

Making smart, sustainable choices

Tellabs is focused on delivering long-term value to the people who count on us — our customers, employees, investors, suppliers and neighbors. That’s why it’s so important to make sustainable decisions that build the business, respect people and protect the environment. For example, we work to:

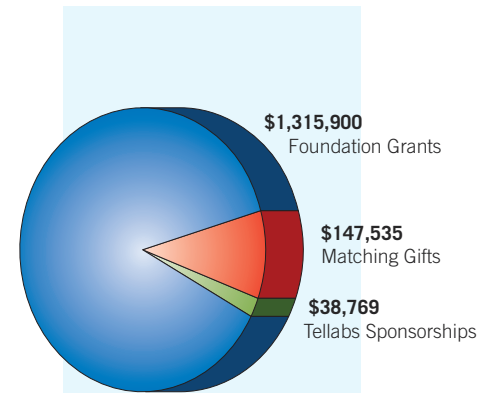
Design energy-efficient products. Being more efficient saves energy and cuts costs. Our customers estimate up to 80% of their energy expense comes from network equipment. Tellabs products can help. For example, our Optical LAN solution uses up to 80% less power than traditional active-Ethernet LANs.

Reduce emissions in our operations. Since 2008 Tellabs has reduced its carbon footprint by 13%. We aim to reduce our emissions 20% per employee by 2013, compared with 2008 levels.

Strengthen a responsible supply chain. Tellabs expects our suppliers to align their businesses with the principles in the EICC Code of Conduct. We are working closely with key suppliers to address:

- **Conflict minerals.** Certain mined substances — tin, tungsten, tantalum and gold — occur in almost all electronic products. Some materials come from mines near war zones, and their profits fuel violence. All of Tellabs’ products contain at least one of these minerals. Our goal is to identify conflict-free sources of these materials.
- **Slavery and human trafficking.** We condemn these horrific practices. Tellabs conducts ongoing evaluations to help ensure that slavery has no place in our supply chain.

Maintain an ethical culture. Integrity has always been a core value at Tellabs, since our beginning. For example, in 2011, IRRIC Institute and Si2 released a study on political expenditures of the S&P 500. Tellabs is 1 of only 17 companies that said it has a “no spending” policy, and actually follows that policy.



Together, the Tellabs Foundation and Tellabs gave more than \$1.5 million to our communities in 2011.

Learn more at
www.tellabs.com/sustainability



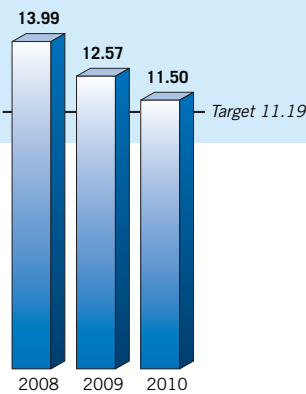


Midwin National Tallgrass Prairie received support from the Tellabs Foundation and Tellabs volunteers as part of our commitment to protect the environment.



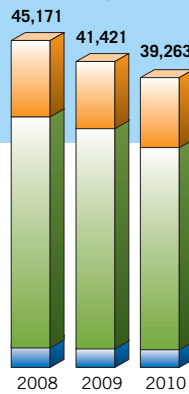
More than 100 Tellabs engineers supported the 2011 Zhangjiang Fun Run, and earned the top participation award, to benefit Community Center Shanghai.

Emissions per capita
in metric tons of carbon dioxide equivalents



Tellabs has lowered per-capita emissions by 18% since 2008.

Tellabs total greenhouse gas emissions
in metric tons of carbon dioxide equivalents



By type of emission
 Scope 1 (blue) Scope 2 (green) Scope 3 (orange)

Tellabs has reduced greenhouse gas (GHG) emissions by 13% since 2008.



Tellabs Finland runs on hydropower, which reduces greenhouse gas emissions.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) — Managing our business for positive economic, social and environmental outcomes

	2011 Plan <i>What did we say in the 2010 Tellabs Annual Report?</i>	2011 Progress <i>How did we do?</i>	2012 Plan <i>What will we achieve next year?</i>
Reduce energy consumption and GHG emissions with more efficient products and operations	<ul style="list-style-type: none"> > Benchmark a Telecom Energy Efficiency Ratio (TEER)* for Tellabs SmartCore® 9000 series. > Complete Carbon Disclosure Project survey, include available supplier information. > Develop an action plan to reduce global facility energy consumption. 	<ul style="list-style-type: none"> ✓ Benchmarked a TEER* for Tellabs SmartCore® 9100. ✓ Completed Carbon Disclosure Project survey, reporting a 13% reduction in Tellabs global emissions since 2008. ✓ Developed action plan to reduce global facility energy consumption. Tested energy-efficient lighting. 	<ul style="list-style-type: none"> > Make progress towards reducing per capita emissions 20% by 2013. > Apply environmental criteria for operating purchases.
Work with supply chain to responsibly manage labor, materials and waste	<ul style="list-style-type: none"> > Complete lead-free reliability testing for Tellabs® 7100 and 8800 series. Initiate testing for Tellabs Smart-Core® products. > Address new SEC disclosure requirements on conflict minerals. > Incorporate CSR expectations in new or renewed supplier contracts. 	<ul style="list-style-type: none"> ✗ Lead-free reliability testing for Tellabs® 7100 nearly complete. ✓ Surveyed key suppliers for information and disclosed policy about conflict minerals on tellabs.com. ✓ Ongoing commitment to include CSR expectations in new or renewed contracts. ★ Addressed new California Supply Chain Transparency Act and disclosed anti-slavery policy on tellabs.com. 	<ul style="list-style-type: none"> > Complete lead-free reliability testing. > Continue to work with supply chain to identify and use conflict-free sources of material. > Continue to work with supply chain to assure fair, safe employment.
Strengthen communities where we live and work	<ul style="list-style-type: none"> > Distribute \$1 million in Tellabs Foundation grants. > Maintain high participation in employee giving programs. 	<ul style="list-style-type: none"> ✓ Distributed \$1.3 million in Tellabs Foundation grants ✗ Participation decreased in response to fewer activities. 	<ul style="list-style-type: none"> > Distribute \$1 million in Tellabs Foundation grants.
Engage and develop our employees	<ul style="list-style-type: none"> > Continue leadership forum. > Conduct employee engagement survey in fall 2011. 	<ul style="list-style-type: none"> ✓ Continued commitment to leadership forum. ✓ Conducted survey in fall 2011. 	<ul style="list-style-type: none"> > Continue leadership forum. > Develop action plan in response to 2011 employee engagement survey.
Meet the highest standards of ethics	<ul style="list-style-type: none"> > Evaluate Tellabs' position on deep packet inspection. > Conduct a larger-scale ethics and integrity survey. 	<ul style="list-style-type: none"> ✓ Sales, services, marketing and legal teams evaluated deep packet inspection. Invited discussion through Tellabs Blog. ✓ Conducted a larger-scale ethics and integrity survey, and addressed issues identified. ★ Released long-standing political contributions policy on tellabs.com. 	<ul style="list-style-type: none"> > Conduct an ethics and integrity survey; address issues identified.
Manage risk and ensure business continuity	<ul style="list-style-type: none"> > Expand business continuity plans in Asia Pacific. 	<ul style="list-style-type: none"> ✓ Completed several Business Impact Analyses in Asia Pacific. 	<ul style="list-style-type: none"> > Expand business continuity plans globally.

* TEER - Telecom Energy Efficiency Ratio calculation standards are defined by the Alliance for Telecommunications Industry Solutions (ATIS) and help us track our progress. Because products are highly configurable, actual results may vary by application.

> plan ✓ completed plan ★ exceeded plan ✗ missed plan