

## **GLOBAL COMPACT TECHNICOLOR 2010 COMMUNICATION ON PROGRESS**

### **Message from David Chambeaud, Executive Vice President, WW Human Resources & Sustainability:**

Technicolor's affiliation to the UN Global Compact began eight years ago, and the ten fundamental principles of the strategic policy initiative have since then guided our pursuit to place corporate social responsibility at the heart of our approach to business. We were very happy to observe notable improvements over the past year in several key areas, such as waste management, employee performance assessment and eco-design. And as outlined below we continue to strive to maintain high ethical standards in all the domains that the Global Compact addresses including human rights, labor, the environment and anti-corruption. Whatever their line of work, our employees around the world are made aware of the role they must play in ensuring these standards are understood and applied, a process that has gained increasing visibility over the past year thanks to a new performance evaluation system that encompasses Technicolor's core values. Continuing on from the above, close monitoring and promotion of diversity, employee development, health and safety and human rights and further optimization in our product design and industrial processes for the benefit of the environment will once more continue to be among our highest priorities in the year ahead.

### **TECHNICOLOR – WHO WE ARE**

Technicolor is home to industry-leading creative and technology professionals committed to the creation, management and delivery of entertainment content to consumers around the world. Propelled by a culture of innovation and underpinned by a dedicated research organization, the company's thriving licensing business possesses an extensive intellectual property portfolio focused on imaging and sound technologies.

Serving motion picture, television, and other media clients, the company is a leading provider of high-end visual effects, animation, and postproduction services. In support of network service providers and broadcasters globally, Technicolor ranks among the worlds' leading suppliers of digital content delivery services and home access devices, including set-top boxes and gateways. The company also remains a large physical media service provider, being one of the world's largest film processors and independent manufacturers and distributors of DVDs and Blu-ray™ discs.

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

Refreshed and revised in 2010, the company's core values - diligent, inventive, authentic - describe the distinctive qualities Technicolor brings to customers and partners. Technicolor's Code of Ethics provides the essential principles that guide employees worldwide as they work and interact with others on a daily basis. The Code of Ethics is comprised of four core values: respect for the people working within the Group, the environment, integrity, and creativity.

An Ethics Compliance Committee is charged with the responsibility for all ethical matters related to the Company's activities. In 2010, the ECC's composition was modified to include the company's Chief Security Officer and today, the ECC is comprised of the following: head of Human Resources, head of Internal Audit, Chief Security Officer, General Counsel APAC, CEO of Entertainment Services, head of Indirect Purchasing (NPP), and an executive from the Technicolor Legal Department in the U. S. The head of Human Resources chairs the ECC; the executive from the U. S. Legal Department serves as Secretary.

### **TECHNICOLOR SOURCING ETHICS AND CORE VALUES GUIDEBOOK**

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 Ethics and Core Values Guidebook, revised and updated in 2010.



## **ENVIRONMENT, HEALTH AND SAFETY**

Technicolor places a high priority on enhancing implementation of ongoing environmental, health, and safety (EHS) policies company-wide. The cornerstone of the EHS effort is the Corporate EHS 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 EHS 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."

## **TECHNICOLOR FOUNDATION**

Created in 2006, the Technicolor Foundation is a non-profit entity, acting worldwide to support the preservation and promotion of film heritage, which reflects the history and the culture of a country. Working in cooperation with local and international partners, the Technicolor Foundation identifies and supports urgent programs to safeguard moving images.

By identifying the appropriate resources required for each project, the Technicolor Foundation helps set up multidisciplinary teams. These include experts from Technicolor and specialists from leading film archives, as well as film preservation and cinema schools. The Technicolor Foundation operates worldwide and as a priority, in countries where archives are at risk.

Its efforts seek to:

- Preserve film heritage as an invaluable element in each country's distinctive national patrimony
- Promote and highlight film heritage in order to show and share it with large audiences
- Train and sensitize everyone who can play a part in the safeguard of film heritage.

The Foundation operates worldwide, most notably in Cambodia, India, Thailand, Palestinian territories, Mozambique, USA, China, France, Romania, Russia, Portugal, Ethiopia and Turkey.

## **COMMUNITY INITIATIVES**

Various community initiatives and charitable donations were undertaken in 2010.

### Indianapolis, Indiana Digital Home Products

Construction of walls and panels for a small home was organized on the site parking lot in partnership with Habitat for Humanity in September 2010. Approximately 300 volunteer hours were donated to construct the home. You can see the build photos for the "Technicolor Panel Build" at:

<http://www.indyhabitat.org/photogallery/index.php?showYear=2010#event299>

### Manaus, Brazil School Program

Technicolor helped establish an environmental awareness and education program at the Lucila Freitas elementary school in Manaus, Brazil. The program, aimed at the local community as well as Technicolor employees and school children, focuses on creating incentives for selective waste

collection and waste control. In recognition of its contribution, the company has been certified as a company that contributes to environmental education” by the Chico Mendes Institute of Biodiversity, Brazil’s National Park Service.

## **2010 MAIN ACTIONS AND RESULTS**

Technicolor endeavoured to fulfil a number of objectives in 2010 to fulfill its ethical and EHS obligations. These included programs to 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 EHS-related information. For the first time in 2010, 16 non-industrial sites contributed to EHS reporting. Additionally, the EHS charter was revised and validated by the CEO and is now available on the Company’s external website.

The Group refreshed and revised in 2010 its core Corporate values - diligent, inventive, authentic - describing the distinctive qualities Technicolor brings to customers and partners. Ethics training continued to be deployed notably for employees in the Americas who received a course highlighting the key parts of the Code of Ethics.

At the beginning of 2010, the company introduced a new tool for managing individual performance, known as STEP (System for Technicolor Employee Performance). This tool directly references the core values and instructs employees and managers to establish behavioral objectives in support of them, so that these objectives may be integrated into employee performance review criteria. A Line Managers Network was also set up in 2010, bringing together 1,500 managers around the themes of communication, learning and sharing.

As part of its own global strategy, the Technicolor Digital Delivery Group (home devices including set-top boxes, gateways and services) issued a formal Environmental Policy in 2009 and associated objectives. After a pilot phase and several fruitful experiences involving Technicolor Digital Delivery Group (DDG) product lines, life cycle analysis was deployed as part of the DDG core development process in 2010. Detailed analysis of the environmental impact of our products across their entire life cycle according to multiple criteria have enabled the development of innovative designs that are more respectful of the environment.

## 2010 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 and 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. Technicolor audits revealed “unacceptable” or “unsatisfactory” violations at 25.5 % of audited suppliers in 2010 compared to 22.2 % of audited suppliers in 2009, and 14.3 % of audited suppliers in 2008. The increase stems from a greater number of violation cases revealed through audits with new suppliers. Violations revealed through audits must be remediated in due time.

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.

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.



## 2010 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.

Our new worldwide employee performance management system is known as STEP, System for Technicolor Employee Performance. It is designed as a people development tool: in addition to traditional business objectives evaluation, it includes assessments based on company values and associated behaviors as well as a plan to support employee development.

People development projects cover a broad range of needs and issues:

### Continuous process improvement for our performance evaluation system and interconnection with our talent review:

- To address succession plan
- For risk analysis for key positions
- Risk identification and minimization initiatives
- To develop human capital at all levels of the organization

### Development of key capabilities through:

- Identification and development of key functional and technical skills
- Leadership development
- Programs to reinforce people and performance management skills
- A sales academy integrating sales force training and development worldwide

### Enhance cooperation between divisions and functions through internal networks:

- Creation of a worldwide Line Managers Network
- Women's Forum
- Fellowship Network (Experts)

### Recognition of best achievements and practices:

- Engineering awards
- Patent awards



- Procurement awards

The Human Resources Management Committee meets bi-monthly. Progress is tracked through a human resources “scorecard.” Internal audits are conducted periodically to measure and evaluate progress for ongoing initiatives.

### Talent Review

Technicolor’s values were redefined within the framework of the company’s new strategic focus and goals. As we strongly believe that our talents constitute the backbone of the new Technicolor, we have integrated the new values into the talent review process by including assessments based on them along with associated behaviors and leadership skills.

The talent review process was expanded to enable a deeper identification of talents within layers in the organization. In September and October 2010, 13 talent review committees were held, with the participation of the CEO and ExCom representatives, to identify High Potentials and Key Contributors. A similar talent review process was launched for the identification of new talents in 2011.

### Identification of Critical Skills

To align all company practices, a new skills-model based on the company’s values, leadership skills base and expertise recognition has been built and progressively deployed. This provides common ground for the development of skills and careers company-wide. Major people development programs, such as leadership development and a sales academy, were built based on skills identified through this model. Additionally, some divisions have developed a specific framework for evaluating technical skills to support ongoing business and technology changes.

### Leadership Development

Preparing and aligning future leaders is crucial to the success of our refocused businesses. That is why we created a comprehensive leadership development curriculum, designed to build strategic business evolution capabilities as well as the capacity to inspire and influence others. This leadership curriculum includes a digital strategies program, a workshop and individual coaching sessions focused on people leadership capabilities as well as a leadership forum led by senior executives and the CEO. In 2010, 30 high potential employees and executives were given opportunities to participate in this leadership curriculum. 360 feedback delivery and development support plans were delivered to a group of Technicolor HR professionals in Europe, North America and Asia to strengthen leadership development capabilities and HR partnership with business and ensure consistent skills management and development training .

### Programs to Reinforce People and Performance Management Skills

Training sessions for HR managers were organized in Paris, London, Indianapolis, Hollywood and Beijing as part of the implementation plan for the new STEP performance evaluation system, and to ensure consistency across all divisions and geographies. The sessions prepared HR managers to train and support business managers on STEP locally. As a complement to this program, an on-line STEP tutorial was designed and made available to all employees via Technicolor’s intranet. In addition, a comprehensive on-line performance management training program was offered to managers. The program covered such essential performance issues as objective setting, monitoring and appraisal, as



well as material related to developing individuals and teams. More than 900 managers actively participated, with more than 2,600 hours of on-line training delivered.

### Technicolor Sales Academy

The company's new strategic account management approach aims to develop transversal account management and promote winning sales practices. In support, a unified sales skills development approach is deployed through the Technicolor Sales Academy. The 2010 training and development program focused on strategic account management, sales management and reinforcement of customer relations.

During the first half of 2010, ten groups in North America and Europe attended a training program spread over a three month period. Other groups are scheduled in Europe, Latin America and APAC, covering virtually the entire customer-facing sales force by mid-2011.

A Sales Academy training program for 2011 has been designed and will be initiated in June. This program focuses on the development of long term client relationships and on the consolidation of the Technicolor sales culture.

### Fellowship Network (Experts)

An achievement network, the Fellowship Network brings together individuals from various scientific domains, whose expertise is publicly recognized inside and outside the company. The network is led by the company's Chief Scientist. Membership in the Fellowship Network requires a significant contribution to the filing of patents and members have responsibility for key projects, thereby contributing to the company's expertise. The nominations of several fellows were endorsed at an award ceremony in February 2010.

Other initiatives to reinforce and consolidate the company's long-term research and scientific capabilities were continued in 2010. Research & Innovation career development paths were implemented and the nomination of distinguished, principal and senior scientists was achieved through a cooptation model.

In order to enhance integration with the evolution of the company's scientific capabilities to protect Technicolor Intellectual Property, the IP&L organization has identified skills where its experts can benefit from additional scientific training to address new research areas in the medium and long-term and will develop appropriate initiatives in 2011.

### Line Managers Network

The Technicolor Line Managers Network, set up in 2010, brings together 1,500 managers around the themes of communication, learning and sharing. The Line Managers Network opens a new communication channel for managers thanks to its exclusive, dedicated space on the Technicolor intranet. Members benefit from a learning platform with training modules in business and management topics. A specific focus was placed on reinforcing Technicolor's values through a five step on-line training course on management practices that encourage inventiveness and innovation. Likewise, to reinforce Technicolor's values, an e-training entitled "Diligent – The Customer Centric Attitude" is currently available to all line managers in the network.

Site meetings are regularly organized on specific topics. Nearly 100 such meetings were held at



Technicolor sites around the world during the first half of 2010. Meeting topics included STEP & Performance Management, Setting a Workplace for Performance and Leadership. Stress management issues were discussed to sensitize managers to stress-related issues and provide them with stress-prevention techniques.

## Women's Forum

The Technicolor Women's Forum currently consists of over 80 women, each of whom plays an important role in raising awareness of changing gender values. Each Technicolor site has one appointed woman leader who coordinates regular site meetings on the progression of women in the company and how women can be key to initiating change for Technicolor.

Technicolor requires recruiting and personnel search professionals worldwide to ensure that the curriculum vitae/resumé of at least one qualified woman is included in every list of finalists submitted for open senior management positions within the company.

Technicolor is part of the Women in Science & Technology (WIST) initiative. Under the aegis of the European Union, WIST consists of companies and academics committed to diversity who recommend ways to improve the status and position of women in scientific careers and corporate managerial positions generally.

## Engineering Award

A new Engineering Award was created in 2009 as part of the company's commitment to recognize expertise, in addition to Technicolor's long-standing Patents and Procurement Awards.

In addition to rewarding creative projects and initiatives, the Engineering Award provides visibility for our best R&D projects and practices and encourages employee involvement.

The nominations of several engineers were endorsed at an award ceremony in February 2010.

## Diversity Council

The HR Diversity Council (HRDC), established in 2008, is responsible for developing and monitoring the company's diversity strategy.

Several focus groups, involving a total of about 40 Technicolor people, provide concrete insight into company positions and policy on gender, age-related and ethnicity issues. The focus groups help highlight best practices and actions that should be implemented.

## Agreement for Seniors

In France, the company signed an agreement in December 2009 with two union organizations concerning employees aged 50 and over. The agreement sets quotas for the number of employees aged over 50 and over 55 years old and also provides privileged access to training and skills assessments in addition to information sessions on retirement preparation. When needed, part-time work, tele-working and medical support are available for more senior workers. The agreement ran through 2010.

## **Social dialogue**

As part of a new HR organization deployed in 2010, the Group has designated regional correspondents (Americas, Europe, APAC) who are responsible for ensuring that the Group's HR policy is in line with national legislation, most notably with respect to freedom of association and the right to collective bargaining. Note in all events that the Group largely does not have activities in countries where the right to freedom of association is potentially an issue.

Under the terms of an agreement with ten union organizations in Europe, the members of the Technicolor European Works Council meet several times each year. The Council, which consists of union representatives or members of works councils from Belgium, France, Germany, the Netherlands, Poland, Switzerland and the United Kingdom, addresses topics of a transnational nature. In 2010 no fewer than 11 European Work Council meetings were held to address both general company topics and specific issues, such as the disposal or reorganization of discontinued businesses.

Technicolor keeps the European Works Council informed of issues related to personnel, finance, production, sales, and research and development, and their impact upon employment and working conditions within Technicolor's European operations. The Council is also informed of major structural, industrial and commercial changes as well as reorganization plans.

In accordance with European labor law, Technicolor executives in each European country meet annually with labor organizations to discuss remuneration and working conditions.

## **2010 Ethics training program**

As part of its effort to ensure that employees are familiar with the Code of Ethics and related policies, such as the Whistleblower Policy, the ECC has implemented numerous training programs, including both in person and online courses.

The Ethics Compliance Committee continued several training initiatives in 2010. The Americas population most notably received a course highlighting the key parts of the Code of Ethics. In 2011, members of the finance community will receive a course on fraud prevention. Many in the sales community will receive valuable training in responsible business communication. Finally, middle management and human resources personnel will receive a course on responding to employee concerns.

## **Life Cycle Analysis and Eco-Design**

Technicolor's Digital Delivery Group (DDG) continued to implement in 2010 its Environmental Product Policy and associated objectives first issued in 2009. After a pilot phase and several fruitful experiences involving Technicolor Digital Delivery Group (DDG) product lines, life cycle analysis was deployed as part of the DDG core development process in 2010. Detailed analysis of the

environmental impact of our products across their entire life cycle according to multiple criteria have enabled the development of innovative designs that are more respectful of the environment.

2010 objectives were also to acquire sufficient knowhow and practical experience in order to initiate a full deployment of ecodesign for all newly developed products, according to the ISO 14062 ecodesign methodology, adapted to the ETM (early-to-market) product development methodology. All relevant disciplines and organizational functions such as designers, engineering, marketing, quality, purchasing, supply chain were involved in this process. Full deployment of ISO 14062 ecodesign methodology will be achieved for all DDG R&D sites in 2011.

It is intended that the above-mentioned ecodesign initiatives are not limited to Technicolor, but soon extend to OEM (original equipment manufacturer) and ODM (original design manufacturer) suppliers.

Other objectives for 2011 include producing LCA benchmarks, comparing DDG WiFi tablet(s) to competing products and specifying an LCA tool user guide for consistency and comparability of LCAs.

## 2010 EHS Programs

### Injury Reductions

The Group's main business units remained focused on programs to reduce injuries. As a result, 2010 injuries totaled 291 compared to 374 in 2009 and 466 in 2008. The accident rate decreased 21% from 1.87 in 2009 to 1.37 in 2010. Serious injuries, indicated by the lost time injury rate, decreased from 0.64 in 2009 to 0.48 in 2010.

Forty-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).

### Water Use and Waste

In 2010, water consumption at the Technicolor reporting locations increased by 6.6% versus 2009 to 1,962 thousand cubic meters including 16 non-industrial locations not reporting in prior years. Total waste generated in 2010 was 38,837 tons, a decrease of 4,511 metric tons or 10.4% compared to 2009. The recycling rate was 75.5% decreasing slightly from 2009. The percentage of waste determined to be hazardous increased slightly in 2010 to 5.2% compared to 3.2% in 2009.

### Internal Auditing

Internal auditing related to EHS has been very active within Technicolor, following the "at least every third year" rule in corporate governance. Eight audits were conducted in 2010 compared to nine in 2009.

### Web-Based Reporting System

Technicolor continued to use and expand a global, web-based reporting system for injuries, energy consumption, water use, and waste generation, including for the first time in 2010 16 non-industrial sites. Questionnaires are managed on a monthly basis and are augmented with annual questionnaires on such topics as raw materials usage or effluent.

### 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 eight 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.

See the CDP website at: <http://www.cdproject.net>

See Technicolor's responses to CDP 7 (2010) questions at:

<https://www.cdproject.net/en-US/Results/Pages/Company-Responses.aspx?company=19100>

### **EHS at Non-Industrial Sites**

The year 2010 continued a 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 2010. Various templates had been developed in 2009 to assist larger administrative and non-industrial sites, as well as other sites with smaller worker populations unable to staff fulltime EHS managers at their location. Critical aspects of basic EHS are facilitated, such as emergency action planning, EHS-related training organization, job hazard analysis, and compliance awareness and tracking. For the first time in 2010, larger non-industrial locations began reporting their consumption of energy and water and their results consolidated with data from industrial sites.

### **Other EHS Activities**

- Control systems and sensing devices were put in place at the Angers France set-top box factory so that power is systematically minimized by switching off unused areas and equipments.
- An improved resin tower was installed at the Bangkok Thailand film lab, reducing silver content in the wastewater effluent.
- Outdoor lighting energy requirements were reduced 18% at the Brampton Canada DVD distribution facility while maintaining required illumination levels.
- Guadalajara Mexico DVD operations consolidated DVD bonding resin use into larger 600 kg containers, greatly reducing the number and frequency of 20 kg containers.
- A rainwater harvesting and re-use tank at the Melbourne Australia DVD factory provided approximately 400,000 liters of rainwater since installation. The Melbourne site also installed idle sensors in a variety of machine belts which save energy by switching to stand-by mode when not in use.
- Memphis USA DVD packaging and distribution invested in nine additional balers for cardboard and plastics, improving recycling, and eliminating landfill. The EHS team also implemented an improved contractor management program due to expansion construction projects at the site, providing specialized training and inspection to over 500 construction contractors resulting in an injury-and incident-free site expansion.
- At the North Hollywood USA film operation, water consumption was reduced an annualized 10% by substituting recirculating cooling tower water for flow-through single-use municipal water in affected equipment.
- The Pinewood England film lab installed improved controls in the wet chemical solutions area as part of a spill control and counter measures program. Additionally, a liquid waste concentrating system was implemented to eliminate effluent flow to the local community by diversion of concentrated waste to a waste treatment center.
- As part of a project to improve commuting, the Rennes France R&D Center updated bicycle



parking areas with covered parking and electrical charging facilities for cycling lights and batteries, while also providing on-site mechanical services one day per week.

- The Rome Italy film operation improved controls on rinse water, achieving a 30% reduction in rinse water consumption. New exhaust hoods were placed in negative assembly areas to further reduce vapors from film cement, further limiting occupational exposure of the workforce.
- DVD packaging and distribution in Rugby, England reduced waste by converting internal handling from cardboard to reusable totes.
- Cinema distribution operations in Wilmington, Ohio and Ontario, California, USA reduced the potential for cuts and lacerations by changing over the entire business from metal film cans to corrugated plastic boxes which also incorporated a more stable and stackable design.

## Summary: Technicolor 2010 United Nations Global Compact Actions & Results

Technicolor Program	2010 actions	Results	Global Compact Principle
Supplier Ethics Program	On-site audits of suppliers with high-labor intensive processes.	No child-labor discovered and instances relating to forced labor minimal.	<u>Principle 4:</u> elimination of all forms of forced and compulsory labor; <u>Principle 5:</u> abolition of child labor; <u>Principle 10:</u> work against corruption in all its forms, including extortion and bribery
Supplier CSR monitoring and KPIs on labor issues	KPIs (in line with SA8000 criteria) for key active EMS partners monitored during each Quarterly Business Review.	Rating of suppliers according to standard CSR principles and increased monitoring of audit findings.	<u>Principle 4:</u> elimination of all forms of forced and compulsory labor; <u>Principle 5:</u> abolition of child labor; <u>Principle 10:</u> work against corruption in all its forms, including extortion and bribery
Ethics training	Conducted multiple training sessions on various aspects of the Code of Ethics.	Training many employees on anticorruption, global competition and antitrust. Americas population received a course highlighting the key parts of the Code of Ethics.	<u>Principle 1:</u> support and respect the protection of internationally proclaimed human rights; <u>Principle 2:</u> make sure to not be complicit in human rights abuses <u>Principle 4:</u> uphold the elimination of all forms of forced and compulsory labour <u>Principle 6:</u> elimination of discrimination in respect to



			employment and occupation <u>Principle 10:</u> work against corruption in all its forms, including extortion and bribery
Management development and training	Individual training programs.	Training initiatives representing close to 250,000 hours of training, and involving a majority of employees.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Performance Management System	New Performance Evaluation System launched (STEP)	Broader evaluation system incorporating behavioral objectives and company core values in employee performance review criteria.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Women's network	Network of key female managers worldwide with designated site leaders.	Regular site meetings conducted on opportunities for women and role of women in initiating change.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Seeking female professionals	Senior management opportunities for women encouraged.	Recruiters worldwide asked to include the CV of at least one qualified female candidate for open senior positions.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Line Management network	Line Management network launched to provide dedicated training for line managers.	New communication channel for managers through dedicated space on the intranet including a learning platform with training modules in business and management topics.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Fellowship program	Fellowship Network, to bring together the strengths of individuals from various scientific	Nominations of several fellows endorsed at an award ceremony in February 2010.	<u>Principle 6:</u> elimination of discrimination in respect to employment and



	domains.	Other initiatives to reinforce and consolidate the company's long-term research and scientific capabilities continued.	occupation
Leadership program	Initiatives launched on leadership development	30 high potential employees and executives were given opportunities to participate in this leadership curriculum.	<u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Freedom of Association & Right to Collective Bargaining	Regional correspondents designated as responsible for ensuring HR policy in line with national legislation and meetings with European Works Council.	11 European Work Council meetings held to address both general company topics and specific issues, such as the disposal or reorganization of discontinued businesses.	<u>Principle 1:</u> support and respect the protection of internationally proclaimed human rights; <u>Principle 2:</u> make sure to not be complicit in human rights abuses <u>Principle 3:</u> Business should uphold the freedom of association and the effective recognition of the right to collective bargaining <u>Principle 6:</u> elimination of discrimination in respect to employment and occupation
Injury reduction	Efforts to reduce injury incident rates worldwide.	Accident rate decreased 21% from 1.87 in 2009 to 1.37 in 2010. Serious injuries fell at 0.48 in 2010, compared to 0.64 in 2009.	<u>Principle 1:</u> support and respect the protection of internationally proclaimed human rights; <u>Principle 2:</u> make sure to not be



			complicit in human rights abuses
Waste	Efforts to reduce waste.	Total waste generated in 2010 was 38,837 tons, a decrease of 4,511 metric tons or 10.4% compared to 2009.	<u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges; <u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
Environmental certification	ISO 14001 certification for all industrial sites	17 sites held ISO 14001 certification in 2010, out of which one site was recertified.	<u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges; <u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
Internal EHS auditing	Active auditing continued following the “at least every third year” rule.	8 sites audited in 2010.	<u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
EHS Charter	EHS Charter revised & widely communicated	Increased visibility for newly revised EHS Charter, now bearing Group CEO signature and available both on internal network and external website	<u>Principle 7:</u> Businesses should support a precautionary approach to environmental challenges; <u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
Carbon disclosure project	Technicolor is a participant in this organization	Technicolor continues to be a part of the Carbon	<u>Principle 7:</u> Businesses should support a



	concerned with climate change.	Disclosure Leadership Index for France of the Carbon Disclosure Project. A "Supplier" questionnaire annex is now also included in responses.	precautionary approach to environmental challenges; <u>Principle 8:</u> undertake initiatives to promote greater environmental responsibility
Products Life Cycle Assessment & eco-design	Implementation of methodology for "life cycle thinking" i.e. integration of environmental aspects into DDG specific product design and development process	After a pilot phase, LCA deployed as part of the DDG core development process	<u>Principle 9:</u> encourage the development and diffusion of environmentally friendly technologies
Products Life Cycle Assessment & eco-design	Acquire sufficient knowhow and practical experience to initiate a full deployment of ecodesign for all newly developed products, according to the ISO 14062 ecodesign methodology.	All relevant disciplines and organizational functions such as designers, engineering, marketing, quality, purchasing, supply chain involved in gaining appropriate skills and knowhow for ISO 14062 full implementation in 2011.	<u>Principle 9:</u> encourage the development and diffusion of environmentally friendly technologies



**Corporate Social Responsibility (Overview)**

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

**Code of Ethics**

[http://www.technicolor.com/uploads/associated\\_materials/code-of-ethics\\_october132010-\\_en.pdf](http://www.technicolor.com/uploads/associated_materials/code-of-ethics_october132010-_en.pdf)

**Environmental, Health & Safety Charter**

[http://www.technicolor.com/uploads/associated\\_materials/afficheehscharter.pdf](http://www.technicolor.com/uploads/associated_materials/afficheehscharter.pdf)

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

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

**Carbon Footprint**

[http://www.technicolor.com/uploads/associated\\_materials/thomson\\_carbon\\_footprint\\_4bc87c704388d021822505.pdf](http://www.technicolor.com/uploads/associated_materials/thomson_carbon_footprint_4bc87c704388d021822505.pdf)

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

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

**Annual Reports**

<http://www.technicolor.com/en/lo/annual-reports>