



Environmental Report 2015



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Message from the CEO



2015 was a great year for Actiontec. Increasing our customer base while reducing our carbon footprint. The environmental initiatives implemented in 2011 are contributing to this goal as well as the new initiatives that we added in 2012, 2013 and 2014. Now all of our products ship with energy-efficient power supplies and in recycled/recyclable packaging. Our headquarters facilities use high efficiency WaterSense toilets, energy efficient T8 light fixtures and increased the amount of materials recycled. Plus, we continue to strive to reduce our purchases and reuse what we can and encourage our employees to keep as much as they can in a digital format.

Below are some additional highlights:

- **Maintained our Certification as a Green Business**
- **Greenhouse Gas Emissions:** We actively participate in 3 Degrees Group, Inc. a program which contributes to the reduction of our carbon footprint. (See the Carbon Disclosure Project's report for our Scope 2 and 3 greenhouse gas emissions and our climate change strategy.)
- **Products:** All products are designed with energy efficiency in mind. They ship with energy efficient power supplies and in recycled/recyclable packaging.
- **Sites**
 - With our energy efficient T-8 fixtures with electronic ballasts and new motion sensors, our electrical usage for lighting has dropped.
 - We continue to reduce our waste stream by actively encouraging employees to recycle/reuse as much as possible including paper/plastic products, old equipment, and batteries, etc.
 - We reduced our water consumption by using only high efficiency WaterSense toilets and utilizing a weather controller and water efficient sprinklers/nozzles for our landscaping.

I hope that you are able to read on and enjoy our 2015 Environmental Report. Of course, we welcome any comments that you may have on environmental performance, so please feel free to contact our Sustainability group at sustainability@actiontec.com.

Dean Chang
President and Chief Executive Officer

Who We Are

Actiontec Electronics develops broadband solutions that connect people to the Internet, applications, and content they care about. Our products, including Gigabit Ethernet fiber routers, whole-home wireless networking, high speed bonded VDSL2 gateways, DSL modems, and wireless display solutions, are deployed by some of the largest service providers in North America. Alongside our service provider partners, we're turning the promise of the digital lifestyle into reality, enabling consumers to enjoy any content on any device in any room in the house.

The connected home is evolving fast, with increasing demands for speed, applications, and content. More devices in the home and office require network connectivity than ever before. We're committed to helping our carrier customers rise to the occasion and turn these needs into a reality. We're developing products that not only push faster speeds to the home, but within the home as well. Our whole-home solutions give consumers countless wired and wireless options for connecting their home theater devices, gaming consoles, computers, tablets, mobile devices, and more. And with industry leading WiFi performance, we're making sure consumers can watch HD video and more just about anywhere in the home.

Additionally, we keep a close eye on the service provider's bottom line, and ensure our products are easy to install, manage, use, and support. We're pushing manageability (such as TR-069) further into the home, giving end users a more seamless digital experience and making it easier for service providers to manage the many devices used on today's home networks. We also maintain a large customer support and design team in the United States that enables us to respond quickly to requests as they arise and help our service providers take advantage of each opportunity.

Our company is led by a seasoned management team with over 100 years of collective experience gained at companies such as Apple, Cisco, GenBand, General Motors, IBM, Micronics, Microsoft, Motorola, National Semiconductor, Tellabs and Westell Technologies.

Industry Leadership

Actiontec is a leader in the connected home, with more than 40 million connected home devices sold to date. Our products have been adopted by leading Tier 1 and Tier 2 Internet Service Providers in North America, including Verizon, CenturyLink, Frontier, Telus, Comcast, Bright House, Cox, Charter, Dish, TDS Telecom, MTS Allstream, Bell Aliant, Sasktel, and more.

We're constantly pushing the envelope on what's possible in the connected home and our innovation has been recognized throughout the industry time and time again. Independent lab tests confirm that our WxB6x000 wireless network extender outperforms the competition in multi-level homes. We also took home over 130 industry awards, including multiple prestigious CES Innovations awards in Design and Engineering.

Green and Diversity Initiatives

In 2011, we established a formal Sustainability Program that sets aggressive targets in multiple areas, including: water conservation, electronic waste and scrap product recycling, paper recycling, energy usage and more. We're an enthusiastic participant in PG&E's ClimateSmart program and offset 6% of all carbon dioxide produced at our Sunnyvale Headquarters in 2011.

The majority of our modems and routers are ENERGY EFFICIENT, helping families reduce their electrical bills and energy use. We hope our green efforts not only minimize our own impact, but also serve as a model for other high-tech companies.

And since minerals originating from conflict regions can end up in electronics and other products, we're participating in the Conflict Minerals Pilot Program to bring more transparency to the product supply chain and help promote the responsible sourcing of mineral resources.

Product Portfolio

Best Performing Wi-Fi

Our products incorporate the most advanced home wireless technology deployable today. Dual band 4x4 802.11ac delivers wireless speeds up to 2 Gbps, while Multi-User MIMO enhances the user experience when simultaneously streaming and gaming on multiple

devices. We've also optimized antenna placement on three dimensions instead of just two to deliver a robust signal across floors and to the far corners of the house.

IPTV/Video Products

With solutions for Fiber to the Home (FTTH), Fiber to the Curb (FTTC), VDSL2, ADSL2+, and any major video WLAN standard, we offer a comprehensive line of IPTV-capable CPE equipment for service providers of all sizes and infrastructures. All of the broadband routers and gateways can be customized to carrier needs and offer support for all of the major video networking standards for the WAN and LAN including VDSL2, ADSL2+, Fiber, Ethernet, MoCA, HomePlug AV, or HPNA 3.x.

Broadband Access Products

We offer a full range of DSL modems, DSL routers, and Wireless DSL Modem Routers, from compact, power-packed devices to energy efficient modems and an innovative modular platform that supports snap-in expansion modules. Our DSL modems and routers support Bonded VDSL2, VDSL2+, VDSL, ADSL, ADSL2+, and work with any DSL service provider in North America.

Home Networking Solutions

Bringing a broadband signal to the home is only half the picture. More and more devices in the home require an Internet connection and consumers expect to be able to use these devices anywhere and everywhere...without any glitches or quality issues. We offer a range of innovative home networking solutions based on the latest wireless, Wireless HD, Miracast, powerline/HomePlug, HPNA, and MoCA standards

TV Everywhere Solutions

A family of innovative adapters give consumers the ability to watch TV (at up to 1080p full HD video), wherever they choose to put their television...on the wall in the living room, in the basement, or even out on the patio. And our standards-based ScreenBeam line puts any content from a smartphone, tablet, or computer on the big screen TV.

Wireless Display in Education and Business

Our ScreenBeam products are the preferred wireless display solutions in classrooms and offices across the U.S. and around the world. As a recommended solution for Intel, Microsoft, and NVIDIA, ScreenBeam brings content to life on the big screen and features the enhanced security and manageability that schools and businesses require.

About

Sustainable Management at Actiontec



” Our goals are to tackle our own environmental footprint and resource usage while helping our customers meet their sustainability goals.”

Actiontec is committed to being a leading corporate citizen and reducing the overall environmental impact of our operations. The sustainability program was officially developed in 2011 and continues with great strides in 2015. Our program set a clear strategy on Actiontec’s environmental management and sustainability initiatives to support what we believe is a best-in-class corporate responsibility program. 2015 was a successful year. In 2016, we will keep looking for ways to further reduce our environmental footprint, work on our supply chain sustainability and assist our customers to live and work more environmentally friendly.

Actiontec is committed to:

- Comply with all relevant global environmental legislation
- Minimize waste, maximize resource usage and prevent pollution
- Review, monitor and improve our company’s environmental performance
- Work with our suppliers and vendors to increase their involvement in corporate environmental initiatives
- Encourage all employees to be proactive in implementing environmental sustainable behaviors in the workplace
- Publicly report on all environmental activities in accordance with the Greenhouse Gas Protocol

These policies will be reviewed on an annual basis to ensure its continuing effectiveness.

Brian Paul

Chief Financial Officer and Chief Sustainability Officer

Sustainable Products

Energy Efficiency

Actiontec has been a key player in the ENERGY STAR program for routers and modems (officially started in July, 2009). Due to Actiontec's commitment, all of our modems and routers have energy efficient power supplies. As a result, Actiontec's end customer can reduce their electrical bills and protect the environment while enjoying impressive technological capabilities in the digital home.

By opting for energy efficient household products, families can save about a third on their energy bill. We are fully committed to helping families choose "green" by improving the energy efficiency of our product portfolio, while also continuing to innovate exciting technology features.

Product Materials & Packaging

Actiontec's products are manufactured in large numbers for distribution around the world. Minimizing material use can make a significant difference in reducing green house gas emissions. The company is using recycled material in its packaging, as well as focusing on smaller-sized devices, which require fewer materials, less packaging and less waste produced throughout the supply chain.

Actiontec continuously seeks to identify areas where further reductions in material input and packaging can be made.

Sustainable Facilities

Energy

When purchasing new office equipment and appliances, such as computers, copiers and printers, we purchase energy conserving, ENERGY STAR products. In 2011, we replaced all T-12 fluorescent lamps with higher energy efficiency compact T-8 lamps. This action can help us save at least 20% electricity consumption on lighting and reduce 70% of mercury content in fluorescent lamps. Light sensors were installed in 2013 and 2014.

We have short and long-term targets for reducing our energy use and the associated impact on climate change by improving energy efficiency and reducing our carbon footprint. Furthermore, these actions help us cut costs and secure supplies of energy in the long term.

Water

Based in California's Silicon Valley, we understand that water is a precious resource. We have implemented many projects to minimize our water consumption through high efficiency irrigation and weather controller system, along with active employee participation and continued to expand these programs in 2016. Corporate facilities have been updated to include low flow toilets and aerators. These activities allowed us to save at least 25% in our water consumption.

Reuse/Recycling

When allowed, we will print documents on both sides of the page. Actiontec also collects non-confidential papers and has these papers bound as scratch pads for staff use. These common practices help us conserve a large amount of resources and reduce our carbon footprint.

Recycling is a standard office practice throughout the company. We have contracted with a recycling company and recycle five different kinds of materials including cardboard, paper, aluminum cans, plastic bottles, and scrap plastics. We are committed to taking full advantage of recycling services offered at our office locations. Furthermore, we work with Santa Clara County to reduce the generation of toxic materials to landfills by recycling batteries, printer cartridges, fluorescent tubes and electronic wastes.

Waste

Actiontec has developed a solid waste program to ensure that as much waste as is possible can be recovered or recycled. We also encourage our employees' active participation. We also installed hand dryers in the office's restrooms to reduce paper towel usage.

On average, Actiontec diverts at least 40% of waste from landfill per month and we will keep looking for ways to further reduce our waste stream.

Waste Streams Recycled at Actiontec Facilities

| Recycling Materials | Actiontec Headquarters And Warehouse |
|---------------------|---|
| Cardboard | ✓ |
| Paper | ✓ |
| Printer Cartridges | ✓ |
| Aluminum Cans | ✓ |
| Plastic Bottles | ✓ |
| Fluorescent Tubes | ✓ |
| Batteries | ✓ |
| Scrap Plastics | ✓ |
| Electronic Waste | ✓ |

Reductions in Greenhouse Gas Emissions

Carbon Disclosure Project

Actiontec collected and reported our emission data to the Carbon Disclosure Project in 2015. Our profile is based on “The Greenhouse Gas Protocol”, a widely used accounting framework developed by the World Resources Institute and used by governments and business worldwide to quantify and manage emissions.

Since we do not have Scope 1 sources⁽¹⁾, our profile includes Scope 2 and Scope 3 sources and calculations using emission factors provided by PG&E and the Environmental Protection Agency (EPA).

Summary Table of GHG Emissions by Scope for 2015

| Scope | Description | Absolute Value 2015 |
|---------|---|-------------------------------|
| Scope 2 | Directly purchased electricity and gas, which generates CO ₂ emissions | 350 tons CO ₂ |
| Scope 3 | CO ₂ emissions linked to the business travel and commute by employee | 1,878.72 tons CO ₂ |

(1) Scope 1: Emissions of CO₂ from on-site combustion sources (e.g. gas and oil boilers) and losses of refrigerant gases

Commuting

Since our inception, Actiontec has supported its employee’s use of public transportation. Actiontec provides bus maps and schedules for employees, and posts the Spare the Air day information on the various announcement boards. We also participate in the Bay Area Commuter Benefits Program and offer subsidies to our employees who are active in our different programs. We’ve installed level II electrical charging stations for the use of our employees with electric cars. We support commuting to work by bicycle and we provide secure bike storage for those commuters.



Actiontec also operates a bicycle program that lends bicycles to employees and international visitors. All bicycles are maintained by the facility staff.

Carbon Offsets



Carbon offsets enable organizations to mitigate the environmental impact of their unavoidable greenhouse gas emissions by balancing out these emissions with greenhouse gas emission reductions occurring elsewhere, helping them realize sustainability goals.

Actiontec contributed to a 166 ton carbon offset in the Garcia River Forest Project in California.

3Degrees™

CARBON OFFSET FACILITY PROFILE:

Garcia River Conservation-Based Forest Management

Project Type

Sustainable Forestry

Project Location

Mendocino County, CA

Commercial On-Line Date

2005

Verification Protocol

The Climate Action Reserve's Forest Project Protocol

Estimated Annual Emission Reductions

Approximately 77,000 metric tons of carbon dioxide-equivalent emissions per year

Owner

The Conservation Fund



The Garcia River Conservation-Based Forest Management Project increases sequestration and storage of carbon in a native redwood forest while restoring wildlife habitat.

The nonprofit Conservation Fund purchased the Garcia River Forest in 2004 and established the first large nonprofit-owned working forest in California.

Located in the heart of the Redwood region of California's North Coast, Garcia River is recognized by the California Department of Fish and Game as a high priority for protection and recovery of the state and federally-listed endangered Coho Salmon and Steelhead Trout. The property also supports Northern Spotted Owl and numerous other rare plants and animals.

By preventing forest loss through a permanent conservation agreement held by The Nature Conservancy and managing working forests to enhance forest carbon stores, the project achieves considerable gains in carbon sequestration relative to business-as-usual practices.

The project is registered with the Climate Action Reserve under its Forest Project Protocol. Emission reductions produced by the project are verified by an approved third-party and registered with the Climate Action Reserve. The registered reductions are then issued as Carbon Reduction Tons (CRTs) in the Climate Action Reserve's registry and tracking system. Annual verification is conducted to measure the growth of carbon stocks in the forest.

The Garcia River Conservation-Based Forest Management Project increases sequestration and storage of carbon in a native redwood forest while restoring wildlife habitat.



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Sustainable Suppliers



Sustainable Purchasing Guidelines

We purchase low toxic cleaning products with EPA Design for Environment (DFE) or Green Seal certification. Also, we seek vendors that support our environmental practices and often choose vendors that offer us the most efficient and sustainable products. To further this goal, we adopted the Sustainable Purchasing Guidelines drafted by Alameda County Waste Management Authority and Source Reduction & Recycling Board as our company policy.

Sustainability Scorecards

We developed a sustainability survey for our suppliers and vendors in 2011 to help investigate the opportunities of reducing the environmental impacts on energy use, waste stream, natural resources and the community. The scorecard includes a comprehensive checklist which encourages our suppliers and vendors to think about the alternatives to minimize the environmental impact of their products. We will use the results of this survey to reinforce and expand our green supply chain with suppliers.

Environmental Compliance

To the very best of our knowledge, there are no current actions against the company for breaches of legislation during the reporting period. Actiontec continues to track and plan for changes to its business as a result of existing and forthcoming legislation.

Awards and Honors

Actiontec's commitment to innovation has resulted in some of the most advanced, feature-rich products in our markets. It's no surprise then that Actiontec has been recognized time and time again for excellence. Below is a list of just some of our more recent accomplishments.

Product Awards

VDSL2 Modem Routers (Bonded and Not-Bonded)

- 2013 Golden Bridge Award - Best Telecom, Cable, Broadband, and Voice Product of the Year
- 2013 Communications Solutions Product of the Year
- 2013 Hot Companies and Best Product Award - IT Products and Services for Telecommunications

ScreenBeam

- 2015 Best in Biz - Consumer Product of the Year
- 2015 Golden Bridge Award - Best New Product or Service of the Year
- 2015 Golden Bridge Award for Training and Education
- 2015 American Business Award ("The Stevie") - Best New Product or Service of the Year - Consumer Electronics
- 2015 American Business Award ("The Stevie") - Best New Product or Service of the Year - Education
- 2015 Best in Biz International Award - Enterprise Product of the Year
- 2015 Best in Biz International Award - Consumer Product of the Year
- 2015 Hot Companies and Best Product Award - IT Products and Services for Education
- 2014 American Business Award ("The Stevie") Finalist - Best New Product or Service of the Year - Consumer Electronics
- 2014 American Business Award ("The Stevie") - New Product or Service of the Year - Media & Entertainment
- 2014 Hot Companies and Best Product Award - Innovations in Video for ScreenBeam Mini
- 2014 Hot Companies and Best Product Award - Innovations in Video for ScreenBeam Pro
- 2014 Hot Companies and Best Product Award - IT Products and Services for Education
- 2013 Edison Award - Media:Connectivity
- 2013 Cinema without Borders Top 13 Products of 2013
- 2013 Best in Biz Consumer Product of the Year
- 2013 American Business Award ("The Stevie") - Best New Product or Service - Consumer Electronics
- 2013 Technology Integrator EXC!TE Awards

- 2013 Golden Bridge Award - Best Consumer Brands, Products, Services of the Year
- 2013 International Best in Biz Award - Consumer Product of the Year
- 2013 Hot Companies and Best Product Award - Video Solutions
- 2013 Target PC Editor's Choice

MyWirelessTV

- 2013 International Best in Biz Award - Best New Product of the Year

Wireless Network Extenders

- 2015 Best in Biz - Best New Consumer Product of the Year
 - 2015 Golden Bridge Award - Best Mobile/Wireless Solution
 - 2015 Golden Bridge Award - Best in Telecom, Cable, Broadband and Voice
 - 2015 American Business Award ("The Stevie") - Best New Product or Service of the Year in Telecommunications
 - 2015 American Business Award ("The Stevie") - Best New Product or Service of the Year in Hardware Networking
 - 2015 Hot Companies and Best Product Award - Best IT Products and Services for Networking
 - 2015 Hot Companies and Best Product Award - Best IT Products and Services for Mobile and Wireless Solutions
 - 2015 Hot Companies and Best Product Award - Innovations in Mobile and Wireless
 - 2014 American Business Award ("The Stevie") Finalist - Best New Product or Service of the Year in Hardware - Networking
 - 2014 Hot Companies and Best Product Award - Innovations in Mobile and Wireless
 - 2014 Hot Companies and Best Product Award - Best IT Products and Services for Telecommunications
 - 2014 Hot Companies and Best Product Award - Best Mobile and Wireless Solutions
 - 2014 BMMA Best in Class Marketing Award
 - 2014 Big Bruin Great Idea Award
 - 2014 Big Bruin Highly Recommend Award
-
- 2013 Golden Bridge Award - Best Mobile/Wireless Product of the Year
 - 2013 Best in Biz Consumer Product of the Year
 - 2013 Technology Integrator EXC!TE Awards
 - 2013 American Business Award "The Stevie" - Best New Product or Service - Hardware - Networking
 - 2013 Hot Companies and Best Product Award - Networking
 - 2013 Mobile Merit Award Runner Up
 - 2013 Broadband InfoVision Award -- Shortlisted

Powerline Network Adapters

- 2013 Golden Bridge Award - Best Information Technology (Hardware) of the Year
- 2013 American Business Award "The Stevie" - Best New Product or Service - Hardware - Networking

- 2013 Hot Companies and Best Product Award - Networking

Company Specific Awards

- 2015 Best in Biz Business Development Executive of the Year
- 2015 Best in Biz Website of the Year
- 2015 Best in Biz Newsletter of the Year
- 2015 Best in Biz International- Most Innovative Company of the Year
- 2015 Best in Biz International- Most Golden Bridge Award - Grand Trophy
- 2015 Best in Biz International- Business Development Executive of the Year
- 2015 Best in Biz International- Team of the Year Technology (Hardware) Department
- 2015 Best in Biz International- Team of the Year Business Development Department
- 2015 Best of Sunnyvale Business Hall of Fame
- 2015 American Business Award "The Stevie" - Fastest Growing Tech Company of the Year
- 2015 American Business Award "The Stevie" - Executive of the Year - Telecommunications
- 2015 American Business Award "The Stevie" - Best Newsletter Online/Electronic
- 2015 NPG Hot Companies and Best Product Award - Fastest Growing IT Company of the Year
- 2015 NPG Hot Companies and Best Product Award - Innovative Company of the Year
- 2015 NPG Hot Companies and Best Product Award - Executive of the Year (Information Technology Services)
- 2015 NPG Hot Companies and Best Product Award - Executive of the Year (Information Technology Services)
- 2015 NPG Hot Companies and Best Product Award - Management Team of the Year (Information Technology Services)
- 2014 Golden Bridge Award - Product Management Team of the Year
- 2014 NPG Hot Companies and Best Products - Product Management Team of the Year
- 2014 American Business Award "The Stevie" - Senior Sales Executive of the Year
- 2014 American Business Award "The Stevie" - National Sales Team of the Year
- 2014 American Business Award "The Stevie" - Sales Growth Achievement of the Year
- 2014 American Business Award "The Stevie" - Sales Department of the Year - Telecommunications
- 2014 Best of Sunnyvale
- 2013 Inc 5000 Fastest Growing Company
- 2013 Inc Top 100 Telecommunications Companies
- 2013 Inc Top Companies in San Jose Metro Area
- 2013 American Business Grand Stevie Award
- 2013 Broadband Communities Top 100 Organizations
- 2013 Best in Biz Award - Business Executive of the Year
- 2013 Best in Biz Award - Marketing Executive of the Year
- 2013 Best in Biz Award - Technology Department of the Year

- 2013 Golden Bridge Award - Business Development Professional of the Year
- 2013 Golden Bridge Award - Product Management Executive of the Year
- 2013 Golden Bridge Award - Product Management Team of the Year
- 2013 Golden Bridge Award - Best Women Professional of the Year
- 2013 International Best in Biz Award - Technology Department of the Year
- 2013 International Best in Biz Award - Website of the Year
- 2013 American Business Award "The Stevie" - Executive of the Year - Telecommunications
- 2013 American Business Award "The Stevie" - Company of the Year - Telecommunications
- 2013 American Business Award "The Stevie" - Product Development/Management Executive of the Year
- 2013 American Business Award "The Stevie" - Product Development/Management Department or Team of the Year
- 2013 American Business Award "The Stevie" - Marketing Executive of the Year
- 2013 American Business Award "The Stevie" - Communications or PR Campaign/Program of the Year
- 2013 NPG Hot Companies and Best Product Award - Fastest Growing IT Company of the Year
- 2013 NPG Hot Companies and Best Product Award - Business Development Professional of the Year
- 2013 NPG Hot Companies and Best Product Award - Product Management Executive of the Year
- 2013 Best of Sunnyvale

Feedback

Actiontec welcomes your comments/queries regarding our Environmental Report for 2015.

To provide feedback, please contact:

Actiontec Sustainability Program

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