

## GLOBAL COMPACT

### TECHNICOLOR

#### 2015 COMMUNICATION ON PROGRESS

##### **Message from Fabienne Brunet, Executive Vice-President Human Resources and Corporate Social Responsibility**

The UN Global Compact's ten fundamental principles of strategic policy have supported Technicolor's approach to corporate social responsibility since its initial affiliation twelve years ago. Supplementing many strategic turning points that have accompanied the company's changing business profile over the last few years, 2015 has seen us build on existing policies and processes, best practices and initiatives to ensure that sustainability is progressively embedded in our organizational culture.

This report highlights some of the key advances we have made in our efforts to balance business success, social equity and environmental accountability. Further progress has been made, for instance, to ensure the health and safety of our employees, to reduce our environmental footprint both through eco-design of products and optimized industrial processes, to ensure ethical best-practices across the Group and to engage with our local communities worldwide.

Our ability to do business responsibly and sustainably depends on the quality and diversity of our people, therefore these programs have included the identification, training and development of key technical and managerial competencies to support our new strategic five-year plan Drive 2020.

1

##### **TECHNICOLOR – WHO WE ARE**

Technicolor, a worldwide technology leader in the media and entertainment sector, is at the forefront of digital innovation. Our world class research and innovation laboratories enable us to lead the market in delivering advanced video services to content creators and distributors. We also benefit from an extensive intellectual property portfolio focused on imaging and sound technologies, based on a thriving licensing business.

Our commitment: ***Enhance the media experience on any screen, in theaters, at home and on the go.***

Our Businesses:

##### **Technology**

Technology includes several activities: Research & Innovation; Intellectual Property & Licensing  
The main objective of Research & Innovation is to develop and transfer innovative technology to support the services, software and solutions the Group provides. The Licensing activity – which includes patent, technology and trademark Licensing - is responsible for protecting and monetizing the Group's Intellectual Property and technologies, while managing some iconic brands.

## **Entertainment Services**

Entertainment Services develops and offers video-related technologies and services for the Media & Entertainment industry, notably the motion picture, broadcast and commercial advertising industries. This business is dedicated to delivering solutions for content management (including creation, imaging, finishing, and preparation) and for digital and physical content distribution (including DVD & Blu-ray™ services).

## **Connected Home**

Connected Home offers a wide range of solutions to Pay-Tv operators and network service providers for the delivery of digital entertainment, data, voice, and smart home services. Through the design and supply of products such as set-top boxes, gateways, managed wireless tablets, Technicolor offers full connected life solutions.

## **TECHNICOLOR**

**As a signatory to the UNGC Global Compact, Technicolor ensures it addresses the Ten Principles within its policies, codes, and practices.**

## **TECHNICOLOR VALUES & CODE OF ETHICS**

The Technicolor Code of Ethics constitutes the foundation for the company's core practices. The Ethics Compliance Committee (ECC), created in connection with the 2006 Code of Ethics update, is responsible for all ethical issues related to the Group's activities. The Code of Ethics, updated in 2014, governs Technicolor's business decisions and actions, and displays the fundamental values we practice in our day-to-day activities. Key principles of the UNGC are endorsed such as elimination of discrimination in respect of employment and occupation and elimination of corruption in all its forms, including extortion and bribery. It has been distributed to all Technicolor employees and is available on the company's intranet and internet websites. Over the last several years, the Group has deployed many ethics training programs. Several online training sessions were launched to educate employees on various ethical rules and obligations, including bribery, competition, and fraud.

The ECC's composition is comprised of the following: Fabienne Brunet (Human Resources), Didier Huck (Corporate Social Responsibility and Public Affairs), Guillaume Litvak (Internal Audit), Nathan Wappet (Production Services), and Sophie Le Menaheze (Corporate Legal). Didier Huck serves as the Chair of the Committee. Sophie Le Menaheze serves as the Committee's secretary.

## **TECHNICOLOR SOURCING ETHICS POLICY AND SUPPLIER ETHICS HANDBOOK**

Technicolor's Sourcing/Procurement organization often is the first internal organization to meet with external suppliers and is charged with developing and implementing the Group's ethical standards in relation to those suppliers. While Technicolor is required to obey the law and abide by its agreements, Technicolor's ethical standards often demand more. Technicolor must deal honestly with those whose interests are affected by its business dealings. All Technicolor personnel involved in Sourcing activities

must follow the principles outlined in the Sourcing Policy revised and updated in 2011 and Supplier Ethics Handbook, revised and updated in 2013 and must attend Ethics training sessions periodically.

## **SAFETY, HEALTH, AND ENVIRONMENT**

Technicolor places a high priority on enhancing implementation of ongoing environmental, health, and safety (EH&S) policies company-wide. The cornerstone of the EH&S effort is the Corporate EH&S Charter, which defines key management principles designed to protect human health and the environment, and thus helps Technicolor meet its legal and corporate responsibilities. Signed by Technicolor's CEO and posted throughout Technicolor sites worldwide and on the Company's external website, the EH&S Charter pledges the Group's commitment to "continually improving facilities, services, and products in the best interest of our employees, our communities, our customers, our company, and the future." The EH&S Charter is supported by more than 50 individual policies and guidelines.

## **TECHNICOLOR AND FUTURE GENERATIONS OF ENTERTAINERS**

In 2015 Technicolor's philanthropic effort with the Technicolor Foundation were reoriented towards the future generations of entertainers, movie makers, post production and VFX artists and technicians.

Technicolor acquired Mikros Image in 2015, and is continuing Mikros Image sponsorship of first or second feature films, under the umbrella of the well-known French GAN Foundation, with which Technicolor had previously partnered for the restoration of heritage movies. Once their projects have been selected by a jury, producers of first feature films may benefit from a post-production lump-sum financial credit offered by Mikros to be deducted from the services they provide.

3

New in 2015 as well, an "MPC academy" initiative was launched to help bring new talent into the visual effects business. It is an in-house finishing school. Candidates are hired with some education in a specialty field, and then trained up to the level where they are ready to work on feature film. MPC offers paid employment for a conditional one-year contract where junior artists will begin with eight to twelve weeks in full-time training. Those who graduate then transition to production departments where they begin their careers working on feature films.

In addition to its support to the Training Academies Technicolor supports other educational initiatives to give opportunities to young talent to access to studios and to develop their skills: training students in schools, donating equipment, one week work experience, paid summer internship in visual effects studios, supporting third party digital artists schools (India).

## **COMMUNITY INITIATIVES**

Various community initiatives and charitable donations were undertaken in 2015:

Technicolor sites facilitated a variety of community outreach and employee protection initiatives in 2015, including medical exams, vaccinations, flu shots, blood drives, wellness programs, ergonomic evaluations, first aid training, holiday adoptions, food, clothing, eyewear collections and other cash, product, and time donations.

Some sites were particularly active: in Brampton, the site organized as many as five charities or events through the year, in Indianapolis, three such events took place, including school supply raising for United Way, fund raising for Gleaners Food Bank, Christmas Gifts offered for the less fortunate children through the Hawthorn Community Center and the United Way. In Manaus, the site organized visits to Technicolor Environmental projects for the community. In MPC Montreal a closet cleaning operation and donation took place, and in MPC NY, visits of the facility were organized for colleges, and a Movember fundraising operation was organized (originated in Australia, the association focuses on men's health issues). The Ontario California site participated to a Christmas gift collection for children in need. In Princeton, more charitable donations took place from eyeglasses to toys and gift cards.

## 2015 MAIN ACTIONS AND RESULTS

Technicolor endeavored to fulfill a number of objectives in 2015 as part of its ethical and EH&S obligations. These included the continuation of programs to further reduce employee injury rates on the job, particularly serious injuries, reducing waste and improving carbon impact from manufacturing operations. The Group also continued a strong internal auditing process and utilizes a web-based reporting system for gathering and analyzing EH&S-related information. Since 2010, non-industrial sites are contributing to EH&S reporting.

- The Group refreshed and revised in 2014 its Code of Ethics to include reference to the Data Protection EU Directive 95/46/CE and any equivalent legislation where the Technicolor Group is present. Ethics training continued to be deployed in 2015 notably for employees in the US, China, India and Mexico who received courses highlighting key parts of the Code of Ethics.
- The group launched the MPC Academy to help bring new talent into the visual effects business. It is an in-house finishing school. We hire candidates with some education in a specialty within our field, and train them up to the level where they are ready to work on feature film visual effects.

Growth in the Montreal, Vancouver, and Bangalore studios comes with a large demand for talent. The educational institutions in these areas do not graduate talent with the necessary skill sets in the quantity demanded by the industry. In response, MPC decided to be proactive and started this initiative to develop its own talent. We created in-house training space with industry standard equipment in Montreal, Vancouver and Bangalore. We offer paid employment for a one-year contract where they will spend from 8 - 12 weeks in full time training. Those who graduate transition into their department where they work on feature films.

The first Academy run in MPC's Canadian studios was in the autumn of 2014 and in India, mid 2015. The start of 2016 brings a fifth run in both the Montreal and Vancouver studios, and a third run in Bangalore. The departments targeted within the academy training are compositing, lighting, FX, digital matte painting (DMP), animation, roto prep and matchmove. Since this project began, MPC has trained 284 artists globally. The project has been a success and continues to be a central part of our talent strategy in Canada and India.

It represents an excellent opportunity for young people in the communities in which we operate to break into the film visual effects business. It is challenging to get a chance to work in visual effects and the MPC Academy opens the door and provides this opportunity. It is an investment



not only in our own future talent, but in the communities where we operate. Access is not limited to the national citizens, but open to talent around the world, wherever they come from. We have welcomed Academy students from Mexico, Brazil, Thailand, Columbia, Indonesia, China, Japan, Korea, together with India, North American and Europe. Hundreds of young people who may not have otherwise have been given a chance have been provided an opportunity to join our creative community. They have the support of a full time trainer in the department they are preparing for, and they are given detailed feedback along the way so they understand what they need to do to succeed.

The majority of those hired into the Academy have graduated and gone on to complete their first year contract. After a year, many have received subsequent contracts from MPC and others have gone on to work for our competitors. We see that as a validation of the success of the Academy. Visual effects are a show based cyclical business. Artists tend to be contract based and work at a variety of companies on different projects. We believe that since we took a risk and invested on emergent talent and created an excellent experience for their entry to the business, that they are likely to return to MPC because of the loyalty inspired. Overall, this program allows us to contribute to local economies and employment, and can help grow a larger available talent pool for the industry cluster.

We aim to source all of our future junior talent in compositing, lighting, FX and DMP in Canada from Academy graduates. Our heads of department have expressed satisfaction with their performance and we have many cases of Academy graduates performing well above expectations. We see this as a partnership between the Group and local education establishments, helping to make the countries we work in more attractive to creative talent. To this end further steps are being taken to better prepare students while they are still in school. We have held events in both Montreal and Vancouver to invite the local colleges and universities to MPC and offer our help to better prepare their students to work in visual effects. Subsequent events have been held in Montreal including an educator’s week in January 2016 to provide hands on training for educators in our studios using our tools.

MPC Academy represents both a central strategic talent initiative and a way for the Group to give back to the community. It helps bring social and economic benefits to the cities we work in as every Academy student will need to live, travel, eat and play in their communities. As these communities become recognized as great places for creative talent it will attract new work and companies as well as stimulate other spin-off businesses. It is a great example of a win-win situation where doing the right thing is also good business.

- In 2015, the group aligned its sustainability disclosure to the GRI3.3.1 guidelines and created the requisite Application Level B index published in the Sustainability Report 2014.

**2015 Sourcing Supplier Ethics Program**

Delivering products and services to our customers involves numerous external supply chain partners. We aim to fulfill our social responsibilities and ensure that our values are respected throughout. To ensure supply chain CSR compliance, we audit our suppliers, promoting progressive labor and social standards, environmental protection and fair business practices.



The Technicolor Supplier Ethics Program:

- Ensures that Technicolor suppliers respect our policies and program requirements
- Promotes economic and social welfare through the improvement of living standards support for non-discriminatory employment practices

Technicolor actively seeks suppliers with similar interests and ethics commitments. Suppliers are expected to adhere to these basic principles:

- Tolerate no discrimination and encourage diversity
- Promote best working conditions
- Use no child or forced labor
- Protect peoples' health, safety and the environment
- Support employee development
- Respect fair market competition
- Strive to be a good corporate citizen
- Respect consumer and personal privacy
- Avoid potential conflicts of interests

To ensure that suppliers respect established principles, Technicolor sourcing management:

- Defines a list of high risk commodities and countries
- Determines when ethics audits, always performed by Technicolor-selected auditors, are required
- All suppliers must sign the General Rules of Conduct Compliance Certificate
- All suppliers are periodically reviewed according to the Technicolor Suppliers Ethics Handbook/Checklist procedure.

Technicolor requires suppliers to actively support its EH&S principles and to comply with local legislation and standards. They must also ensure that their components and products comply with legal requirements in the countries where our products are sold. Compliance certificates are required from suppliers to ensure they follow regulations and standards as well as Technicolor programs and specifications.

Through audits and other methods, Technicolor shares its expectations that suppliers and their subcontractors provide safe and healthy working conditions for their employees, abide by human rights laws and standards, and strive for continual improvement in their environmental management systems, processes and products.

During the audit process, instances of child labor are classified as "critical", resulting in an immediate stoppage of business. Audits revealing employee discrimination, forced labor, safety violations, permanent disabilities or fatal injuries are classified as major and require immediate corrective action. 29 audits were performed in 2015.

Technicolor monitors key performance indicators according to SA8000 criteria for key active electronics manufacturing service (EMS) partners to ensure they comply with CSR regulations and practices. Since 2009, monitoring has been carried out as part of the company's quarterly business reviews. KPIs are

weighted 40 % on CSR focus at top management level, to ensure that supplier management is sufficiently engaged and adopts a proactive CSR approach. Ten percent of KPIs focus respectively on young workers performing hazardous work, monthly employment turnover rate, average overtime, one day-off per week rate, EH&S (Environmental, Health and Safety) training for operators and injury trends.

New in 2014, Technicolor adopted the Code of Conduct for the electronics Industry Citizenship Coalition and was granted Applicant Member status with a goal to achieve full membership in 2016.

Technicolor gives preference to suppliers who have achieved ISO 9001 certification and who are certified to meet such EH&S standards as ISO 14001 and OHSAS 18001.

The Supplier Ethics Program applies to all new and current suppliers. To ensure effective supplier assessments, Technicolor has defined a specific audit scope and focus for suppliers categorized as high risk, defined as suppliers in countries with a relatively high potential for adverse human rights issues.

### **2015 Employee Development and Diversity Efforts**

Significant changes have taken place within Technicolor as the company has refocused on content creation, management and delivery and striven toward a more customer-centric organization. The success of these changes depends upon significant workforce evolution and transitions.

To adapt to our new strategic focus and market context, we re-examined basic issues: what leadership skills are necessary to meet our new strategies and goals? How do we align our values with our vision and strategy to ensure that everyone is heading in the same direction? These questions provided the basis for a wide-ranging assessment of our ability to fill business-critical positions, now and in the future, including comprehensive succession planning.

We also completely revised our approach to performance management. The change is designed to ensure that expectations are clearly established and that individual results are well managed, in terms of both measurable outcomes and behaviors. The transformation also aims to ensure that employees are engaged in the company's future and will develop the right skills to face coming challenges.

Technicolor's Human Resources & Corporate Social Responsibility (HR&CSR) organization is aimed at reinforcing Technicolor's strategic priorities and at contributing to the Group's objectives. In order to remain fully aligned with the needs of the Group's different businesses and to reinforce global HR leadership capability, HR&CSR has adopted in 2010 a new operating model and has, during 2013, pursued its reinforcement across the Group.

The HR Global Centers of Expertise ensure consistency and delivery of key Group HR projects and provide specialized advice and expertise across the whole organization in the following areas:

- Compensation & Benefits focusing on rewards, incentive programs, international mobility programs, pension schemes, medical care and other benefits;
- Talent and Development focusing on people development, talent management, performance management and organizational development practices;
- HR Information Systems Processes and KPIs focusing on implementing coherent and sustainable tools supported with adequate processes;



- Resources Management focusing on Technicolor resource plan definition and tracking;
- Corporate Social Responsibility (CSR) focusing on all areas pertaining to Sustainable Responsibility Environmental care and Social Responsibility;
- Labor Relations, focusing on keeping a consistent set of relationships and interactions with all European Union’s representatives.

The Regional HR Competence Centers, built on a shared service model, ensure a consistent HR approach across sites and functions within each geographical region, and guarantee that Technicolor remains fully compliant with local employment laws and practices

The Head of HR&CSR, a Member of Technicolor’s Executive Committee, defines HR&CSR strategic priorities in line with Technicolor’s strategic plan, implements and adapts the HR&CSR model, identifies organizational needs and related resources, and pilots HR&CSR initiatives across all of the Group’s activities.

### **Talent and development**

Further to the deep analysis of the learning and development needs and the alignment of training investments with the Amplify 2015 Roadmap undertaken in 2012, Technicolor’s priorities in Talent and Development were reviewed and the focus on leadership development, innovation and entrepreneurship to support the growth of our divisions was increased.

In parallel, the creation of new development programs at the executive level in all divisions and corporate functions enabled the identification of the technical and non-technical critical competencies to be developed in the next years. The outputs of these programs are the foundations of a global training and development strategy.

In addition, an analysis of the evolution of the Group is an essential contribution to these people and competencies development initiatives. In this perspective, a comprehensive and detailed review of the architecture of jobs in the organization has been conducted.

### **Talent Review and Development of Leadership**

A yearly Leadership Talent Review process is conducted in all divisions and corporate functions. The process involves managers at all levels of the organization as well as the members of the Executive Committee and of the Management Committee in the identification of employees with the right level of potential and performance to integrate the Group’s talent pool. The members of this talent pool are eligible to benefit from dedicated leadership development trainings, activities and events during the year.

Further to the 2015 Talent Review, the total talent pool represents 7% of the exempt population of the Group.

Members of the Leadership talent pool were led to assess their competencies through a 360 evaluation against the leadership profile as expanded to innovation and entrepreneurship in 2013. Individual Development Plans were drawn and executed from the conclusions of this assessment. HR Business Partners or coaches were assigned to each member of the talent pool to guide and support the execution of the Individual Development Plans and the development of leadership competencies.

The Leadership Development programs included workshops on “Leadership & Influence” where members of the talent pool reflect and learn how to take action not only on their leadership development but also on recognizing and fostering talents of others. These workshops took place in Paris and Los Angeles and gathered participants from all geographic regions.

Our support to our employees who have been identified as able and willing to take some group level leadership positions (Group High Potential) has been fully revamped in 2015 to stick to the needs of the Drive 2020 new strategic plan. To do so, we have launched a customized program with Berkeley – Haas Business School that was focused on the Excellence in execution. Participants were supported by a team of faculties, coaches and internal and external business leaders to cover topics from Strategic Alignment and Execution barriers to Storytelling and Accountability. At the end of the 4-day program, participants have defined their individual action plan and have also been strongly encouraged to identify the learnings they wanted to share and cascade with their teams

### **HR Development and Management Academy**

An HR development program was created in 2011 to reinforce the people development capabilities of HR Team Members and to support the development of skills aligned with Technicolor vision, values and strategy. In 2015, this initiative has been continued in 2015, and 17 people are fully trained and can operate as internal coaches for High Potentials

The Management Academy plays an important role in the support HR provides to managers in the Group. After a pilot period during which sessions were delivered both internally and externally in the U.S., UK, France and Belgium in 2014, we evolved the program to a truly “boot camp” for management capabilities at group level. 3 sessions of the fully revamped 4-day program were delivered in France, UK and US, impacting 45 managers in all divisions and functions.

A total of 12,358 hours of training were delivered to managers world-wide in order to enhance management capacities and posture for our employees: 5,198 hours of training in North America; 2,403 hours in APAC (India, China and Australia); 572 hours in the UK, 1,696 hours in Poland; and 1,176 hours in France, 995 in Brazil and 318 in Belgium.

### **Resource and Development Plans**

After a pilot phase in 2013, all the divisions and functions now monitor their Resource & Development Plan. The ambition is to provide each division or function with a comprehensive HR road map that is fully consistent with the business needs and strategy evolutions. These plans that rely mainly on the existing HR processes and tools are built by HRBPs hand in hand with their business leaders. They aim at identifying HR priorities for the future and detail specific HR action plans to support the business evolutions: hiring policies, evolution and mobility, learning and development priorities and training plans, and all HR-related actions that could support the business transformation.

As part of these plans, a comprehensive work has been initiated to identify the evolutions of key jobs. This work includes a review of the mission and responsibilities of jobs as well as the set of competencies that are necessary to achieve excellence in the execution of these jobs. A set of customer facing, R&D and research jobs were the first to benefit from this initiative.

A series of learning tracks were designed to ensure the development of crucial competencies and give new perspectives on the evolution of execution in key jobs. Linked with the learning tracks, Professional accreditation programs were designed to recognize the level of competencies and achievements of the employees that have followed the tracks. The accreditation program launched in 2012 is now available for 8 jobs, representing 439 persons enrolled at end of 2015: Product/Service Line managers, R&D Project managers, Customer Project managers, Solution Architects, Customer Technical Support, New Product Introduction manager, Product Quality Assurance and Project Sourcing managers. Incumbents of these jobs who have completed all the learning tracks designed for their jobs can be candidates to be accredited in. More than 1809 man/days of training were delivered in this program since it started in 2013.

One « Training and Development Program » also addresses the specific needs of a 4 key roles identified as critical throughout the Resource and Development Plan process (ex: Producers, Customer Service, Sales, and Heads of Departments). These roles benefit from specific curricula that are defined at job level and delivered internally or externally. The objective is to improve employee engagement and develop and maintain excellence on specific skills that will drive innovation and customer engagement and support the growth of the business in the future.

The MPC Academy also supports globally the efforts to develop excellence in our skills and jobs: this program can be defined as an endeavor to bring in raw talent freshly graduated from University and provides training to prepare them to work on shots; it targets graduate level artists who are recognized as high potential but yet to show a full level of competency. Participants benefit from 2-3 months of training while being paid, followed by 12 months of employment. This programs impacted 194 artists in 3 locations in 2015 (Bangalore, Vancouver, Montreal) – representing 77,290 hours of training.

### **Job Architecture**

In order to respond to evolving business needs and provide the foundations for a number of HR programs, an update of the Technicolor job architecture has been conducted in 2013. Building on the knowledge and business experience of HR and Operational teams from all regions, the job architecture has been enriched, structured and documented, to become a consistent framework across organizations and countries.

As a result, a lean and standardized collection covering all jobs in the Group is now available. This is the first step for a longer journey that will support, in the short-term, the consistency between the existing job structure and job profiles. In mid-term, it will be used as a base layer for various activities such as workforce planning discussions, talent management, career development, compensation benchmarking etc.

### **Diversity in the Workplace**

End of 2015, a global plan for Diversity and Inclusion was launched. The objective of this plan is to improve globally our processes to ensure that practices are not discriminatory at any stage in the group, but also to promote a mindset of openness and inclusiveness globally. The 3 key areas of the plan are gender diversity, disability and ethnicity.

## Gender diversity

A first program was launched in 2014 under the sponsorship of the EXCOM, in order to better balance gender diversity and increase the ratio of women in business roles, management levels and leadership pipeline. Actions were put in place through a full range of processes:

- The governance has evolved and 4 women are now members of the EXCOM, representing 33% of the total number of members. At MCOM level, 4 new women were nominated, now reaching 40% of the total number of members;
- A recruitment policy was adopted to encourage gender diversity in senior management positions: Technicolor requires recruitment and personnel search professionals worldwide to ensure that the curriculum vitae of at least one qualified woman is included in every list of finalists submitted for open senior management positions within the Company;
- Leadership talent criteria are adapted to secure equity between men and women in leadership positions; gender diversity is integrated in divisions Talent review, which outcomes are presented to EXCOM, including dedicated action plans as needed;
- 2 awareness sessions on diversity and inclusion were organized towards selected key populations: one session towards Group High Potential focusing on Diversity & Inclusion as performance and innovation levers, and another dedicated session towards 60 business leaders on the impact of implicit biases in decision-making.
- In addition, local initiatives to promote gender diversity: are encouraged locally as in UK and India.
- In UK, out of the 82 roles advertised, 77 had at least one female applicant in the shortlist, i.e. 94%, including all IT roles; the maternity policy was reviewed with recommendations for changes to flexible working with the aim of retaining the female talents; and Technicolor continued its engagement with Women in Film & Television Network by continuing to sponsor a Creative Technology award for Women in the Media Industry as well as providing a mentor for the Women & Film & Television Scheme. This scheme is aimed at mid-career level women, who are facing a career challenge, whether it is returning to the industry after some time out, going freelance for the first time or achieving/dealing with a new promotion;
- In India, among the final shortlists applicants, 12% were women for Animation & Gaming, 12% for Media Services and 39% for Transversal Functions (very variable rates due to the % of female applicants). The local women's network was re-energized and 4 specific events were held during the year 2015: Women's Day celebration, 2 Women's Discussion Circle sessions and Training on Self Defense for Women employees. To increase the number of women employee's, Technicolor India incentivizes employees for referring women talent under the employee referral program;
- In France, an agreement has been reached early 2016 about "Gender Equity". It does cover compensation alignment between men and women, with a dedicated budget, training for managers to appreciate gender diversity, training to support women in developing their leadership and promoting their career.

## Principle of non-discrimination

A diverse workforce is a business imperative to Technicolor in its competitive environment. It must be able to recruit and retain the most talented candidates from a broad range of disciplines and experiences. Technicolor's policy is to provide equal employment opportunity without regard to race, sex, religion, national origin, age or disability status.

Non-discrimination and equal employment opportunity policies, based upon the Ethics Charter and locally augmented according to specific legal requirements if needed, including the anti-harassment policy, are implemented at all Technicolor sites. In several countries, managers and supervisors are provided Legal awareness training sessions about anti-harassment and non-discrimination. Several initiatives were launched in 2015:

- In France, an action plan was set up in the frame of the “generation contract” to enhance employment of juniors and maintain employment of seniors;
- in the UK, equal opportunities policy is part of the employee handbook and of the induction for all new starters.

In addition to the role of the management, detection of discrimination cases also relies on the whistleblower policy allowing any employee to confidentially disclose their situation or the situation of a co-worker, without fear of publicity or adverse reaction. Such cases are reported to the Ethics Committee and investigated with the Audit team. Some countries implement in addition an official trust person or advocate for employees if there is a discrimination issue. Overall, about less than ten cases of discrimination and harassment were reported in 2015.

### **Employment and integration of disabled people**

Depending on national legislations, legal requirements to integrate disabled persons or to hire a specified number or percentage of disabled employees, and thus the definition of a disabled employee, may strongly vary, or may not even exist. Also, labeling, categorizing, or making a record of an employee as disabled may be legally prevented in certain countries or subject to the individual authorization by each concerned employee who may refuse. Therefore, statistics cannot reflect the reality with accuracy.

However, beyond the legal requirements when they exist, Technicolor strives to adapt our working places, including factories, to provide equal employment opportunities with no discrimination against disabled people with regard to hiring, training, allocation of work, promotion, or reward, and seeks to eliminate employment barriers and to accommodate disabled employees. In that regard, employment of disabled is part of our non-discrimination policy, and Technicolor has been and continues to be willing to integrate different needs including modified duties, adapted hours, and adapted workspaces.

In France, companies employing people with disabilities have been specifically contracted to subcontract dedicated tasks.

In Memphis (U.S.A.), Technicolor partners with “The Arc Mid-South”, a sponsoring community agency, to hire employees with intellectual or physical disabilities.

In Manaus (Brazil), beyond facilitating access, ergonomic adjustments were performed in manufacturing processes to adapt the working place for the employees with disabilities.

### **Social dialogue**

Labor relations with Technicolor employees are the responsibility of site managers in each country with the support of Human Resources.

In Europe, and with respect to its European operations, Technicolor entered into a labor agreement with a European council of employee representatives (the “European Council”) confirming the Group’s labor practices. This council, which meets several times each year, comprises union representatives or Members of local works councils in European countries. Technicolor’s European Works Council is a supranational body, the purpose of which is to address topics of a transnational nature. The European Works Council is informed of Technicolor’s European operations in respect of personnel, finance, production, sales, and research and development, and their impacts upon employment and working conditions. It is also informed of major structural, industrial and commercial changes as well as organizational transformations within the Group. It met twice in 2015.

In accordance with applicable law in the European Union, Technicolor’s managers of each European country meet annually with labor organizations to discuss remuneration and working conditions.

In accordance with domestic laws, data regarding the level of unionization is not available in most of European countries (the laws in these countries do not allow this type of statistic to be published). In 2015, Technicolor entered into 5 collective bargaining agreements in France and 1 such agreement in Belgium. In Italy and Spain, 100% of the employees are unionized, 3.9% in Belgium and 3.4% in Poland

In Australia, in 2015, we entered into 2 bargaining agreements and 28.2% of the employees belong to a union.

In Canada, in 2015, we entered into 2 collective bargaining agreements and 4.5% of the Group’s employees are unionized.

In Mexico, we entered into 3 bargaining agreements and 54.6% of the employees are unionized.

In Brazil, we entered into 6 bargaining agreements. In the United States, approximately 5% of the Group’s employees are unionized and were covered by the collective bargaining agreements negotiated with the national and/or local unions (1 collective bargaining agreement in 2015). These agreements, with an average duration of three years, address salaries, employment benefits and working conditions and organization.

### **2015 Ethics training program**

Created in 1999 and updated in 2006 and 2012, the Code of Ethics establishes the foundation of the Group’s core values and requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Code of Ethics details the specific rules to guide employees in their day-to-day activities. Technicolor has also adopted several additional key policies including a Whistleblower Policy and an Anticorruption Policy. Indeed, Technicolor is committed to uncompromising integrity in all of our actions.

The Group also created an Ethics Compliance Committee in 2006, which is responsible for all ethical issues related to Technicolor’s activities and which is governed by the Code of Ethics and the charter for the Ethics Compliance Committee. This includes implementing any new policies if needed, training on existing policies, and investigating any and all reports of unethical behavior. It meets at least three times per year and more frequently when required.

Over the last several years, the group has deployed many ethics training programs. Several online training sessions were launched to educate employees on various ethical rules and obligations, including bribery, competition and fraud. Some dedicated training sessions were also organized on specific sites or for specific functions. These training sessions involved around 9,915 employees from 2010 through 2015.

## Connected Home Set Top Boxes and Gateways:

### Environmental impacts of products, compliance, and safety: progress from the design table

Technicolor's Connected Home activity continued to implement in 2012 and 2013 its Environmental Product commitments in its business activities. After a pilot phase and several fruitful experiences involving Technicolor Connected Home product lines, life cycle analysis continued to be deployed as part of the Division's core development process in 2012 to 2013. Detailed analysis of the environmental impact of products across their entire life cycle according to multiple criteria has enabled the development of innovative designs that are more respectful of the environment. As a leading supplier of Set Top Boxes (STBs) and Home Gateways, Technicolor has acquired experience and decided to incorporate Eco-design principles and methodology into its main new products families. Rigorous product environmental performance analysis is used to measure the impact of innovations and to target key areas of focus. Specific eco-design studies have been completed on many aspects of core product design (e.g., energy consumption, electronic cards and components, casing and cable materials, accessories, etc.) as well as on related elements including packaging and transportation.

#### Objectives:

2011 objectives were among others to acquire sufficient knowhow and practical experience in order to initiate a full deployment of eco-design for newly developed products, according to the ISO 14062 eco-design methodology, adapted to the ETM (early-to-market) product development methodology.

Based on this knowhow, 2012 and 2013 objectives were to be an active contributor in EU energy efficiency initiatives such as the Code of Conduct Digital TV (CoC DTV), Code of Conduct Broadband (CoC BB), Voluntary Agreement for Complex Set-top boxes (VIA for CSTB), EU energy related regulations such as 801/2013 (networked standby) or the revision of 278/2009, (external power supplies).

Another key objective is to work with our suppliers to ensure we meet environmental regulatory requirements so that energy consumption (Energy Related Product directive) hazardous substances (RoHS, REACH), waste electronic and electrical equipment as well as voluntary initiatives (CoC DTV, CoC BB and VIA for CSTB) are managed properly.

All relevant disciplines and organizational functions such as design, engineering, marketing, quality, and purchasing, supply chain are involved in this process.

#### Results

Full deployment of ISO 14062 eco-design methodology was achieved for all Connected Home R&D sites worldwide in 2011. Other objectives achieved in 2011 included the compilation of a Life Cycle Analysis (LCA) tool user guide for electronic cards in order to specify consistent analysis methodologies and best practices and thus ensure that product LCAs are reliable and non-conflicting.

In 2012 Technicolor issued a new LCA guidelines document. The aim of this document is to provide LCA rules and parameter values for all "common" or "subassembly" components used in our products and obtain product LCA impact values independent of the LCA tool user.

In 2013 a new version of our Life-Cycle Analysis Tool (EIME V5) SW was made available to support eco-design, allowing the measurement of the environmental impacts of a product over its entire life (i.e., from cradle to grave). This new version offered access to the European Reference Life Cycle Database (ELCD) in addition to other existing data bases, as well as use of the International Reference Life Cycle Data System (ILCD) impact indicators in addition to or in place of other existing impact indicators. The use in LCAs of the

ELCD data base and ILCD indicators allows more reliable database and indicators to perform our LCA. In addition, LCAs results are more comparable than when the products LCAs have been performed using different LCA tools.

### **Key Product environmental and safety requirements compliance**

Technicolor operates in a worldwide market and thus has to deal with a wide variety of national and regional initiatives governing the environmental performance and risk management associated with its products.

In particular, **energy consumption**, which is the main significant environmental impact for Connected Home products, remains a key priority across the industry and regions.

In Europe, therefore, Technicolor continues to support voluntary EU industry initiatives such as the Industry VA for Complex Set Top Boxes, the Code of Conduct (CoC) for Digital TV and the CoC for Broadband equipment.

Technicolor actively contributed to the revision of the 278/2009 regulation on External Power Supplies (EPS) by providing inputs to the EU commission, in particular via its membership of the Digital Europe organization of leading Digital Technology European companies. The scope of this revision extended beyond energy efficiency and no load power consumption to use of PVC-free and halogens-free materials, overall material usage reduction and EPS standardization to drive reusability. Also 2013 saw the finalization of the latest 801/2013 Networked (NW) standby regulations, (amendment to the 1275/2008 On/Off and Standby mode regulation). Effective industry adoption will depend upon suitable implementation guidelines becoming available. Technicolor is currently contributing to the development of such NW standby guidelines, particularly in relation to Home Gateway (GW) and Complex STB (CSTB) products.

In the Americas, in Australia, in Asia, in Africa, and in the same manner, Technicolor monitors and follows environmental regulations and standards. In the United States for example, Technicolor follows the Department of Energy proposed amendment on external power suppliers and rulemaking initiatives on efficiency standards for Set-Top Boxes and Network Equipment. For a number of years, most of Connected Home STB models marketed in U.S. met the Energy-Star STB energy efficiency levels. In Australia, Technicolor is an Associate Member of the Subscription Television Industry Voluntary Code for improving the energy efficiency of conditional access set-top boxes.

**Compliance** methods and actions are in place with regard to the RoHS, WEEE European directives, and the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) European regulation, or similar legislation in other regions, dealing with the Restriction on the use of Hazardous Substances within products and systems, and preparing for better end-of-life handling of Electrical and Electronic Equipment Waste. For U.S. market, Technicolor, although not directly under scope of Dodd-Frank Wall Street Reform and Consumer Protection Act, also took steps to develop and implement a due diligence process for identifying and managing the sourcing of “conflict minerals” based on the OECD Due Diligence guidance.

Regarding **consumer product health and safety**, the Group ensures that all products sold comply with all consumer safety regulations applicable in each country where the product is marketed. Additionally, in some emerging markets where safety regulations may not yet be robust, the Group applies its knowledge of appropriate product safety regulations and ensures that emerging market products comply with a higher product safety standard.

## 2015 EH&S Programs

### Web-Based Reporting System

Technicolor continued to use and expand a global, web-based reporting system to monitor and consolidate occupational health, safety, and environmental results and progress. Work injuries, energy consumption, water use, waste generation, air and water emissions as well as program performance are covered at industrial and non-industrial sites.

### Internal Auditing

Internal Auditing related to EH&S remained active within Technicolor, following the “at least every third year” rule in corporate governance for industrial locations. Three audits were conducted in 2015

Full fledge audits at industrial locations are matched by compliance visits at non industrial locations to ensure that some key performance and compliance elements are present such as emergency action plans and procedures, occupational risks assessments, first aid training, proper documentation and investigation of work related injuries, and generally to ensure the facilities are safe.

### Occupational Health

The Group’s main business units continued to focus on programs to reduce injuries. In 2015, Technicolor experienced a 10.8% decrease in work-related injury and illness incident rate (number of reportable injuries and occupational illnesses per 200,000 hours worked) from 1.02 in 2014 to 0.91 in 2015.

The work-related lost workday incident rate (number of reportable lost workday injuries and occupational illnesses per 200,000 hours worked), remained stable at 0.44.

Technicolor records all days lost due to work-related injuries or illnesses as calendar days, beginning on the day after the injury or illness occurs. Severity is viewed using a variety of definitions, from French regulatory definition which equals average number of days lost per 1,000 hours worked (0.074), to average lost days per incident (16.52), Thirty-nine sites representing nearly 90% of Technicolor’s global work force now are part of the incident reporting system. This includes all locations with more than 300 workers, all Research & Development Centers with more than 100 workers, and all seven of Technicolor’s Centers of Excellence (Paris, Rennes, and London in Europe; Burbank, Indianapolis, and Princeton in the Americas, and Beijing in Asia).

There were many notable H&S achievements during 2015 and several of them are summarized below:

- Some sites conducted general health prevention campaigns such as in Mexicali, focusing on diabetes, cholesterol and overweight, with support from the Local Mexicali Health Center, or in Tultitlan where the medical service brought their expertise to support three general health prevention campaigns and two on eyesight health and protection. Vaccination programs such as against the flu, were also proposed in some locations.
- In Brampton, putting safety first means placing it actually first on the agenda of daily management meetings, and to regularly update safety communication boards throughout the facility.



- The Rugby site initiated a Safety awareness newsletter mixing trivia and safety rules; and the Ontario California site sent weekly safety emails to all employees and posted them in breakrooms. In Brampton, too a monthly newsletter is distributed to all employees who also benefit from an annual health and safety training session. The Brampton site is member of a local safety group which organizes annual audits of Safety Management Systems.
- In 2015, at non-industrial sites, campaigns addressed stairwell safety, desktops ergonomics – with one site experimenting with new stand up desks (Toronto Mr. X), and weekly yoga sessions alongside site inspections.
- Preparedness programs are in place and linked to relevant risks categories, fire as the first risk. The Piaseczno (Poland) EH&S team prepares yearly fire and evacuation drills, inviting the state fire brigade and professional paramedics to the exercise, providing premium training. And on the prevention side, the site purchased some fire resistant containers for hazardous waste collection in the production department. In Hollywood, where earthquake preparedness is vital, the site emphasized the need for clear hallways, and verified that shelves are bolted to walls.
- Because it is important to retain focus all through the year, in 2015, the Manaus site EH&S team implemented a computerized system to implement and monitor EH&S routines.
- And because sharing safety practices is also a matter of citizenship, the Indianapolis site not only purchased a new AED (automatic defibrillator), but also became a training center for the American Health and Safety Institute for CPR/AED and first aid training. Employees were trained free of charge.

Technicolor has initiated some discussion bearing on health and safety with employee representatives, in countries where structured dialogue with employee representatives is well established. In Canada, the Brampton site discussed and agreed on a new health and safety policy, focusing on working safely, workplace violence, and the prohibition of drugs on the workplace. In the Ash Road Australian site, an agreement was made to organize consultation of employees in the decision process where working conditions were at stake. In Mexico, safety rules for work including discipline measures in case of failure to wear personal protective equipment were discussed and agreed on by management and employee representatives. In Rugby, United Kingdom, a substance misuse policy was agreed. In France, two agreements on teleworking were signed with the unions in Issy-les-Moulineaux headquarters, and one agreement on excess time compensation including mandatory time off was signed at the Boulogne post-production site, both telework and time compensation aiming at reducing work related stress and exhaustion from peak production periods in the first case, or from stress or long commutes among other factors influencing occupational health.

### **Water Use, Energy Use, Waste generation and recycling**

In 2015, water consumption at the Technicolor reporting locations augmented slightly by 2% versus 2014 to 455 thousand cubic meters after several years of sharp decrease at the group closed its film developing and printing laboratories. In 2015, energy consumption decreased to 1,124 Tera joules, 1% over 2014. Of the total energy consumed, 86.8 was in the form of electricity. Total waste generated in 2015 was 28,525 tons, a 3 % decrease compared to 2014. The recycling rate was 77.2%, decreasing about 5% compared to 2014 due to the inclusion of non-industrial locations with generally lower recycling cycles. The percentage of waste determined to be hazardous remained stable in 2015 to 2.9% compared to 2.4% in 2014.

## **Carbon Disclosure Project**

Technicolor is rated as part of the Carbon Disclosure Leadership Index for France by the Carbon Disclosure Project (CDP), an independent, not-for-profit organization concerned with climate change.

The CDP's goal is to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge.

Over the last ten years, the CDP has become the global standard for carbon disclosure methodology and processes. The CDP website is the largest repository of corporate greenhouse gas emissions data in the world. The organization seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest companies.

Climate change is integrated into Technicolor's business strategy along two primary axes: development of eco-friendly products and services and infrastructure improvements to reduce emissions or to maintain performance when faced with climate impacts. The development strategy has Technicolor joining or leading various industry groups, regulatory committees, or trade collaborations as a way to find or to create improvements and manage them in to the product or service offerings. The infrastructure strategy is to seek out improved efficiencies in technology or human process/behavior.

Examples are upgrades of existing lighting installations, building management systems, research and innovation programs linked to integration of smartgrid software in Set-Top Boxes, energy efficiency improvements from eco-design of products or packaging, anticipation on upcoming legislation, increase use of energy from renewable resources.

Locally other initiatives exist such as a "green car" policy for leased vehicles or a CO2 emissions compensation program implemented at our Set-Top Box manufacturing facility in Manaus, Brazil.

Finally, Technicolor is preparing its facilities to mitigate the material effects of climate change (principally severe weather episodes such as heavy rainfalls and flooding or draughts or storms) by putting in place the needed prevention programs and adapting emergency action and contingency plans where needed.

See the CDP website at: <http://www.cdproject.net> See Technicolor's responses to CDP (2015) questions at: <https://www.cdproject.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=technicolor>

## **EH&S at Non-Industrial Sites**

The year 2015 continued the shift in the environmental profile of the Group in alignment with the increasing emphasis on business to business partnerships with Media & Entertainment professionals as the concentration of risk at non-industrial sites has become more prominent in the overall group footprint subsequent to consumer manufacturing divestitures. Site-by-site visits and reviews continued through 2015. Various templates were developed in 2009 to assist larger administrative and non-industrial sites, as well as other sites with smaller worker populations unable to staff fulltime EH&S managers at their location. Critical aspects of basic EH&S are facilitated such as emergency action planning, EH&S-related training organization, job hazard analysis, and compliance awareness and tracking.



## Other Environmental Activities

- Energy Efficiency was a priority project at several sites in 2015, with expected gains from refurbishment with new LED or low energy bulbs lighting fixtures, across both industrial and non-industrial sites, all activities and geographies: Boulogne (France), London MPC site (United Kingdom), Manaus (Brazil), Melbourne and Sydney (Australia), Memphis (USA), Toronto Post production site (Canada), all retrofitted installations, on occasion benefitting from public funding schemes (Australia). In Memphis in particular, the replacement of fluorescent lamps with LEDs in an 805,000 square foot building is expected to yield 40% energy consumption reduction from lighting.
- An electrical engineering and design project was implemented in Piaseczno (Poland) whereby new electrical plans will allow different sections of the shop floor of DVD replication and printing to be de-energized during off peak season, allowing for precise adaptation of energy demand to production output, and gains are expected to be around 25 000 kWh.
- In Camarillo, an old and inefficient natural gas boiler was decommissioned, resulting in a 15% natural gas consumption reduction.
- In Boulogne, improvement in the air conditioning system are expected to yield efficiency gains, and in London MPC, the building management system in place controls and prevents the over use of the air conditioning system.
- On the path to reduce the carbon footprint from car commutes, Burbank and Culver City sites located in California now benefit from charging areas for electrical and hybrid vehicles: Culver City is offering electricity free of charge to employees.
- To save water, the Manaus site now uses harvested rainwater to supply toilets. To improve energy profile, exterior lighting is now powered by solar panels.

**Summary: Technicolor 2015 United Nations Global Compact Actions & Results**

	<b>GLOBAL COMPACT Principle</b>	<b>TECHNICOLOR Program and Policies</b>	<b>2015 TECHNICOLOR Action</b>
<b>Human Rights</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Technicolor CODE OF ETHICS, SOURCING ETHICS POLICY, ENVIRONMENT HEALTH AND SAFETY CHARTER provide high level guidance on the respect and protection of human rights. The Ethics Compliance Committee is responsible for all ethical issues related to the group's activities. Training and auditing to these policies are the instrument of compliance and performance. Supplier Monitoring and KPIs on labor issues is also in place	<ul style="list-style-type: none"> <li>- The Group refreshed and revised in 2012 2014 its Code of Ethics to include reference to the Data Protection EU Directive 95/46/CE and any equivalent legislation where the Technicolor Group is present. Ethics training continued to be deployed in 2015.</li> <li>-Training many employees on anticorruption, fraud prevention, global competition and antitrust. Online training courses focused on the EU Competition-Dealing with Competitors, fraud prevention, UK Bribery Act and preventing sexual harassment launched. Over the period 2010-2015, 9,915 employees were trained.</li> <li>- Occupational Health and Safety training in 2015 totaled some 31,200 hours on a wide variety of environmental and safety compliance and protection, injury prevention, emergency preparation and response, and occupational health topics were provided to employees and contractors throughout the group.</li> <li>- Technicolor is taking steps to develop and implement a due diligence process for identifying and managing the sourcing of "conflict minerals" based on OECD Due Diligence guidance.</li> <li>- Technicolor is applicant member of the Electronic Industry Citizenship Coalition and is working on EICC Code of Conduct implementation through the Connected Home supply chain, developing action plans to gain full membership in 2016.</li> </ul>



	<p>Principle 2: make sure that they are not complicit in human rights abuses;</p>	<p>Technicolor CODE OF ETHICS, SOURCING ETHICS POLICY, ENVIRONMENT HEALTH AND SAFETY CHARTER, Supplier Monitoring and KPIs on labor issues,</p>	<p>In 2014 Technicolor adopted the Code of Conduct for the electronics industry Citizenship Coalition and was granted Applicant Member status with a goal to achieve full membership in 2016. Founded in 2004 by a group of leading electronics companies, the EICC is a nonprofit coalition of electronics companies committed to supporting the rights and wellbeing of workers and communities worldwide affected by the global electronics supply chain. EICC members commit and are held accountable to a common Code of Conduct and utilize a range of EICC training and assessment tools to support continuous improvement in the social, environmental and ethical responsibility of their supply chains. A Technicolor working group worked through 2015 to identify and remedy any minor gap remaining between established Technicolor Programs, Policies, Practices, and the EICC Code of Conduct.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Labor</p>	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p>	<p>HR regional correspondents are responsible for ensuring that the group's HR policy is in line with national regulations, most notably with respect to freedom of association and the right to collective bargaining.</p>	<p>In accordance with domestic laws, data regarding the level of unionization is not available in most of European countries (the laws in these countries do not allow this type of statistic to be published). In 2015, Technicolor entered into 5 collective bargaining agreements in France and 1 such agreement in Belgium. In Italy and Spain, 100% of the employees are unionized, 3.9% in Belgium and 3.4% in Poland                  In Australia, in 2015, we entered into 2 bargaining agreements and 28.2% of the employees belong to a union.                  In Canada, in 2015, the group entered into 2 collective bargaining agreements and 4.5% of the Group's employees are unionized. In Mexico, the group entered into 3 bargaining agreements and 54.6% of the employees are unionized. In Brazil, we entered into 6 bargaining agreements. In the United States, approximately 5% of the Group's employees are unionized and were covered by the collective bargaining agreements negotiated with the national and/or local unions (1 collective bargaining agreement in 2015). These agreements, with an average duration of three years, address salaries, employment benefits and working conditions and organization.</p>



	Principle 4: the elimination of all forms of forced and compulsory labor;	CODE OF ETHICS, SOURCING ETHICS POLICY, Supplier Audit program with a specific audit scope and focus for suppliers in countries with a relatively high potential for adverse human rights issues. All suppliers are required to sign a General Rules of Conduct Compliance Certificate.	In 2015, 29 supplier audits were performed at key active electronics manufacturing partners, aligned to the SA8000 standard; working group in place in Connected Home Business group to perform gap analysis and establish working plan to compliance to EICC Code of Conduct both internally and in the supply chain (as explained above).
	Principle 5: the effective abolition of child labor; and	AUDITING of suppliers: During the audit process, instances of child labor are classified as critical and entail an immediate stoppage of business.	In 2015, 29 supplier audits were performed at key active electronics manufacturing partners, aligned to the SA8000 standard; working group in place in Connected Home Business group to perform gap analysis and establish working plan to compliance to EICC Code of Conduct both internally and in the supply chain.
	Principle 6: the elimination of discrimination in respect of employment and occupation.	End of 2015, a global plan for Diversity and Inclusion was launched. The objective of this plan is to improve globally our processes to ensure that practices are not discriminatory at any stage in the group, but also to promote a mindset of openness and inclusiveness globally. The 3 key areas of the plan are gender diversity, disability and ethnicity.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	ENVIRONMENT HEALTH AND SAFETY CHARTER, Hazardous Substances Control in Products and systems. Participation to Carbon Disclosure Project (Climate Change)	Technicolor continues to disclose carbon emissions on the CDP website. A "supplier" questionnaire annex is now also included in responses. Technicolor carefully monitors all relevant pieces of legislation worldwide which stem from a precautionary approach to environmental challenges (e.g., Reach, RohS in Europe).



Anti-Corruption	<p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p>	<p>ENVIRONMENT HEALTH AND SAFETY CHARTER, Policies and Guidelines, Audit program in place at industrial locations, Corporate Goals, EICC applicant member. Carbon Disclosure Project participant. Compliance and monitoring on Hazardous Substances in products or systems, ISO 14001 Certification at industrial locations matching some risk criteria</p>	<p>In 2015, 6 sites held an ISO 14001 certification. Moreover 3 industrial sites were audited within the rule that all industrial sites must be audited at last every three years. In addition, newly acquired industrial sites in 2015 will be audited for EH&amp;S compliance to Technicolor Policies and Guidelines in 2016.</p>
	<p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>LCA, Eco-design, Energy efficiency of devices and systems</p>	<p>Technicolor is an active contributor to EU energy efficiency codes including the CoC DTV, CoC BB, VA for CSTB, and EU regulation for networked standby. In the Americas, in Australia, in Asia, in Africa, and in the same manner, Technicolor monitors and follows environmental regulations and standards.</p> <p>In the United States for example, Technicolor follows the Department of Energy proposed amendment on external power suppliers and rulemaking initiatives on efficiency standards for Set-Top Boxes and Network Equipment. For a number of years, most of Connected Home STB models marketed in U.S. met the Energy-Star STB energy efficiency levels.</p> <p>In Australia, Technicolor is an Associate Member of the Subscription Television Industry Voluntary Code for improving the energy efficiency of conditional access set-top boxes.</p>
	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Technicolor SOURCING ETHICS POLICY, Technicolor Supplier Ethics Handbook, Supplier Monitoring and KPIs on labor issues</p>	<p>Training many employees on anticorruption, fraud prevention, global competition and antitrust. Online training courses focused on the EU Competition-Dealing with Competitors, fraud prevention, UK Bribery Act. Over the period 2010-2015, 9,915 employees were trained. Some in house training also took place.</p>



**Source material**

**Corporate Social Responsibility (Overview)**

<http://www.technicolor.com/en/hi/about-corporateinfo-csr>

**Code of Ethics** (available under “Documents”)

<http://www.technicolor.com/en/hi/about-corporateinfo-csr>

**Environmental, Health & Safety Charter** (available under “Documents”)

<http://www.technicolor.com/en/hi/about-corporateinfo-csr>

**Environmental Considerations** (available under “Documents”)

<http://www.technicolor.com/en/hi/about-corporateinfo-csr>

**Carbon Footprint** (available under “Documents”)

<http://www.technicolor.com/en/hi/about-corporateinfo-csr>

**Sustainability Communication** (available under “Documents”)

<http://www.technicolor.com/en/lo/about-corporateinfo-csr>

**Annual Reports**

<http://www.technicolor.com/en/who-we-are/investor-center/financial-information/annual-report>