Water 2018 CDP SCORE REPORT



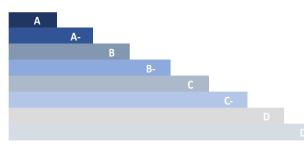
OVERVIEW

The CDP Score Report allows companies to benchmark and compare their progress towards water security against peers, in order to continuously improve their water governance and stewardship. The score achieved by each company is comparable to companies from its region and sector, and investors will additionally receive a copy of the CDP Score Report.

COMPANY PROFILE

ADTRAN INC

Region	North America
Country	United States of America
CDP Program	Supply chain
Sector	General
Questionnaire	General



YOUR CDP WATER SCORE

AWARENESS C-

Sector average: C

Regional average: C

Understanding your CDP score. Your Scoring Level (Disclosure, Awareness, Management, Leadership) demonstrates your company's level of water stewardship, and your actions and approaches in managing water.

ADTRAN INC has received a score of C- which is within the AWARENESS band. This is LOWER than the General average of C, and LOWER than the North America regional average of C.

CATEGORY SCORES

Scoring categories are groupings of questions and are subgroups of the 2018 questionnaire. Weightings are applied to scoring to reflect the relative importance of each category to progress water stewardship. The weighting applied to each category varies across sectors to highlight the areas most important to environmental stewardship in specific sectors. Please note that it is not possible for a category score to be higher than a final score. To find out more about category weightings for each sector, download the 'CDP Scoring Categories and Weighting' documents <u>here</u>.

The Introduction and Verification categories have not been included for category score breakdown as they are not scored at Management and Leadership levels.

CATEGORY	SCORE
Water accounting	C-
Value chain engagement	C-
Business impacts	C-
Water risk assessment	C-
Water-related risk exposure	C-
Water-related opportunities	C-
Water policies	C-
Governance	C-
Business strategy	C-
Integrated approaches	C-
Targets & goals	C-

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FEEDBACK FOR ADTRAN INC

BASED ON YOUR CATEGORY SCORE

- WATER ACCOUNTING: Next steps increase the amount of sites, facilities or operations that are monitored to at least 25% for each applicable water aspect.
- **RISK ASSESSMENT:** Next steps carry out a frequent risk assessment where several stakeholders and contextual issues are included in your company's water-related risk assessment process.
- **TARGETS AND GOALS:** Next steps have targets and goals at the corporate level with quantitative metrics for water targets.
- **GOVERNANCE:** Next steps have board level oversight of water-related issues and management-level responsibility for water-related issues below board level.
- WATER POLICIES: Next steps develop a water policy, publicly available or not, that recognizes the importance of water-related issues to your business.
- VALUE CHAIN ENGAGEMENT: Next steps carry out value chain engagement on water-related issues or have an intention to engage.

TRENDS IN WATER STEWARDSHIP

ACHIEVING A WATER SECURE FUTURE

- Verify and assure your water security data;
- Explore water valuation options, e.g. setting an internal price for water;
- Actively consider water-related issues in the development of possible future scenarios and in the use of scenario analysis.

ADDITIONAL RESOURCES

- 1. Disclosure support, benchmarking and data analytics
- 2. Reporting to CDP's Water Program
- 3. Water Scoring Methodology and Reporting Guidance 2018
- 4. Introduction to CDP Scoring
- 5. WRI Aqueduct