Lucent Technologies
Bell Labs Innovations

2003 EH&S Annual Report

Letter from the Chairman



Patricia Russo
Chairman and Chief Executive Officer

At the same time that Lucent was making progress in the marketplace, our 2003 Environment, Health and Safety program continued to build on a proud legacy of protecting the environment and safeguarding our employees.

More and more, our stewardship in those areas is built on the concept of sustainability. In simple terms, sustainability means meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

This translates first and foremost to protecting the earth and its natural resources - air, water and natural wildlife. We work to reduce pollution levels. We are concerned about the safety and well-being of our employees. And we are dedicated to improving the quality of life in the communities in which we operate.

Lucent's work in this area as a whole, however, is only as effective as the collective efforts of its individual employees. Reduce, reuse and recycle is more than a slogan, it is a way of life - every day. By putting it into practice, each of us can have a measurable positive impact on the environment. Such ongoing care of the environment by Lucent and its employees is both socially responsible and business critical.

Over the years, our commitment to environment, health and safety policies has been consistent and our achievements measurable. This 2003 EH&S Annual Report summarizes some of the recent progress that Lucent has made on the continuous road to improvement. It is solid progress that helps sustain our efforts going forward and which helps us meet our core value of demonstrating a strong sense of social responsibility.



Roy Femenella
Lucent Environment, Health and Safety Vice President

2003 was a year of continuing progress: progress as measured and reported by our corporate EH&S goals to improve safety performance; use energy efficiently; and minimize the EH&S impacts of Lucent's products over their full life cycle. I'm proud to say that we met or exceeded expectations.

As we look to the future, we are driving progress in expanding the focus of our corporate EH&S goals - in terms of incorporating safety considerations in the vendor selection process, as well as monitoring and evaluating their ongoing safety performance. Our focus on energy efficiency in operations is increasingly being applied to our products with the resulting dual benefit of improved environmental performance and reduced operating costs for our customers.

Additionally, we recognize that our EH&S responsibility has expanded to include substantially more than compliance. It also involves a comprehensive and systematic approach to a company's operations and supply chain that includes minimizing practices that adversely affect the use of the planet's resources by future generations and encourages and ensures a safe and healthy workplace. All of this directly contributes and supports our obligations and commitment to being a socially responsible company. Consistent with our EH&S policy, we will be a leader in supporting, promoting and sharing ideas and practices with business partners in an industry that supports this commitment.

As you review this annual report, you will see examples of our continuous progress across our operations, in our products, and in how we have addressed our environmental legacies. Progress that has been made possible by our EH&S community and the people of Lucent.

2003 Results

Lucent's EH&S 2000+ goals are specific, measurable, time-bound objectives designed to drive continual improvement in overall EH&S performance. Goal achievements reflect the EH&S Policy and are representative of all business groups and corporate centers worldwide.

For 2003, we:

Improved Safety Performance:

Lucent achieved a Lost Workday Case Rate of .31 versus our target of .57. This safety performance was 46 percent below our annual target and was the lowest LWCR ever achieved by Lucent. Continued emphasis on all aspects of Health and Safety Management Systems, including strong management commitment to health and safety, active employee engagement, and an emphasis on hazard recognition activities, helped Lucent achieve this outstanding safety performance in 2003.

Used Energy Efficiently:

Lucent achieved an avoidance of 27,315 metric tons of greenhouse gases (GHGs) against the 4,000 metric ton goal for 2003. Cumulatively, Lucent avoided more than 120,000 metric tons against our five-year target of 50,000 metric tons.

Minimized EH&S effects of Lucent products over their full life cycles by:

- Developing methodology for assessing product functional energy consumption and validating the methodologies on the UMTS Compact Cell, CDMA Compact ModCell 4.0 and the 5E-XC™ Communications Module. The assessments identified an average 25 to 40 percent increase in energy efficiency, resulting in an equivalent avoidance of over 300,000 kg of greenhouse gas emissions over the lifespan of the product.

- Assessing and minimizing the use of targeted "materials of concern" in products such as utilizing galvanneal-finished cabinets, rather than hexavalent chromium-plated products.

2004 Goals

We will improve safety performance:

While continually improving our health & safety management systems, we strive for zero accidents/injuries. Our fiscal 2004 target for Lost Workday Case Rate is 0.40.

Additionally, where Lucent utilizes product and service suppliers, their EH&S performance will be reviewed and considered during the vendor selection process. Further, the suppliers' ongoing safety performance will be monitored and evaluated to ensure that it is sustained and effective.

We will use energy efficiently:

For Lucent Operations: Having exceeded our five-year goal to avoid the emission of 50,000 metric tons of greenhouse gases (GHGs), we will sustain the progress and seek to reduce an additional 5,000 metric tons of GHGs in 2004.

For Lucent Products: Lucent will design products that are more energy efficient over their life cycles.

We will minimize EH&S effects of Lucent products over their full life cycles:

By July 2006, Lucent will develop and implement methodologies to produce products, in support of market requirements, that are free of lead, hexavalent chromium, mercury, cadmium, and certain brominated flame retardants. Such products are designated "X-free".

In 2004, we will:

- Conduct portfolio reviews and supply chain gap analyses for product components and subassemblies for which Lucent has design control.
- Incorporate X-free requirements in product specifications.
- Identify and evaluate alternative (X-free) parts in the active component portfolio.

By January 2006, we will develop and implement methodologies, in support of market requirements, to achieve a 75 percent level of recovery and a 65 percent level of recycling for Lucent products.

In 2004, we will:

- Baseline the current levels of recycling and recovery.
- Establish processes and metrics to calculate compliance and meet reporting requirements.
- Incorporate critical Design For Environment aspects into design and supply chain processes.

Initiatives/Product-Related

Lucent Supplier Capability Assessment

In 2003 we continued to drive environmental awareness through our supply chain. We stepped up our efforts by integrating our Environment, Health and Safety (EH&S) expectations into the Lucent Supplier Capability Assessment (LSCA) tool that Lucent uses to assess a supplier's capability to systematically meet our needs and expectations.

Through the LSCA process, we evaluate the EH&S performance of service and product suppliers within the Lucent supply chain. The process assesses a supplier's complete management, quality and technical capabilities and establishes baseline information of a supplier via an initial questionnaire. It also may include an on-site review to get a "real world perspective" of a supplier's capabilities. The LSCA will determine if the supplier has the necessary processes and controls that will enable it to meet Lucent's expectations and requirements.

The LSCA process for product suppliers has included an EH&S element since its inception in 2002. In 2003, the LSCA process for services suppliers was developed by a cross-functional team of people from Supply Chain Networks (SCN), EH&S Corporate Center, and Lucent Worldwide Services (LWS). EH&S is a critical element that is included in the new LSCA Services process.

Material Declaration

Lucent's compliance with EU regulations is an example of the business' commitment to environmentally sound practices. We are determined to improve in the areas of environmental stewardship and social responsibility because it is the right thing to do for our customers, our shareholders and the communities in which we do business. As discussed in previous EH&S reports, Lucent Technologies has worked to ensure compliance with two European Union Directives addressing material restrictions and product take-back. We've made good progress, but there is more to do. As the requirements become more clearly defined and interpreted, activities are moving beyond the planning phase. IT infrastructure is being put in place and suppliers will be asked for information to populate the database that will provide Lucent the capability to properly manage its business in accordance with the European Union Directives and corporate guidelines.

Lucent has actively joined industry initiatives to deploy common approaches to meeting regulatory compliance, for example, the development of a Material Declaration Tool. Three leading electronic industry trade groups have made significant progress toward a common material declaration format for the global electronics industry. The need to report material content of electronic products has become increasingly important due to increased legislation and market requirements. Currently there is no single global reporting standard, and companies must develop their own reporting processes. A single approach with industrywide acceptance will be beneficial to the whole supply chain in the electronics industry. A worldwide standard could save companies both time and money. In 2003, the European Information, Communications and Consumer Electronics Industry Technology Association (EICTA), the Japanese Green Procurement Supply Survey Initiative (JGPSSI) and the Electronic Industries Alliance (EIA) agreed on a first draft of a global material declaration guide. Lucent has been actively participating from Day 1 of this initiative. Industry consortia has a goal of finalizing the **Joint Industry Material Composition Declaration Guide** by mid-2004. This initiative will result in better information about the material content of components and materials we purchase.

Initiatives/Operations

Operations and Maintenance Services in Brazil
Operations and Maintenance (O&M) services are an important part of the business strategy of LWS in the Caribbean and Latin America region (CALA) and Brazil. The experiences from Lucent Brazil with this type of contract started three years ago, through a contract signed with Brazil Telecom for the west central region of Brazil.

The market for this type of services has been competitive, requiring responsiveness and flexibility from Lucent. From an EH&S perspective our response has been to ensure employees and contractors are equipped with the knowledge and awareness to do their jobs safely. This has involved the training of all new professionals in the basic EH&S programs (Awareness Training, Vehicle Safety Programs and Fall Protection among others) and the supply of personal protection equipment to employees, as needed. Additionally, the Lucent Brazil EH&S professional staff ensured the EH&S provisions of the contract were carried out, through onsite reviews and inspections. These actions

were completed according to the aggressive work plan established for these contracts, without affecting the initiation of service delivery to our customer and in compliance with health and safety regulations.

As LWS looks for new business opportunities in O&M contracts in Brazil, CALA and elsewhere, the lessons learned will be applied accordingly. The work performed demonstrates true teamwork, the capacity of adaptation, reaction and prompt response, which benefit both Lucent and its customers.

Defensive Driving Program in Mexico
Lucent LWS Engineering and Installation (E&I) senior leadership in CALA established and implemented a defensive driving program in March 2001 in response to increased motor vehicle accidents. LWS E&I Management is strongly committed to supporting and encouraging the reduction of vehicle incidents.

The defensive driving program in Mexico consists of:

- Documentation of written program and controls, safety rules concerning vehicles, employees, supervisors and directors.
- A fleet management administrator and an EH&S specialist serving as facilitators and coordinators of this successful program.
- An internal safety committee that is/was instrumental in the effective application of inspections and audits of the established controls.
- Transit regulations of relevant cities in Mexico being made available on the Web.

Implementation of this program led to a reduced number and severity of vehicle incidents and accidents (with personal injuries) to the extent that now Lucent LWS E&I Mexico has maintained zero injuries from vehicle accidents for the third consecutive year. As a result, Lucent in Mexico was able to receive a refund from the insurance company due to the lower claim level. Additionally, this role-model program has been implemented in other countries in the region.

Remediation
The Remediation Group within Lucent oversees the investigation, design, construction and operations of environmental remediation activities, which include a myriad of past practices and operations. In 2003, Lucent continued the outsourcing of several manufacturing operations to contract manufacturing operations. As a result of these business decisions, several manufacturing facilities were sold to various entities. Lucent has active programs to ensure that remediation projects at each facility are properly continued in place, closed if meeting all applicable regulatory requirements, or transferred to the new ownership in an environmentally responsible manner. Wherever possible, Lucent strives to identify prospective purchasers that will reuse or redevelop the properties in a manner that is beneficial to the community and the environment. In most instances, Lucent has retained responsibility for managing any pre-sale environmental issues. The Remediation Group works closely with Lucent Real Estate, the buyer(s) and regulatory agencies to ensure a smooth ownership transition and to facilitate redevelopment. This includes innovative contracting relationships with our environmental consultants and remediation contractors to complete site cleanup and closure on an expedited schedule. This approach provides benefits to the buyer, the community and Lucent.

X-free

For Lucent, it's just as important to keep tabs on what's not in our products as on what is. An X-free team, a cross-functional group, is working to ensure Lucent's compliance with recent European Union (EU) environmental directives to reduce the presence of certain hazardous substances in products by July 2006.

Lucent is calling this initiative X-free in reference to the substances that the EU has specified in its Restrictions on Hazardous Substances (RoHS) Directive. The substances are cadmium, hexavalent chromium, lead, mercury, polybrominated biphenyls and polybrominated diphenyl ethers. However, the directive does allow certain exemptions such as lead in solders for network infrastructure equipment for switching, signaling, transmission and network management. This exemption was included in the directive because of the high reliability and criticality of fault-free service expected from public telecommunications networks. Lucent will work with industry subject matter experts to ensure solder alternatives meet demanding reliability requirements of telecommunications networks.

One of the keys to the X-free initiative's success will be effective partnerships. Externally, it will be vital for Lucent to partner with its many suppliers, original equipment manufacturers, and electronics manufacturing services to assure that they can deliver RoHS-compliant components, equipment and products before the compliance deadline. Internally, Lucent must partner across organizations and product development teams. The success of this partnering will be to design products that have minimal impact on the environment while maintaining a high level of functionality, quality and cost efficiency for Lucent's customers.

To ensure compliance to current and future eco-environmental requirements, organizations within Lucent have been implementing a management system approach. The X-free initiative is part of an overall strategy to integrate a process management approach into a product group's business. Lucent is integrating X-free and other eco-environmental requirement activities into the way business is done so that it doesn't take extra effort to incorporate such requirements. As a result, Lucent can provide eco-environmentally compliant products while reducing cost, increasing speed to market, and ensuring that we meet the quality and performance needs of customers.

Take-Back

Teams from across the business have been focusing on the European Union Directive addressing Waste from Electrical and Electronic Equipment (WEEE). It requires suppliers to take back equipment at the end of their economic life and sets targets for recycling and recovery, beginning with products placed into the EU market in August 2005.

We have recycling programs for our products throughout the world that are capable of meeting WEEE requirements now. We continue to assess and analyze our product designs and recycling programs to achieve higher efficiencies. For example, Lucent has determined from its existing key contractors the current levels or baseline of recycling, and has established processes and metrics to calculate compliance and meet reporting requirements that take effect starting in 2006. We also have completed life cycle assessments of our products to define key design-for-environment features that were then incorporated into tools, which support design and supply chain processes. In addition, we are working with recyclers to come up with suggestions and feedback for our designers so that what we do at the end of a product's life will benefit both the recyclers and Lucent.

Handling Take-back Requests

Lucent's Global Reverse Supply Chain Organization (GRSC) has put in place the necessary processes to deal with any request for take-back and will coordinate such requests within Lucent. This support function will not only deal with take-back legal requirements, but will also support swap-outs or other business opportunities in the "services" business segment where Lucent would manage the displacement of obsolete equipment for the customer.

A take-back help desk is the one stop for any take-back requests. The first step in the process is a review of the product to see if there is an opportunity to sell valuable used equipment through the Special Customer Operations (SCO) group. Some of our customers have a need for used equipment.

Lucent's second option is to take the equipment to approved recyclers to be recycled, using the most efficient methods for "environmentally friendly" recovery. We audit each recycler we work with to ensure that they follow accepted practices. Lucent receives reports as to the quantity and type of materials recovered. We make sure that the materials are directed to the appropriate destination for reuse or disposal.

Looking Ahead

It is expected that other countries around the world will adopt legislation similar to the EU directives during the next few years. The work being done now to comply with the EU mandates will prepare Lucent for the future. For example, Lucent has an eco-environmental roadmap that looks at upcoming legislation around the globe that will have an impact on our products. Lucent will look at what's on the horizon, overlay on that roadmap the products that we plan to develop, and create a plan to meet the necessary requirements and target dates. In this way, Lucent continually assures that our businesses and products will meet the needs of our customers and provide for a sustainable eco-environment.

Recognition/EH&S Champions

Whether it's saving energy, money or lives, Lucent employees around the world continue to demonstrate their commitment to making the world a better place. The annual Environment, Health and Safety (EH&S) Champions Awards program, sponsored by the Lucent Foundation and Lucent's EH&S organization, recognizes outstanding individuals and teams whose role model work supports Lucent's commitment to the environment and to ensuring the health and safety of employees, customers and others, and demonstrate our commitment to social responsibility. Recently, 14 projects were chosen as the 2003 EH&S Champions.

"One of Lucent's core values is a strong sense of social responsibility. As we care for the communities in which we work and live, we never lose sight of our obligations to its resources and its people," said Chris Park, president, Lucent Foundation, sponsors of the EH&S Champions Program. "This year's Champions all have made a difference for our business, for the environment or for their communities."

Along the way, we're also benefiting by improving our business processes. Several of this year's selected projects have resulted in significant cost savings, operational efficiencies or customer satisfaction improvements.

"Many of these efforts, which aim at creating safe, environment-friendly and efficient products and processes, go straight to the bottom line, improving our finances and helping our customers," explained Roy Femenella, EH&S Vice President, Murray Hill, NJ. "That's more than good citizenship - it's good business."

Each year, the Lucent Foundation collects nominations from employees around the world and works with a third-party nonprofit organization to choose the winning projects. Selection is based on criteria that include environment, health and safety benefits, cost savings, ease of replication, program effectiveness and innovation.

Selected teams receive a certificate and a medal, along with a $1,000 grant to a non-profit organization that the team or individual chooses.

And the Champions Are …

Selected projects in the **Planning for the Future** category, which are chosen for innovation in environmentally sound design, technology or manufacturing methods and processes, or for workplace designs that prevent job-related injury or illness, are:

- **The Robo-Tester Tool,** developed by Ian Logan, software engineer with Mobility Solutions in Swindon, England, allows engineers to perform call-based offer testing at a customer site from a remote location. Use of the Robo-Tester tool not only has improved the accuracy of testing, but it also has almost eliminated the need for Mobility engineers to spend time and money traveling to customer sites.

- **Mobility UNC Cabinet:** A team of engineers from Mobility Solutions in Holmdel, N.J., redesigned the Universal Network Cabinet (UNC), used in our base station products, using alternative materials and a new body construction to eliminate potentially hazardous materials from the product. Not only did the team achieve a 28 percent improvement in environmental performance, but the resulting design also can be manufactured faster and less expensively than its predecessor.



Pictured from left: Walt Picot, Errol Francis, Paul Currenti and Beth Kujan. Not pictured: Joe Borowiec and Marianne O'Sullivan.

- **Flexent Modular Cell 4.0 Compact:** A Mobility team in Whippany, N.J., took on the challenge of making a smaller, lighter version of our flagship Flexent® ModCell 4.0 wireless base station. As a result of design improvements in the physical packaging, the Flexent® Modular Cell 4.0 Compact is one-third the size of the ModCell 4.0 and can be configured to use 15 percent to 25 percent less energy.

Projects chosen as Champions in the **Program Effectiveness** category because they result in improvements in our operations and/or products in the areas of pollution prevention, waste reduction, energy efficiency or accident prevention and reduction of on-the-job accidents or illness are:

- **Standardization of Hazardous Statements:** Working together across different locations in the United States, members of the IP&T (Information Products and Training), LEH&S, Bell Labs and Mobility Solutions teams standardized the format and content of hazard statements for our UMTS hardware manuals, ensuring that safety information is clear and accessible in our product documentation.

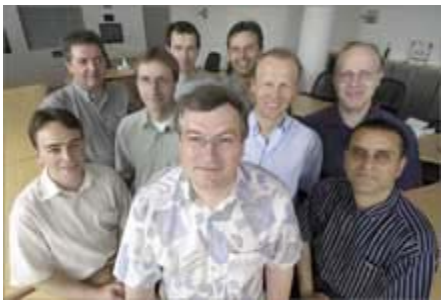


Pictured are: Kathy Donnelly, John Diaz, Mike Commons, Bruce Esrig and Brenda Hiler. Not pictured are: David Bottjen, David Hartlage, P.J. Hollern, Sue Holman, Dusty King, David Moor, Roger Olds, John Pierce and Alf van Vuuren.

- **OneDFE (Design for Environment) Checklist:** A New Jersey-based EH&S team, joined by colleagues from Mobility Solutions in Columbus, Ohio, created the OneDFE Checklist tool to collect and analyze data used to classify our products and our suppliers' products on the basis of environmental performance.

- **Electrical Energy Conservation:** In Bangalore, India, the Supply Chain Networks (SCN) team set a target goal of reducing electrical energy at the SIC (Systems Integration Center) facility by 5 percent. To date, their efforts, including maintenance programs, air circulation improvements and an awareness campaign, have saved 7 percent in energy costs per quarter. Another SCN team in Bangalore launched a simultaneous Paper Conservation campaign, which has resulted in a 33 percent reduction in paper consumption throughout the facility.

- **Project MiniWatt:** In Germany, members of Bell Labs and Mobility Solutions responded to a government-sponsored program to research wireless communications with the intent of reducing their electromagnetic emissions. They found that it is possible to reduce transmission power, which not only reduces emissions, but also can improve the quality of the network signals.



Team members include: (first row, from left) Enrico Jugl, Michael Soellner, Fariborz Derakhshan; (middle row, from left) Hans-Juergen Kettschau, Stefan Brueck, Armin Dekorsy, Georg Fischer; (back row, from left) Frank Obernosterer and Mirko Schacht.

In the **Management Practices** category, the achievements that advanced our environmental and safety commitments by developing programs in-house or in partnership with strategic business partners, government agencies or outside organizations are:

- **Energy Conservation in Qingdao, China:** Building on work that earned a 2002 EH&S Champions award, an SCN team set out to further reduce the facility's energy consumption and improve its efficiency. As a result of efforts such as changing light switches, performing routine maintenance on company vehicles and reducing electricity use, the team reduced the facility's power consumption by 97,000 kilowatt hours, reduced carbon dioxide emissions by 97 tons and saved $125,000 in energy and resource costs.

- **Integrating EH&S Capabilities into LSCA:** The LSCA (Lucent Supplier Capability Assessment) tool measures vendors that supply services to Lucent. Bernhard Schaefer, quality engineer with SCN in Nuremberg, Germany, led the deployment of this tool in the EMEA region. This tool serves to ensure that Lucent maintains relationships with suppliers that meet or exceed our high standards for environment, health and safety issues.



Bernhard Schaefer, who works outside Frankfurt, Germany, led the deployment of the Lucent Supplier Capability Assessment (LSCA) Services process in Europe, Middle East and Africa.

- **EH&S Development Program:** Based on detailed risk assessments, Mohammed Kalappatt, EH&S coordinator and member of the Security Response Team in Riyadh, Saudi Arabia, helped build a safety culture in Lucent's Saudi Arabia facility, resulting in fewer lost-time accidents and lower costs associated with responding to incidents.

The individuals honored for their commitment to **Social Responsibility** through volunteer efforts in areas such as environmental education, land preservation and beautification, wildlife habitat protection, safety education and accident prevention, health promotion and/or wellness are:

- **Gerald Weth,** technical manager with the Optical Networking Group in Nuremberg, helped create the First Responder Burgthann, a nonprofit volunteer program that provides 24/7 support for medical emergencies as a supplement to emergency medical teams in the area. During its first three months of operation, the team responded to 76 medical emergencies and six fire calls.

- **Ian Haggert,** project manager with Lucent Worldwide Services in the United Kingdom, has spent the past two years supporting the Slough Education Action Zone, a nonprofit organization that aims to create innovative educational curriculum by involving community partners, at St. Ethelbert's Catholic Primary School in Slough, England, by designing and building a computer suite; acquiring, repairing, deploying and maintaining computer equipment; refurbishing and redecorating common areas; and creating an outdoor Peace Garden for the students.

- **Kathleen Downey,** manager with IP&T in Westford, Mass., has worked with the Merrimack River Feline Rescue Society (MRFRS) since 1992, helping ensure the health and welfare of feral (wild) cats in the Newburyport, Mass., area. By providing shelters, food, water and regular veterinary care for colonies of cats, the organization has been able to extend the life span of the animals - generally two years in the wild - to an average of 13 years.

Recognition/RoSPA Safety Award

In recognition of effort in the area of improving health and safety in the workplace, Lucent in Swindon, England, won a Gold award from The Royal Society for the Prevention of Accidents (RoSPA). The award was presented at the RoSPA 2003 Occupational Health and Safety Awards ceremony for workplace safety records. This award is not just about reducing injuries/ill health in the short term. Companies are recognized for the robust management systems that exist to promote long-term improvement in this area.

Recogniton/Fire Safety Award

Lucent Qingdao (China) is among the companies that have received a fire safety award from the Qingdao Fire Bureau in recognition of an outstanding fire safety program. At a recent presentation ceremony featuring Qingdao Fire Bureau personnel and company management, Lucent Qingdao was cited for a comprehensive and ongoing fire safety program that features awareness, prevention and rapid response. Management personnel at the Lucent Qingdao facility consistently have shown a high degree of concern about fire safety in the factory. Among other activities, Lucent management works with the local fire bureau to conduct training for employees, spell out clearly defined roles and responsibilities at each organization level, and conduct regular inspections. In addition, practice fire drills are conducted twice a year, Lucent employees are trained to recognize and report fire hazards, and all new employees are required to attend fire safety training conducted in-house to improve their emergency response ability. The Lucent Qingdao facility has installed a complete fire protection system, including water sprinklers, heat and smoke detectors, fire alarms, fire call points and a public address system. Factory employees conduct ongoing maintenance of these systems according to a prescribed schedule.

Recognition/Voluntary Protection Program



Representatives from Lucent's VPP teams proudly hold up the "Star" flag from the U.S. Occupational Safety & Health Administration, which recognized five Lucent facilities for their exceptional health and safety management. From left: Larry Federico, Richard Quick, Jose Alvarez, Shaun Van Doren, Bill Hemp, Debbie Reynolds, Doug Brown and Shashi Kini.

In 2003, the Occupational Safety and Health Administration (OSHA) visited the Lisle/Naperville, Ill., and Crawford Hill (N.J.) locations to evaluate their safety management systems. As Star sites within the OSHA VPP for three years, these facilities have demonstrated an excellence to safety. To continue in the VPP, a facility must have a periodic on-site evaluation by OSHA. While at Lisle/Naperville and Crawford Hill, the OSHA teams reviewed written safety programs, toured the facility and interviewed employees. They assessed management commitment to safety, employee involvement, hazard prevention, safety training, and looked for continual improvement in each area. Both Lisle/Naperville and Crawford Hill received an excellent OSHA review and retained their Star recognition in the VPP. During 2004, the other Lucent VPP Star locations (Whippany, Holmdel and Murray Hill, N.J.) also will have OSHA on-site reviews.

Recognition/Best In Class Award

Storebrand Principle Funds awarded Lucent Technologies Best in Class status in 2003 for its leading environmental and social performance, thereby qualifying Lucent for investment by Storebrand Investments' SRI mandates.

Only those companies that rank in the top 30 percentile of Storebrand's environmental and social performance analyses are considered "best in class."

Based on an on-site review in April 2002, Lucent ranked among the top performers in all of Storebrand's environmental indicators, receiving the seventh best overall score. Lucent was cited for providing environmental information and training to employees via Web-based programs, for having a primary target of motivating and preparing all employees to assume environmental responsibility, and for achieving a reduction of greenhouse gases by more than 37,000 metric tons through energy projects and recycling activities.

In social performance, Lucent ranked among the top performers in all of Storebrand's social indicators, receiving the eighth best overall score. Storebrand cited Lucent's Code of Conduct for all employees, an occupational health and safety system that has shown a reduction in lost workdays due to injury, and an effective philanthropy program.

Storebrand is one of Norway's largest private investors with a more than 235-year history. The Storebrand Principle Global Fund only invests in those companies that rank in the top third of their global peer group according to Storebrand's environmental and social performance criteria. It is built on the foundation of a model portfolio consisting entirely of top ranking global companies that demonstrate superior environmental management and social responsibility.

