entertainment, meals or favors from your suppliers. For more specific guidance, consult the [Lucent Corporate/Personal Integrity Program \(C/PIP\)](#), a special requirement for those who deal with the U.S. government.

Generally, it is Lucent's policy not to offer or provide gifts, entertainment, tips, favors or anything of value (including, in some countries, meals and travel expenses) to a foreign official, foreign political party or foreign political party official or candidate.

Most countries have anti-corruption laws prohibiting or restricting the provision of gifts, entertainment, meals, tips, favors or other things of value to both domestic and foreign officials, including political party officials and candidates for political office or political parties.

A "foreign official" may be defined as:

- Any officer or employee of another country's government or any governmental organization;
- Any officer or employee of a public international organization;
- Any person acting in an official capacity for or on behalf of any such entity; or

- Any officer, director or employee of a government-controlled or owned enterprise or company, members of royal families, consultants and others who exercise official influence.

If, in connection with Lucent business, you want to provide a gift, meal, entertainment or favor to any of these persons, you must obtain prior approval from the [Law Division](#). The [Law Division](#) can assist you in determining whether your activities are covered by the laws and special rules applicable to dealings with government officials and provide appropriate guidance. Contact [Lucent Security](#) at 1-888-CORPSEC for the United States and Canada, or 1-908-582-0183 for all other locations, or the [Law Division](#) if you learn of a violation of these laws or have questions concerning compliance with them.

Question

Can I invite a U.S. government customer to participate in a working lunch?

Answer

U.S. government regulations require that the government employee reimburse Lucent for the cost of the meal.

Question

What is C/PIP and to whom does it apply?

Answer

There are special rules and regulations that Lucent employees and non-payroll workers must follow if they work on any U.S. government contract or subcontract. C/PIP supplements Lucent's *Business Guideposts* in this special area.

OUR SUPPLIERS

We Select Suppliers Based on Merit

We Select Suppliers Based on Their Ability To Help Lucent Meet Its Business Objectives

We choose our suppliers based on merit, considering among other things price, quality, delivery capability, reputation for service, integrity, and their overall relationship with Lucent. While a supplier's purchases from Lucent may be taken into consideration, we do not attempt to force a supplier to purchase from us.

We Do Not Accept Inappropriate Gifts and Do Not Allow Gifts and Entertainment Offers To Affect Our Purchase Decisions

Gifts

Gifts are generally given to create goodwill and, in some parts of the world, declining a gift may insult the giver. On the other hand, accepting a gift may create a conflict of interest or the appearance of a conflict of interest. This presents a dilemma for the recipient of a gift. Generally, you can accept a gift if it's unsolicited, inexpensive (less than \$100.00) and not given to influence your judgment. Otherwise, you should decline it and explain Lucent's policy to the gift-giver. Never solicit gifts, directly or indirectly, from customers or suppliers. Under no circumstances should you accept, directly or indirectly, payments, loans, bribes, kickbacks, special privileges, favors or services from anyone.

In parts of the world where gift giving is common practice and not accepting a gift could reflect badly on Lucent, it may be appropriate to accept a gift of more than nominal value, as long as doing so wouldn't violate any laws or in any way discredit

Lucent, and the gift is unsolicited and not given to influence your judgment. If you receive such a gift, it is important to notify your supervisor in writing as soon as possible so he or she can determine whether you may retain the gift or if it should become corporate property.

Entertainment

You may accept occasional meals or other modest forms of entertainment from customers or suppliers as a courtesy extended during the normal course of business, provided the entertainment is not being offered to influence your business decisions.

Generally, however, you should reciprocate with similar modest hospitality within a reasonable time.

If a customer or supplier proposes entertainment that is more than modest or routine, you must consult your supervisor before accepting the invitation.

Question

Can I accept a business meal from a customer or supplier?

Answer

You may let a customer or supplier pay for a meal arranged for the purpose of discussing business. However, it is not appropriate to let customers or suppliers repeatedly pay for your meals.





Question

One of my customers has invited me to attend a three-day conference sponsored by his company at a major resort. The conference agenda includes some business activities but also provides for leisure activities. Can I accept the invitation to attend at the customer's expense? Suppose the same invitation came from a supplier, could I accept?

Answer

Travel is not permitted except in rare instances such as critical customer meetings or industry conferences where participation is critical to the business. All travel must be pre-approved by your supervisor and an "E" level manager. Specifics on Lucent's Travel Policy are available at: www.travel.lucent.com.

Question

I am responsible for securing temporary help through outside employment agencies. One of the agencies sent me a gift during the holiday season. Can I keep it?

Answer

You can accept the gift if it meets each of the following tests: It is unsolicited, it is inexpensive, and will not cloud or be perceived as clouding your business judgment. If you are unsure, discuss the situation with your supervisor.

We Select Agents, Consultants and Other Representatives Whose Conduct Will Reflect Lucent's Values

Lucent carefully reviews the credentials and reputations of prospective agents, consultants and representatives. These individuals or entities are retained based only on the terms of written agreements after the appropriate approvals by Lucent are secured. Lucent carefully monitors the performance

of its agents, consultants and representatives to assure that they comply with applicable laws and conduct their business in a manner consistent with *Business Guideposts* and other applicable Lucent policies. Agents, consultants and representatives cannot do indirectly what Lucent's employees are legally prohibited from doing directly. If you know or suspect that any agent, consultant or representative is conducting business in an unethical or illegal manner, contact your supervisor immediately.

Question

I have reason to believe that a consultant working on behalf of Lucent has sexually harassed a Lucent employee. What should I do?

Answer

Report the incident as you would if a Lucent employee engaged in similar behavior.

OUR COMPETITORS

We Compete Fiercely, Fairly and Ethically

We Do Not Engage in Illegal, Unethical or Anti-Competitive Practices To Promote Lucent Sales

Many countries in which Lucent does business, including the United States, have antitrust or competition laws designed to benefit customers by promoting competition. In particular, these laws are intended to make certain that customer choices in the marketplace are not encumbered by improper agreements or other improper conduct that would affect price, restrict volumes produced or reduce the variety of products or services otherwise available to customers.

Certain kinds of agreements are so harmful to customers that they are absolutely prohibited by Lucent policy. Examples include:

- Agreements or understandings with competitors on price;
- Agreements or understandings with competitors to "divide up" customers, products, services or territories;
- Agreements or understandings with competitors to limit the supply or production of any product or service;
- "Bid-rigging" (e.g., reaching a prior agreement with competitors to govern conduct in the bidding process) or making agreements or reaching understandings with competitors not to bid in public or private procurements;
- Agreements or understandings with competitors to disadvantage other competitors; and
- Dictating the minimum price that independent distributors or resellers may charge to resell Lucent products.



Parties entering into these types of agreements can be prosecuted under criminal law, resulting in significant fines for corporations and fines and jail time for the employees involved.

Keep in mind that an unlawful agreement on "price" can cover a broad range of agreements among competitors that directly or indirectly affect the price of goods or services. This includes, for example, agreements on price ranges, minimum prices, list prices, advertised prices, pricing formulas, discounts, rebates, profit margins, credit and warranty terms or other terms of sale.

You also should understand that an "agreement" or "understanding" need not be in writing for it to be unlawful. It can be oral or inferred from the conduct of the parties, as in the following examples:

- An informal observation to a competitor about a company's likely future prices;
- Comments to a competitor about the desirability of a whole industry following a price increase; or
- Comments to a competitor about the desirability of ceasing discounts to certain customers.

These kinds of situations have each been used (along with other circumstantial evidence) to charge companies and individuals with criminal price-fixing. It is for this reason that you should avoid any conduct or activity, formal or informal, from which even an appearance of improper conduct could be drawn.

You should keep in mind that the obligation to scrupulously avoid even an appearance of impropriety applies in business settings, as well as to communications with competitors in casual social settings (golf games, civic events, etc.). There are no off-the-record discussions with competitors. In addition, a supplier in one market may be a competitor in another. Conversations that are wholly appropriate in the context of a supplier relationship may be inappropriate when discussions shift to issues relating to areas of competition.

There are other activities that under certain circumstances might also violate U.S. and other national antitrust laws, and should be reviewed by the [Law Division](#).

Examples include:

- Agreements with suppliers or customers not to do business with others;
- Certain exclusive dealing arrangements;
- Significant differences in prices offered to customers or distributors who compete with each other;
- Charging prices that are below cost in order to drive a competitor out of a market;
- Dictating maximum resale prices; or
- Selling products or services only on the condition that the buyer also purchase a second product or service.

Trade Groups

Tradeshows and trade association activities are an important part of conducting business; however, because they provide an opportunity for competitors to meet and discuss common issues, they are also a potential source of anti-competitive agreements. In fact, many government prosecutions for antitrust violations involve trade group related activities. As a result, it is important that, whenever you participate in tradeshow or trade association activities, you avoid even the appearance of engaging in improper discussions with our competitors. Under no circum-

stances should you participate in any discussion with competitors about pricing, price trends, profit margins, bids, terms or conditions of sale, customers, production capacities, marketing or product plans, business strategies or other such topics. If you find yourself involved in such a discussion, object immediately. If the discussion persists, excuse yourself and report the incident to the [Law Division](#).

Standards Development Groups

The development of industry standards is important to allowing interoperability among products, and when done properly it will enhance competition. Standards development activities, however, should not be misused to exclude the products of competitors from the marketplace. Lucent is committed to fair and open standards development activities that invite the participation of all interested parties. When representing Lucent in standards development groups, you should avoid discussions that stray from the legitimate topics of the groups. Under no circumstance can you discuss pricing or marketing of products relating to the standards being discussed. You must also avoid any agreements that appear to limit any participant's ability to develop and market products that do not conform to adopted standards.

Because this area of the law is complex and the penalties for violation severe, contact the [Law Division](#) whenever you have questions about the antitrust laws of the countries in which Lucent conducts business.

Question

Are there specific subjects I should never discuss with competitors?

Answer

In general, it is company policy and a legal requirement not to discuss, among other things, prices, profit margins, or costs, bids, terms or conditions of sale, sales territories, customer lists, production levels or capacities, inventories, proposed new products or services, marketing plans, division of the market, and distribution arrangements.

Question

I am going to a tradeshow. Can I go to a competitor's booth?

Answer

Yes. You can go to the booth and collect any publicly distributed literature. However, if you talk to the competitor's personnel you should not misrepresent your identity or affiliation and you must avoid conversations on the subjects listed previously.

We Employ Only Ethical Means of Obtaining Information about Our Competitors

Competitive Information Gathering

Gathering information about competitors, when done properly, is a legitimate business activity. It enhances our knowledge of the marketplace and helps us understand and meet customer needs. However, competitive information should not be obtained, directly or indirectly, by improper means. It is improper to be involved in misappropriating trade secrets or other confidential information, bribery, inducing someone to breach a nondisclosure agreement, making improper requests of a competitor or customer, or using deceit or trickery. Improperly collecting or using competitive information may subject Lucent, and the individuals involved, to lawsuits or criminal penalties, up to and including imprisonment. If we retain consultants to gather competitive information on our behalf, the same rules apply.

Special laws govern obtaining competitive information in connection with a U.S. government contract or sub-contract. For more specific guidance, consult the [Lucent Corporate/Personal Integrity Program \(C/PIP\)](#)

Benchmarking

Benchmarking is a form of competitive information gathering and is subject to the antitrust laws to the same extent as any other Lucent activity. A practice that otherwise violates the antitrust laws, such as

sharing price information, does not become permissible by labeling it as benchmarking. The [Law Division](#) is always available to answer any questions you may have about gathering competitive information or benchmarking.

Question

Can I call a competitor and pretend to be a potential customer to find out information about the competitor's sales approach?

Answer

No. You must never use deceptive practices to obtain competitive information on behalf of Lucent.

Question

My business unit recently hired an engineer from one of our competitors. Can I use her as a source of competitive information, such as finding out the details of her former employer's new product development plans?

Answer

No. While you can use her expertise and skills developed while our competitor employed her, you cannot ask her to divulge information that might reasonably be considered confidential or proprietary by her former employer.

Question

Lucent is planning to submit a response to a customer's request for bids. The customer has offered to give me a copy of a competitor's confidential proposal. Can I accept it?

Answer

No. Accepting the proposal constitutes misappropriation of the competitor's trade secrets. You and Lucent could be in violation of certain laws merely by your possession of the proposal, even if you do not use the competitor's information in connection with Lucent's bid.



We Do Not Hire Employees or Contractors in Violation of Agreements They May Have with Prior Employers or Agreements Lucent Has Made with Third Parties

Sometimes potential new hires or contractors have employment agreements with their current or past employers that prohibit their working on behalf of Lucent (e.g., "non-compete provisions"). In other cases, confidentiality obligations to their current or former employers may restrict the type of work they can do on behalf of Lucent. In some instances, Lucent enters into agreements with its suppliers that prohibit Lucent from extending offers of employment to the supplier's employees (e.g., "non-solicitation provisions").

Before extending an offer of employment or hiring a contractor or consultant, you should undertake a reasonable investigation to make sure that none of these barriers exist. If the individual is an employee of a competitor, a more thorough investigation should be conducted. Similarly, if the individual is an employee of a Lucent supplier and is working on the Lucent account, it is important to verify that Lucent is not bound by an applicable non-solicitation agreement. If issues are identified, you should consult with the lawyers who support your business group or corporate center.

Question

"George" is employed by a Lucent competitor and has the knowledge and expertise in an area that is critical to Lucent's needs. We would like to recruit him. Can we?

Answer

While there is no general prohibition against hiring from competitors, Lucent's policy is to respect the proprietary information of other companies and to assure that our employees adhere to any enforceable contractual obligations to previous employers. You should contact the talent acquisition team that

supports your group to determine if George has non-compete or confidentiality obligations with his firm that would restrict the type of work he could do for Lucent.

Question

"Jane" is a contract employee who has worked with our group for three months. We like her work and want to hire her. Can we?

Answer

You should contact the purchasing group that supports your team and determine whether Lucent has any contractual agreements that would prevent Lucent from hiring Jane or require Lucent to pay a fee to her employer.

OUR COLLEAGUES

We Recognize and Respect the Diversity of Our Colleagues and Never Engage in Discriminatory Activity

Lucent is committed to providing a work environment that nurtures each employee as an individual and an important member of the culturally diverse, worldwide Lucent team. In keeping with this commitment and our value of mutual respect, Lucent is committed to providing a work environment free from discrimination based on race, color, religion, national origin, sex, age, disability, sexual preference or orientation, marital status or any other unlawful factor. This means that we comply with applicable civil rights and employment legislation at the local, state and national levels and do not discriminate unlawfully in any aspect of employment, including recruiting, hiring, compensation, promotion or termination. It also means that Lucent does not permit conduct that creates an intimidating or offensive work environment, whether at a Lucent location or Lucent-sponsored activity. This conduct includes, but is not limited to, racist, sexist, ethnic or homophobic comments or jokes; sexual advances or inappropriate physical contact; or sexually oriented gestures, pictures, jokes or statements.

If you believe that you are the victim of discriminatory or harassing conduct or you have witnessed such conduct directed at a colleague, talk to your supervisor. If that is not appropriate, call [Equal Opportunity/Affirmative Action](#) at 1-800-363-5942. All complaints will be investigated promptly and without reprisal to the person initiating the investigation. To the extent possible and consistent with Lucent's obligations under law and Lucent policy, we will maintain the confidentiality of anyone reporting a complaint.



Question

My friend just e-mailed me an off-color joke that has been making the rounds on the Internet. May I forward it to select colleagues at Lucent?

Answer

No. In addition to misusing Lucent's corporate assets, depending on the content of the e-mail, forwarding it may violate Lucent's policy against harassment in the workplace.

We Encourage Open Communication and Constructive Disagreements Based on Mutual Respect

Open communication helps make our value of mutual respect come alive. It means we give one another accurate and timely information about business issues. We listen to each other and to our customers and suppliers because we believe communication is as much about listening as it is about talking. Differing opinions and expressions of concern are welcome.

While we may disagree with one another, we know healthy debate is important. We keep the communications channels open.

When communication takes the form of a concern or complaint, we take that concern or complaint to a supervisor. If the complaint is about the supervisor, or if the supervisor can't solve the problem, we take the matter to higher management or other appropriate persons without fear of reprisal for making known, in good faith, the concern or complaint.

Our Communication Is Always Professional and Courteous

Our communication with one another and with other stakeholders, including customers and suppliers, is always professional and courteous. Being rude or abusive to co-workers, customers, suppliers or others is never acceptable.



We Are Accountable for Our Commitments

Our co-workers, customers and others depend on us to take responsibility for what we say and do. If we make commitments, we keep them. If we are going to be absent from work or cannot meet a commitment, we promptly tell our supervisors so commitments to customers and others can be met.

We Respect the Privacy of Employee Records

Lucent recognizes that privacy is important to each of us. The company therefore maintains only those employee records required for business, legal or contractual reasons, and limits access to and knowledge of those records to people who need the information for legitimate business or legal purposes.

If you have access to personal information about co-workers, take precautions to ensure it isn't misused or improperly disclosed. In addition, observe all applicable laws regarding employee information, including those regarding information gathering, requiring maintenance of records for a specific time and at a specific location, and those limiting the movement of personnel data across national borders.

Question

If I seek insurance reimbursement for psychological assistance, can Lucent get access to that information?

Answer

Lucent will not access that information unless it becomes relevant in a legal proceeding you have against Lucent.

We Work to Ensure a Safe Work Environment

Lucent is committed to making the work environment safe and healthy for its employees and others and to complying with all applicable laws and regulations relating to safety and health in the workplace. Employees are informed about procedures that are in place to protect them from generally recognized workplace hazards. Dangerous

conditions are immediately reported so that workplace accidents are minimized. In day-to-day operations, Lucent people integrate safety, health and ergonomics into design, manufacturing, installation, use, maintenance and service of products.

To help ensure a safe and healthy work environment, Lucent prohibits certain activities. Examples include:

- Threatening or violent behavior toward others, including co-workers, customers and suppliers, or even the suggestion of such behavior;
- Possession of firearms, explosives or other weapons anywhere on company property or while conducting company business; and
- Willful destruction of company property or the property of others.

Illegal Drugs Have No Place at Lucent

Lucent is committed to a drug-free workplace. The misuse of drugs, both legal and illegal, while on company premises or business interferes with a safe, healthy and productive work environment and is prohibited. Specifically, Lucent prohibits the use, possession, distribution or sale of illegal drugs on its premises, in its vehicles and while conducting Lucent business. No employee may conduct Lucent business while under the influence of drugs or alcohol.

Question

I take painkillers for a knee injury. Does taking the medication while at work violate Lucent's anti-drug policy?

Answer

Drugs taken in accordance with the directions of a medical professional do not constitute a violation of Lucent's anti-drug policy. However, if the drugs affect the employee's judgment or performance, the employee should not conduct Lucent business.

We Avoid All Conflicts of Interest with Lucent and We Do Not Use Our Relationship with Lucent for Personal Gain

You should not compete with Lucent and never let business dealings on behalf of Lucent be influenced, or even appear to be influenced, by personal or family interests. For example, we do not:

- Influence, either directly or indirectly, Lucent's dealings with any supplier with whom you have a personal, familial or financial relationship;
- Work for, represent or favor for personal reasons a customer or supplier in its dealings with Lucent; or
- Use Lucent's name, information, property, time or other resources to perform outside activities such as a second job, or volunteer or perform community activities not specifically sponsored or approved by the company. These activities must always be kept separate from your employment with Lucent.

Your supervisor can help you sort through situations that may involve conflicts of interest.

Question

My sister owns a business and is trying to become a Lucent supplier. Can I help direct her to the appropriate party in Lucent?

Answer

Yes. You can make the introduction. However, the decision-maker within Lucent should be made aware of the relationship and you should avoid participating in the decision-making process.

Question

My spouse and I own a small graphic arts business. The work I do for that business is totally unrelated to my Lucent job. I am sure that I could provide Lucent with a superior product at a reduced cost. Can I be both an employee and a vendor to Lucent?

Answer

No. Your primary obligation is to Lucent, and providing services as a vendor would be a conflict of interest. Your spouse, if in business by himself or herself, could bid on Lucent jobs as long as: 1) he or she does not use your Lucent employment to influence the bidding process; 2) you do not participate in the performance or evaluation of the work if he or she gets the job; and 3) the relationship is reported to your supervisor.

Question

As long as I am not competing with or selling to Lucent or using its name, information, time or other assets, are there any restrictions to my accepting a second job?

Answer

You are free to use your own time as you see fit. However, be sure that any second job doesn't conflict with your Lucent job. For example, you must not accept a job that could discredit Lucent or interfere with the independence and objectivity of your judgment. Your second employment must be kept totally separate from your Lucent employment. In no event may you use Lucent's name, information, time, property or other resources to perform your second job.



We Do Not Compete with Lucent

To avoid competing with Lucent, do not enter into unauthorized business relationships with competitors. This means, among other things, that you must not own a competing business or assist any unauthorized person outside Lucent, including family or friends, in the planning, design, manufacture, sale, purchase, installation or maintenance of products that compete or could compete with Lucent's products or any work performed by Lucent.

Question

I work in Wireless and want to make a small investment in a company that competes with Lucent. Can I make the investment?

Answer

As a starting point you should never let business dealings on behalf of Lucent be influenced, or ever appear to be influenced, by personal or family interests. In this context you must disclose the nature of the investment to your supervisor. The guidance you will receive will depend on the specific circumstances of the situation, including such things as: the nature of the competition, whether or not the investment is in a public or private company, the size of the investment, and your responsibilities inside of Lucent.

If you are a supervisor and you need assistance in providing guidance to an employee about investments that they have brought to your attention, you may contact the Lucent [Law Division](#) for support.

We Publicly Speak on Behalf of Lucent Only When We Have the Authority To Do So

As a leading technology company, Lucent's opinion on a host of issues is widely respected and is often solicited. Public comments made by identified Lucent employees and contractors in a variety of contexts such as tradeshow, news media interviews and even online chat rooms and newsgroups may be perceived by outsiders as representing "official Lucent positions." Similarly, fax or e-mail communications in which Lucent's name appears on the cover sheet, in the letterhead, in a footer or in the employee's e-mail address may be viewed by the recipient as expressing Lucent's position, whether intended or not. As a result, Lucent employees should:

- Not speak on behalf of Lucent unless authorized;
- Contact your [Public Relations](#) representative before replying to any media inquiries and public statements such as a news release;
- Be sensitive to situations in which their identities as Lucent employees are known and as a result, they may be viewed as speaking on behalf of Lucent. In those situations, the speaker or writer should make it very clear that the views they express are their own and that they do not speak on behalf of Lucent; and
- Never publicly disclose Lucent's or any third party's confidential information when participating in these external forums.

Question

I have been asked to speak at an industry forum. Can I accept the invitation?

Answer

You should consult with your supervisor to determine the appropriateness of accepting the invitation and what review is required of any proposed presentation materials (by the [Law Division](#), [Public Relations](#), etc.).

We Do Not Use Our Inside Knowledge of Lucent's Business Inappropriately

Inside information can take many forms, but always includes information that is not available to the general public and that might influence an investor's decision to buy, sell or hold securities in a company. There are laws that prohibit the use of inside information when buying, selling or trading publicly traded securities, including Lucent stock. This information can include acquisition or divestiture plans; financial information or projections; new contracts, products or discoveries; major organizational changes; or other business plans. Often, it involves information affecting a company other than Lucent that you learn about as a Lucent employee, e.g., a supplier that wins or loses a big order from Lucent.

You must not buy, sell or trade Lucent securities or the securities of other companies about which you have inside information until that information becomes public. When you have inside information about Lucent or another company, you also may not share this information with anyone else, including family members or friends, or advise anyone about trading in any securities based on this information. You also may not engage in any transaction where you may profit from short-term speculative swings in the value of Lucent securities such as “short sales” (selling borrowed securities that the seller hopes can be purchased in the future at a lower price). Nor may you trade “put” and “call” options (publicly available “rights” to sell or buy securities within a certain number of months at a specified price) on Lucent stock because trading these securities may create the appearance of impropriety. In addition, under Lucent’s [Stock Trading Policy](#), you may be prevented from exercising the option before it expires. Special rules apply to transactions in Lucent stock occurring in Lucent employee benefit plans (e.g., the Lucent Savings/401(k) plans). Lucent’s [Stock Trading Policy](#) explains these rules and restrictions in greater detail.

Because inside information is extremely valuable, handle it just as you would handle other Lucent proprietary information. Do not discuss it with family, friends or anyone else. Do not talk about it in public places. Do not discuss it in online forums (public or private), including bulletin boards and chat rooms. Do not fax it to unattended machines. Do not mail it electronically without taking appropriate security measures. Do not tell others at Lucent unless they must know for business reasons. These restrictions apply not only to the inside information itself, but also to opinions you formulate based on inside information.

If you have questions about inside information, contact the [Corporate and Securities Law Group](#).

We Safeguard Lucent’s Funds and Property

We are all responsible for safeguarding and making proper and efficient use of company funds and property by following procedures to prevent their loss, theft or unauthorized use. Company funds and property include company time; cash, checks, drafts and charge cards; land and buildings; records; vehicles; equipment, including fax machines, copiers and telephones; computer hardware, software, e-mail and Internet access; scrap and obsolete equipment; and all other funds and property.

Here are some ways to protect company funds and property:

- Make sure expenditures are for legitimate business purposes and in accordance with corporate policies;
- Keep accurate and complete records of funds spent; and
- Use corporate charge cards or calling cards only for business purposes or as specified in company instructions. (Personal use of a company charge card is grounds for disciplinary action, up to and including dismissal.)

Actual or suspected loss, damage, misuse, theft, embezzlement or destruction of company funds or property should be reported immediately to [Lucent Security](#) at 1-888-CORPSEC for the United States and Canada, or 1-908-582-0183 for all other locations.

Question

Can I take some obsolete equipment home for personal use? The equipment would probably be junked anyway.

Answer

Taking company equipment, even if it appears to be obsolete or scrap, is not permitted without written authorization from an appropriate level of management. Any questions should be addressed to [Lucent Security](#).

Question

I do a lot of business and personal travel. Can I keep non-cash benefits I receive from business travel (for example, frequent flyer credits) and apply them to my personal travel plans?

Answer

You can keep frequent flyer credits and use them for personal travel. However, you cannot influence or change the travel plans made by the company's authorized travel agents to receive these or other similar non-cash promotional benefits. Doing so violates Lucent's policy in two ways. First, you have a conflict of interest between your personal interests and company requirements to use the lowest logical airfare. Second, you are misusing company funds if your travel is more expensive than it would have been had the designated travel agent arranged for the trip.

We Protect Lucent's Intellectual Property Assets Such As Copyrights, Trademarks, Service Marks, Patents and Trade Secrets

Our obligation to our shareowners and ourselves is to safeguard Lucent's assets. This means that we must protect Lucent's physical property, as well as its less tangible intellectual property assets such as proprietary information (see [Intellectual Property Division](#) Web site), trademarks, service marks, patents, copyrights and goodwill. Various national laws and international treaties govern how intellectual property rights are created, maintained and protected. In many instances, such as patents, this requires filing of documentation with government authorities. The [Intellectual Property Division](#) can

provide you with more information about the various forms of intellectual property and the steps you must take to help Lucent establish and protect its rights to its intellectual property.

Intellectual property developed by Lucent's employees is the property of Lucent. In addition to maintaining the confidentiality of such intellectual property, you may not use the intellectual property for non-Lucent purposes without the consent of your management.

Lucent has also established policies for situations where third parties want to use Lucent's intellectual property. The [Intellectual Property Board of Advisors](#) (IPBA) must approve agreements that provide third parties with the right to use Lucent's intellectual property. Information about the approval process can be found in the [Intellectual Property Board of Advisors Procedures Manual](#). IPBA approval is also required when Lucent enters into a development agreement with a third party that would like the right to use the resulting intellectual property.

Question

Can I sell a product or service I develop on my own time?

Answer

It depends on the product or service. Lucent's position is that it owns any intellectual property created by you during the period of your employment, even if you develop it on your own time, when the intellectual property is reasonably related to Lucent's business. You must get a release letter approved by the [Law Division](#) before you begin marketing any product or service incorporating such intellectual property.

We Safeguard the Confidentiality of Lucent's Proprietary Information

In today's highly competitive, global marketplace, protecting Lucent's proprietary information and other intellectual property can mean the difference between success and failure.

Proprietary information is information or knowledge that Lucent has determined should not be disclosed outside of Lucent, because doing so could disadvantage Lucent competitively or financially; because the information could violate the privacy rights of employees, customers, suppliers, joint venture partners or Lucent; or because the information belongs to others and we have agreed to keep it private. Our customers, suppliers and business partners can rely on us to protect their confidential information and intellectual property from being disclosed to anybody without their approval. When there is a legitimate business need to disclose proprietary information outside Lucent or where disclosure is sought by legal process, a nondisclosure agreement should be executed with the third party receiving the information. Contact the [Law Division](#) if you need a nondisclosure agreement.

Proprietary information includes information about:

- Lucent's research and development, such as inventions, patent applications (e.g., patents which have not been issued or have not been published), and engineering and laboratory notebooks;
- Employee records;
- Confidential manufacturing processes or know-how;
- Business strategies, business results, unannounced products, marketing plans, pricing and financial data;
- Non-public information about products, including hardware and software specifications and designs; and
- Confidential organizational information, including personnel information such as salaries, job assignments and performance appraisal results.

Special procedures must be followed when handling proprietary information relating to Lucent's dealings with the U.S. government. For more specific guidance, consult the [Lucent Corporate/Personal Integrity Program \(C/PIP\)](#).

Question

Do I have to protect proprietary information even after I leave Lucent?

Answer

Yes. You're obligated not to use or disclose Lucent's proprietary information even after you have left the company.

Question

How can I tell if information is proprietary if it's not marked that way?

Answer

If information isn't marked "proprietary," judge it by its content, case by case. Some criteria you should use are the:

- Nature of the information;
- Information's sensitivity;
- Information's value to Lucent; and
- Intended audience for the information (for example, information that is clearly intended for public disclosure to consumers vs. sensitive marketing data that will be used to develop sales plans).

If you need guidance, contact [Lucent Security](#).

We Ensure That Proprietary Information Is Protected from Theft, Unauthorized Disclosure or Inappropriate Use

Always store proprietary information in a safe place and follow security procedures for the computer systems you use. In addition, use common sense to help prevent accidental disclosure of proprietary information. Remember that you can be overheard in public places such as airplanes, elevators and restaurants. Also, don't discuss Lucent's proprietary information with family or friends; they may not understand its significance and may inadvertently pass it to someone who shouldn't have it.

Question

Can I tell my spouse about the "hot project" I am working on?

Answer

You can share information about the general nature of the work you are doing. However, you cannot identify specific third parties, business terms or technologies — these would all be proprietary to Lucent.

We Are Sensitive to Security Risks Resulting from Communication in Certain Environments and Take Appropriate Measures to Safeguard Our Communication

Technologies such as cellular phones and e-mail have provided us with many new communications options. However, security vulnerabilities of these technologies also pose challenges for Lucent. As a result, Lucent's employees should avoid communicating Lucent's proprietary information over wireless phones in a manner that could be understood by outsiders. Similarly, e-mail sent over the Internet (e.g., outside of the Lucent firewall) that contains Lucent's proprietary information should be encrypted using the latest technology recommended by [Lucent Security](#).

Question

Do I need to encrypt my e-mails within Lucent?

Answer

Encryption is not required for ordinary business communication within the Lucent firewall. However, "restricted" communication should be encrypted.

We Protect the Goodwill Associated with the Lucent Name and Trademark

We use Lucent's trademarks and service marks according to company instructions ([Trademarks and Service Marks Bulletin](#)). In addition, we are careful to ensure that the Lucent name is not used to endorse third party products and services without authorization. For example, many of our suppliers like to identify Lucent as a customer, because of the considerable reputation associated with the Lucent name. When suppliers request permission to use Lucent's name in advertising or a news release, the proposed use of the Lucent name should be reviewed for accuracy and a determination of whether the usage of the Lucent name promotes Lucent's business interests. In addition, [Public Relations](#) and the appropriate persons in your organization should review news releases.

We Do Not Use Intellectual Property Assets of Third Parties Without Their Authorization

We respect the rights of others concerning their intellectual property assets, such as copyrights, trademarks, service marks, patents and trade secrets. When we need to use the intellectual property assets of others, we obtain the necessary authorization and observe all the obligations contained in the agreements.

Copyrighted Works

We follow all copyright laws, which means that we may not reproduce, distribute or alter copyrighted materials from books, trade journals, computer software or magazines, or play records, tapes, disks or videotapes without permission of the copyright owner or its authorized agents. For example, if you want permission to use copyrighted materials, you would need to contact organizations such as the Copyright Clearance Center, the American Society of Composers, Authors and Publishers, or Broadcast Music Inc. For assistance, contact the [Trademark/Copyright Law Group](#).

Software used in connection with Lucent's business must be properly licensed and used only in accordance with that license. Using unlicensed software could constitute copyright infringement.

Question

One of my co-workers just purchased a new software program that I'd like to use. My department can't afford to buy additional copies right now. Can I copy the new software onto another computer?

Answer

No. Unauthorized copying of software is a violation of copyright law and Lucent policy.

We Use Lucent-Provided Internet and E-Mail Access Responsibly

Internet access is provided to Lucent's employees primarily for business use. Non-business use of these resources must be governed by good judgment and restraint, and must be limited to non-work time. Employees should consider the adverse impact on the Lucent network that results from transferring large files during peak use periods. Management will limit non-business use if it interferes with the productivity of individual employees or the overall availability of network and computing resources. If you are unsure whether your Internet usage is appropriate, you should discuss this matter with your supervisor.

Use of these resources, whether in the office or at home, is not private. The company can and will monitor individual use of network services, including visits to specific Web sites and individual e-mail. Monitoring of individual usage will extend to individuals using their personal computers to access the Lucent network, e.g., through Lucent Remote Access (LRA).

We Never Use Lucent Computing and Networking Resources to Access or Disseminate Sexually Explicit Material or Other Content Inconsistent with Lucent Values

Lucent's computing and networking resources should never be used to access or disseminate:

- Sexually explicit content;
- Slanderous or libelous content;
- Threatening or harassing messages or chain letters; or
- Other content that could be construed as hostile or inconsistent with Lucent values.

Those who use Lucent resources to access Web sites containing sexually explicit material or content that could be construed as hostile or inconsistent with Lucent values are subject to discipline, up to and including dismissal. Employees who question whether a particular site is prohibited should check with their management.

We Protect the Security of Lucent's Computer and Network Resources

Computers and network resources and the information they contain are valuable company assets that must be safeguarded. Lucent security procedures should be followed to protect company computers, networks and the data they contain against unauthorized access, use, modification, disclosure or destruction. Additional information about these procedures can be found at [Lucent Security](#).

We Maintain Complete and Accurate Records and Retain Records in Accordance With Lucent's Document Retention Guidelines

Accurate and complete records are critical in meeting Lucent's financial, legal and management obligations, as well as in fulfilling our obligations to customers, suppliers, shareowners, employees, government agencies and ministries, and others. Company records include employee and payroll records, vouchers, bills, time reports, billing records, measurement, performance and production records, and other essential data.

To protect company records:

- Prepare records accurately and completely;
- Sign only records that are accurate and complete;
- Retain records, both hard copy and electronic, according to legal requirements and [Lucent's Records Retention Schedule](#); and
- Disclose records only as authorized by company policy or as directed by the [Law Division](#).

Questions about protecting or releasing company records should be directed to [Lucent Security](#) at 1-888-CORPSEC for the United States and Canada, or 1-908-582-0183 for all other locations, or you should consult the corporate records retention policy at the [Information and Records Management](#) Web site.

Question

Do I need to save prior drafts of documents that I create?

Answer

Unless the [Law Division](#) has directed you otherwise or unless you believe there is a business need to retain a record of how a document evolved, there is no need to retain draft versions. This applies to documents stored electronically and in hard copy.

We Report Financial Information Accurately and in a Timely Manner

The law requires that Lucent's accounting, financial and other systems provide accurate and timely reporting of transactions involving company assets. Every accounting or financial record, as well as the underlying support data, must thoroughly and accurately describe the transaction without omission, concealment or falsification of information. In addition, the information must be transferred to the appropriate recipient in a timely fashion.

Questions about requirements for financial reporting may be directed to the [Lucent Finance Accounting Policy Organization](#).

We Never Enter Into Commitments on Behalf of Lucent without the Proper Authorization

Lucent empowers its employees to enter into different types of commitments on behalf of the company. However, Lucent also has adopted detailed guidelines that specify (based on organization and level) which employees are empowered to commit Lucent to specific undertakings. These guidelines, known as the [Lucent Approval Matrices](#), should be checked before signing any document on behalf of Lucent. Remember, the obligation to check is yours. Our suppliers and customers are not required to know if you are empowered to sign a given document.

Question

A supplier wants me to sign an agreement. It isn't a lot of money. Can I sign it?

Answer

Under Lucent policy, only members of Supply Chain Networks (SCN) are authorized to enter into purchase agreements on behalf of Lucent. You should contact the SCN team that supports your group.

During Work Hours, We Focus on Lucent and Work to Best Represent Lucent

We are honest with our work time because others count on each of us to do our share in making the consistent delivery of superior Lucent products the hallmark of our business. We also are constantly aware that during work hours we are representatives of Lucent and that others will judge our actions as a reflection on Lucent as a whole.

Question

If I have an emergency at home, can I use a company phone or do I need to find a pay phone?

Answer

It's generally acceptable for employees to make and receive important personal calls as long as they're infrequent, brief and don't interfere with the normal flow of business activities.

Lucent Encourages Employees to Participate in Community Activities and Contribute to the Communities Where We Live and Work

Employees should ensure, however, that no conflict of interest, either actual or potential, exists between their Lucent employment and duties in public or civic affairs, whether elective or appointed, paid or voluntary.

For example, sometimes employees who perform public service or hold an elected or appointed position are asked to make decisions that might affect Lucent such as voting on a land use ordinance that involves Lucent real estate. If you find yourself in this situation, consult the [Law Division](#) or, if time doesn't permit, abstain from the vote.

All donations on behalf of Lucent, whether in cash or in kind, must be approved in accordance with [Lucent's Approval Matrices](#) and the [Charitable Contributions Process and Procedures](#), and in advance by your supervisor. Depending on the amount and nature of the proposed donation, you must ensure that it complies with all applicable guidelines or procedures adopted by your organization.

Outside the United States, Lucent's regional procedures must be followed and special care should be taken to ensure that the donation is being made to an organization that is recognized as a charity under the laws of that country and that the organization is not controlled or influenced by a government official.

Such action could violate U.S. law and Lucent policy. In addition, if the donation is in any way related to a bid or other Lucent business, you should obtain approval from the [Law Division](#) before making or authorizing the charitable donation.



Question

Can I use the office copier to run off fliers for a charity I support?

Answer

Unless part of a Lucent supported charitable effort, you should discuss use of Lucent corporate assets on behalf of a charity with your supervisor.

Lucent Generally Does Not Contribute Company Funds or Assets to Political Parties or Candidates for Political Office

In the United States, Lucent does not contribute, directly or indirectly, company funds or assets to political parties or candidates for political office. No employee or agent can offer, make or approve such contributions on behalf of the company.

Lucent has established Political Action Committees (PACs), supported by voluntary employee contributions, for making political contributions in the United States.

In other countries, no contributions to political parties or candidates for political office may be made on behalf of Lucent unless the contribution is legal under both U.S. and local law, and you have the prior written approval of the [Law Division](#) and senior Business Unit management.

Employees worldwide are prohibited from using their positions with Lucent or Lucent's assets to attempt to influence the personal decisions of others to contribute to or otherwise support political parties or candidates. [Lucent Corporate/Personal Integrity Program \(C/PIP\)](#) provides further guidance in this area.

Any questions involving political contributions in the United States should be directed to [Lucent Public Affairs](#). You should contact the [Law Division](#) for guidance concerning contributions to political parties or candidates in other countries.

COMPLIANCE WITH LAWS

Lucent Complies with All Laws and Regulations of the Countries Where We Conduct Business

Specifically, in the areas of environment, health and safety, Lucent:

- Complies with Lucent Environment, Health and Safety standards;
- Considers environmental criteria when evaluating projects, products, processes and purchases, including acquisitions and divestitures;
- Protects the environment by conserving resources, recycling and reusing materials; and
- Designs and manufactures products that are safe for people to use and meet or exceed all applicable government standards and regulations.



If you have questions, contact the [Lucent Environment, Health and Safety organization](#) at 1-800-447-2338 for the United States, Canada and Mexico, or 1-941-649-3087 for all other locations.

Question

What should I do if I become aware of a serious environmental or safety hazard?

Answer

Tell your supervisor or call the Lucent 24-hour environmental and safety hotline at 1-800-447-2338 for the United States, Canada and Mexico, or 1-941-649-3087 for all other locations.

Lucent Complies with Applicable Export/Import Rules and Regulations in the Countries Where We Conduct Business

International trade laws control the movement of products, services and technology (e.g., technical data) around the world. It is Lucent's policy to comply with U.S.-sanctioned laws and regulations, and all applicable export and import laws in the countries where it does business. By addressing

trade compliance issues early in the business cycle, Lucent ensures its reputation as a reliable vendor, reduces costs and avoids possible shipping delays, fines and penalties.

Exports

It is Lucent's policy to ensure that all export transactions are authorized under applicable laws of the appropriate country or countries. "Export transactions" include:

- Physical shipments of hardware, software or technology (including those carried by hand);
- Electronic transmissions of software or technology; and
- Disclosures of technology in another country (including disclosures to Lucent employees).

In addition, disclosing technology in the United States to any person (including a Lucent employee) who is not a U.S. citizen or permanent resident alien is an export transaction. When necessary, Lucent must obtain export licenses from the appropriate government(s) for export transactions.

Imports

It is Lucent's policy to ensure that its products are imported in accordance with the applicable laws of the importing country. Each Lucent operation should be fully aware of the laws of the countries into which it imports products, as well as any U.S. export/import restrictions applicable to those countries. These laws typically require that imported goods be accurately described, classified and valued, and that their country of origin be declared. Each Lucent operation should be aware of the laws of the countries into which it imports products, as well as any U.S. export/import restrictions applicable to those countries.

Question

I've been invited to speak at a conference in a country where Lucent does not do business. What should I do?

Answer

Consult with the [Law Division](#) to be sure your participation does not violate any country's trade laws.

Questions about U.S. export and import control laws can be directed to the [Global Trade Organization](#).

We Will Not Violate Applicable Anti-Boycott Laws

When confronted with an economic boycott situation, Lucent shall be guided by the terms of *Business Guideposts*.

Under U.S. anti-boycott laws:

- Lucent may not refuse or agree to refuse to do business with a boycotted country, its nationals or blacklisted companies;
- Lucent cannot discriminate or agree to discriminate against individuals or companies on the basis of race, religion, sex, national origin or nationality;
- Lucent cannot furnish or agree to furnish information, directly or indirectly, about any person's race, religion, sex, national origin or membership in or support of charitable or fraternal organizations supporting a boycotted country;
- Lucent cannot furnish information about Lucent's or any person's past, present or prospective relationship with boycotted countries, nationals of boycotted countries or blacklisted companies; and
- Lucent cannot pay, honor, negotiate or implement letters of credit containing prohibited boycott provisions.

In addition, Lucent must report to the U.S. government any oral or written request to participate in or support an economic boycott not sanctioned by the government. Violation of this U.S. law by Lucent employees outside the United States could still result in liability to Lucent.

If you learn of a boycott request or if you are asked to participate in a boycott in any country, you should consult with the [Law Division](#).

Lucent Managers Take the Lead in Ensuring That the People They Support Understand and Adhere to *Business Guideposts*

Business Guideposts applies to all Lucent people. It affirms our commitment to the highest standards of integrity in our relationships with one another and customers, suppliers, shareowners and others in the communities where we live and work. Each employee is expected to read the code of conduct carefully, and supervisors should review it with their people on a regular basis.

While compliance is every person's responsibility, Lucent has established a compliance structure that assigns oversight responsibility for the *Business Guideposts* program to Lucent's Chief Compliance Officer. Business unit and division heads are responsible for establishing, implementing and maintaining an effective program, including a system of internal controls, to ensure compliance by everyone in their organizations with all laws and regulations and the provisions of *Business Guideposts*. People who supervise others have a special responsibility to show, through words and actions, personal commitment to the highest standards of integrity. In particular, supervisors, as coaches and leaders, must:

- Maintain an environment of open communication where the Lucent values, *Business Guideposts* and related policies and instructions are shared, discussed and even debated;
- Ensure that their people understand the Lucent values and the provisions of this code and give them additional training, when appropriate;
- Take reasonable steps to ensure that unethical conduct within their areas of responsibility is detected and addressed; and
- Consider whether a person lives the Lucent values before placing him or her in a position of responsibility.



Question

If my business unit or division has a rule or policy that is more restrictive than *Business Guideposts*, which do I follow?

Answer

You should follow your business unit's or division's rule or policy when it is more restrictive than *Business Guideposts*.

The Implementation of *Business Guideposts* Is a Personal Responsibility

Ultimately, your conduct is your own responsibility.

None of us should ever commit dishonest, destructive or illegal acts even if directed to do so by a supervisor or co-worker, nor should we direct others to act improperly.

We are each responsible for notifying Lucent Security immediately if we suspect, observe or learn of unethical business conduct or the commission of any dishonest, destructive or illegal act. Lucent Security's 24-hour

hotline can be reached at 1-888-CORPSEC for the United States and Canada, and 1-908-582-0183 for all other locations.

Lucent Security will investigate all reports, including those made anonymously, and provide feedback when appropriate. There will be no reprisals against those who report suspected violations in good faith, and their identity will be protected to the extent consistent with law and Lucent policy.

Question

Can I report suspected or actual violations of law or other business ethics violations without identifying myself?

Answer

Yes. You don't have to identify yourself when you make such reports.

Question

How can I find the attorney to contact for my business group or corporate center?

Answer

The Law Link Web site identifies the attorneys who support each business group or corporate center.

CONSEQUENCES OF VIOLATING *BUSINESS GUIDEPOSTS*

Lucent believes so strongly in ethical behavior that employees who do not comply with the provisions of this code and other company policies and instructions may be disciplined, up to and including dismissal. Additionally, violations of these standards could result in criminal penalties and/or civil liabilities.

Business Guideposts Cannot Cover Everything — Lucent Relies on Your Sound Judgment

There will be times when *Business Guideposts* will not address the specifics of your situation. When this occurs, you might find it helpful to consider the following questions:

- Other Written Policies and Guidelines: What written policies and instructions should be consulted? For example, how can Lucent's Equal Opportunity/ Affirmative Action Policies and the Lucent Personnel Guide be helpful?
- People Available to Assist You: Who should be consulted? Your supervisor? [Lucent Security](#)? The [Law Division](#)? Your [Human Resources](#) representative? The [Environment, Health and Safety](#) organization? Others?
- Ethical Impact: What are the possible ethical choices and the rationale for each?
- Alternatives That Would Not Violate Lucent's Values: Is there any room for compromise that would not violate Lucent's standards of integrity?
- Consider the Possible Outcomes: Who could be hurt or helped by your decision? To what extent could they be hurt? How might they be helped? Of the choices identified, which do the most to reduce harm? Which do the most to provide help? Which are most aligned with our *Business Guideposts*? Which do the most to respect the rights of those involved?



- Make sure you are comfortable with your decisions: Will my decision seem like the right one a year from now; five years from now; 10 years from now? Would I be comfortable telling my supervisor, co-workers, my organization's leadership team, the Chairman and Lucent shareowners? What about telling my family and friends about my decision? Could I testify about my decision in a court of law and not expose Lucent or myself to liability? How would I feel if my decision were made public through newspapers or television?

Business Guideposts Is Not a Contract of Employment

Business Guideposts does not create any contractual rights of any kind between Lucent and its employees or between Lucent and third parties.

In addition, employees not covered by a collective bargaining agreement in the United States and U.S. international assignees should understand that employment at Lucent is on an "at will" basis. This means that they can terminate their employment whenever they wish and for whatever reason they might have, just as Lucent may terminate their employment at any time and for any reason.

Conclusion

Business Guideposts identifies a fundamental and powerful value at Lucent: A deep respect for each person's contributions to the success of the team, whether that person is our colleague at Lucent, a customer, supplier, or anyone else in the many places around the world where we live and work. To ensure the future success of Lucent, this value must always guide our actions.

Approval Matrices

<http://teamcfo.wcc.lucent.com/policy/matrices/>

Charitable Contributions

<http://teamcfo.wcc.lucent.com/charitable/>

Corporate Personal Integrity Program (C/PIP)

<http://law.lucent.com/apps/law/memolib.nsf/f99c8311e6dad2e58525674d006c9bbb/a05ee983f35fd4ea852567710057890f?OpenDocument>

Corporate and Securities Law

<http://law.lucent.com/apps/law/corpseclaw.nsf>

Document Retention Guidelines — Information and Records Management

<http://records.lucent.com/>

Equal Opportunity/Affirmative Action

Hotline 1-800-363-5942

<http://ion.hr.lucent.com/equal/copy%20of%20refguide/eoaa.htm>

Environment, Health and Safety

Environment, Health and Safety Hotline 1-800-447-2338 for the United States, Canada and Mexico, or 1-941-649-3087 for all other locations. Other contacts can be found under “Who We Are” at <http://lehs.wh.lucent.com>

Human Resources

<http://ion.hr.lucent.com/default.asp>

Global Trade Organization

<http://globaltrade.web.lucent.com/apps/gto/GlobalTrade.nsf>

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<http://law.lucent.com/apps/law/govsolutions.nsf>

Intellectual Property

<http://ip.web.lucent.com/>

Intellectual Property Board of Advisors Procedures Manual

http://ip.web.lucent.com/ipba_proc.htm

Lucent Finance Accounting Policy Organization — Financial Reporting

<http://teamcfo.web.lucent.com/policy/contents/organiza.htm>

Lucent Information and Records Management

<http://records.lucent.com/>

Lucent Law Link

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