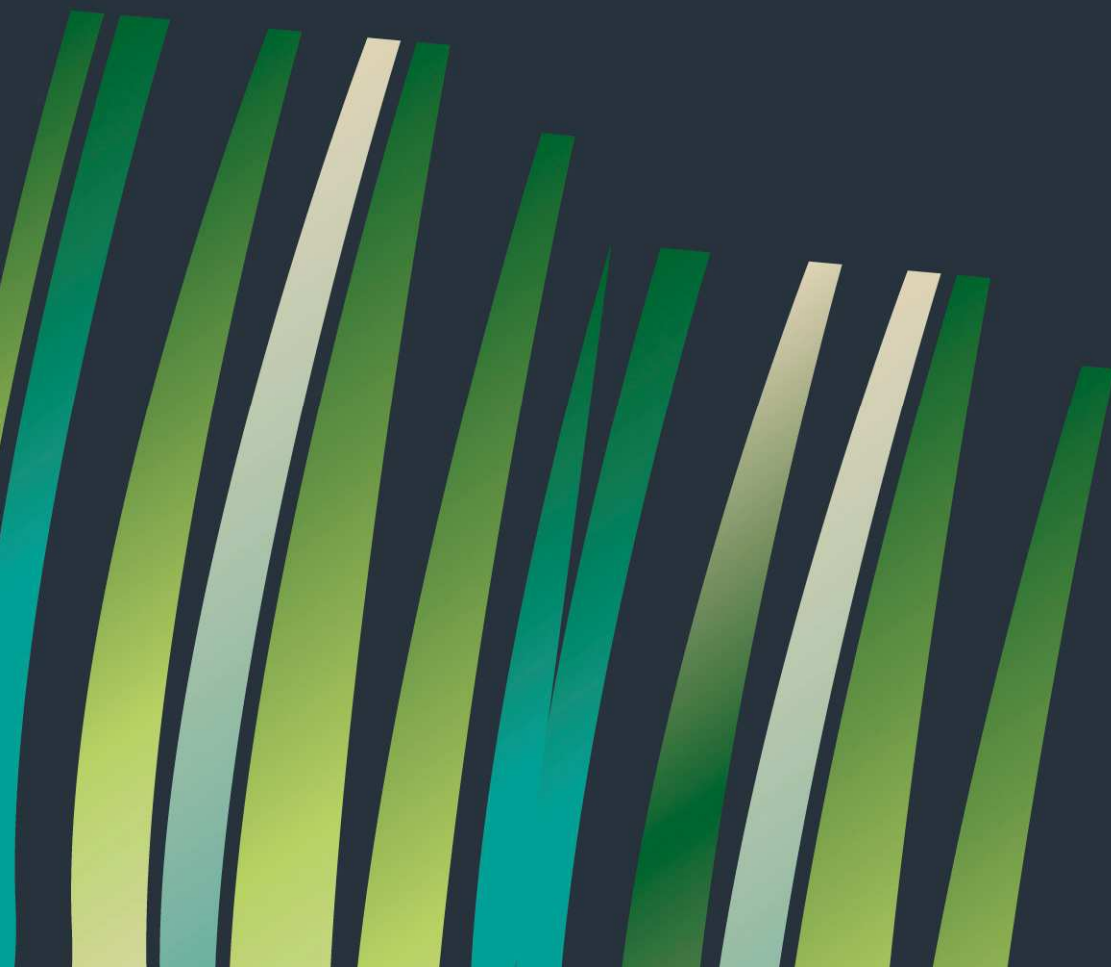


SAGEMCOM

SUSTAINABLE DEVELOPMENT
COMMUNICATION ON PROGRESS

Version 1 — 2011
Document Reference 30 000 634 A



FOREWORDS

Quality, Ethic and the respect of the Environment are among the fundamental values of Sagemcom. In particular, we recognize the important role that an organisation like ours can have on sustainable development approach.



One of the key challenges of sustainable development is that it demands new and innovative choices and ways of thinking. While developments in knowledge and technology are contributing to economic development, they also have the potential to help resolve the risks and threats to the sustainability of our social relations, environment, and economies.

As a leader in the field of telecommunication equipments, we are engaged in the development of telecommunication equipments embedding solutions to decrease their environmental impact, while conserving their functionalities, in the respect of the principles of the United Nations Global Compact.

To do so, we act on the entire lifecycle of our products and activities, from cradle to grave. Beyond respecting regulations, Production, R&D and marketing centres mitigate their environmental impact through an ISO 14001 Management System. Significant environmental aspects are strictly controlled & reduced, as much as possible. But managing our centres is not enough. As shown by life cycle analysis, the use phase is the main impact of our product. Thus, the Energy consumption must be mastered and reduced, by applying the principles of Eco design. The other phases are also taken into account during development of products.

In parallel, we act for the respect of human rights and protection of our employees. The safety and the health of our workers are at the centre of our considerations as demonstrated by our health & safety policy applied in accordance with international standard OHSAS 18001. Sagemcom works in compliance with the ILO code of conduct, and ensures the commitment of its suppliers by their signing of the Sagemcom ethical charter and third party audits.

All of these actions, presented in this document, reflect the commitment of Sagemcom to Sustainable Development and result in significant savings, marketing differentiation and better confidence of our customers.

Patrick SEVIAN
President

summary

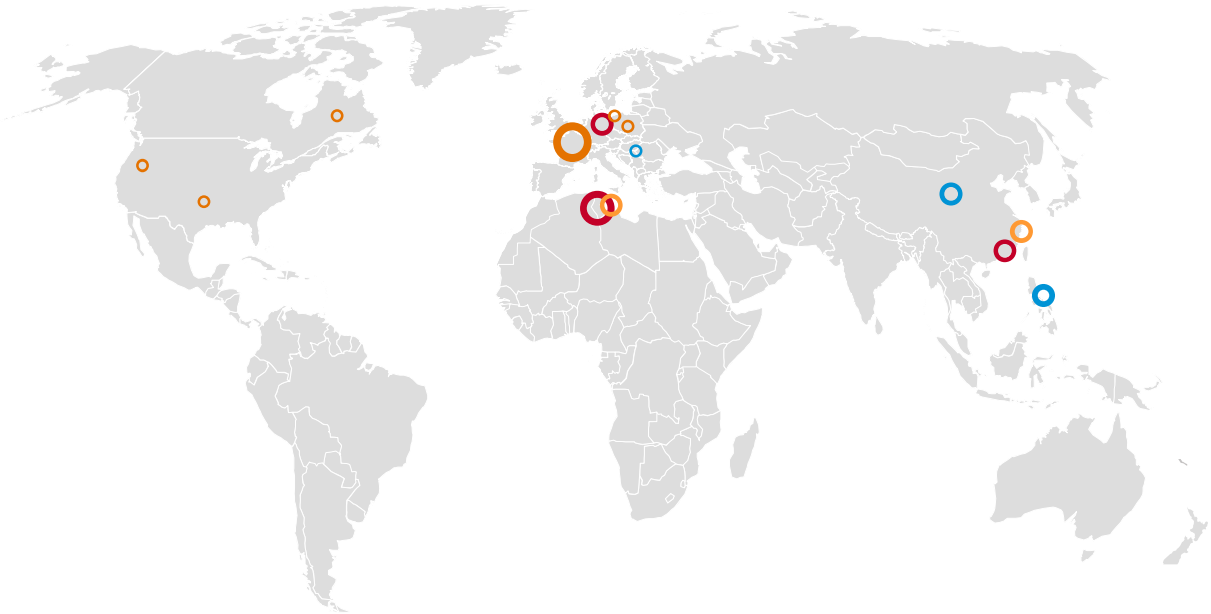
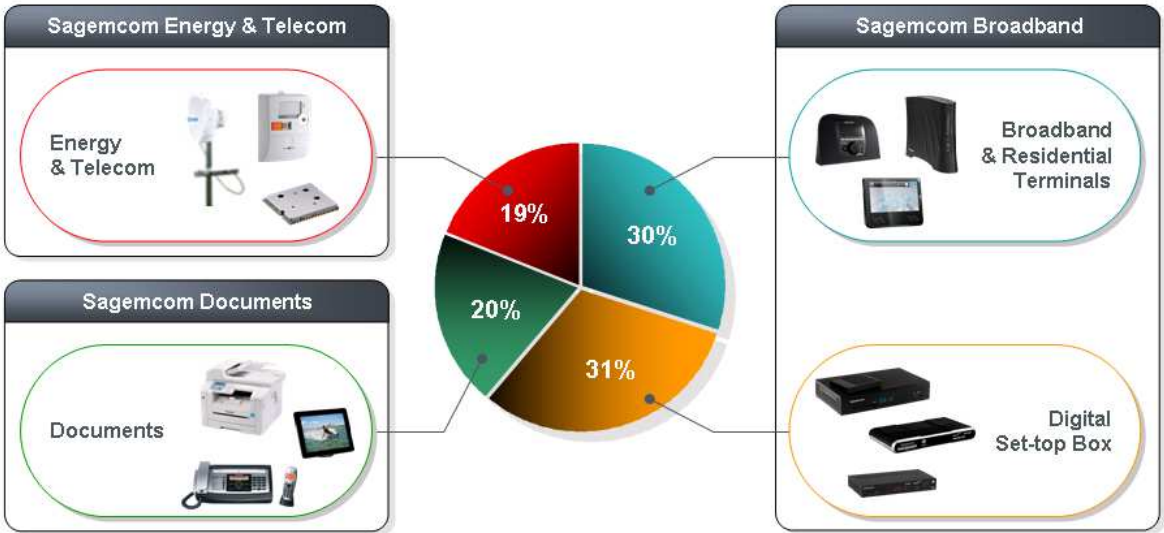
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This document is the first Communication on Progress of SAGEMCOM, to highlight initiatives and developments in the field of sustainable development

sagemcom at a glance

6000 employees around the world

Annual turnover 2011: € 1,406 million



54 company branch offices around the world

8 R&D Centers (925 employees)

5 Strategic partnerships

3 mains production sites (3 351 employees)

CORPORATE APPROACH THE GLOBAL COMPACT

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

As a signatory of the UN Global compact, Sagemcom SAS is committed to the respect and the promotion of its principles within its area of influence.



Human Rights	1	Support and respect the protection of internationally proclaimed human rights
	2	Make sure they are not complicit in human rights abuses
Labour	3	Uphold the freedom of association and the effective recognition of the right to collective bargaining
	4	Uphold the elimination of all forms of forced and compulsory labour
	5	Uphold the effective abolition of child labour
	6	Uphold the elimination of discrimination in respect of employment and occupation
Environment	7	Support a precautionary approach to environmental challenges
	8	Undertake initiatives to promote greater environmental responsibility
	9	Encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	10	Work against corruption in all its forms, including extortion and bribery

Sagemcom SAS invites its Suppliers and subcontractors to adopt, support and apply, in their area of concern, all the fundamental values here above.

Communications on progress will be posted regularly on the United Nations website.



Ethical approach

ETHIC

The company's goals are founded on values shared by all personnel. It is corporate policy to ensure that the conduct of business complies with high standards of honesty, integrity and professional excellence.

By upholding these values the company will remain worthy of the trust placed in it by its customers, personnel, shareholders, suppliers and all of its partners.

The rules outlined below are not intended to take the place of, or to revise the laws and regulations in force, but rather to provide points of reference and guidance for the conduct of professional duties.

These ethical guidelines set forth the principles and standards common to the company as a whole, so that everyone in the company may refer to them under all circumstances.



Behavior Outside the company

Upholding the law

In all the countries in which the company operates, its personnel must uphold the laws in force. It may sometimes be difficult to understand the law in a legal and cultural environment which is very different from the context in which people have previously worked. In case of doubt, employees should immediately consult a superior or the legal department. Personnel working in a subsidiary jointly owned by the company and a foreign company must uphold the law of the country in which the subsidiary is based, of the countries in which it is operating and of the country (or countries) in which its shareholders are based.

The company applies international conventions on fighting the corruption of public officials.

The use of business consultants or agents offers an effective means to develop company's business, thanks to the skills they contribute. The fees stipulated in their contract must always correspond to the actual service rendered and payment must comply with the relevant laws.

All personnel must take particular care to uphold laws on competition, the final destination of products after sale, labour and employment, safety, health and environmental protection.

Behaviour towards customers

Each employee must uphold the principles of fairness and integrity in their dealings with customers.

No compromise on standards, for whatsoever reason, can be tolerated. Any situation that may seem questionable to an employee must immediately be referred to a superior or the Quality manager.

Relations with suppliers

The company chooses suppliers on the basis of objective criteria in the sole interest of the Company.

The company demands high performance and excellence from its suppliers in order to fully meet the expectations of its customers.

Under no circumstance will the company use suppliers involved in child or forced labour.

Integrity

Company employees may under no circumstance damage its reputation, the integrity of its assets and its information systems.

Paid work of any type that personnel may have outside their job must not cause conflicts of interest with their duties inside the company.

Similarly, considerable caution is required with regard to the purchase of shares, directly or via an intermediary, in companies doing business with the company. Such restrictions do not apply to listed companies, unless confidential information is used which may be construed as insider trading.

Under no circumstance may company employees accept gifts or benefits, unless of a symbolic nature, from suppliers.

Similarly, no one may propose or award such gifts or benefits with a view to obtain a contract.

No one should display the slightest indulgence with respect to active or passive corruption.

Sustainable Development

Today, more than ever, preserving the environment is an essential concern for all company employees, starting with product design and running through the whole industrial process.

Political and religious activity

The company does not fund any political party whatsoever.

Any political activities and religious practices in which personnel may be involved must remain exclusively outside the workplace and working hours.

Behavior inside the company

Protecting the confidential nature of certain information

Everyone, in the course of their duties, has access to confidential information, which, even if partial, represents one of the company's key assets and must not be divulged to the competition.

Similarly, employees may hold information concerning National Security. It is essential to bear in mind at all times the importance of protecting such information from third parties.

At the same time, everyone must make sure that the information required for the proper execution of work circulates normally inside or outside the company and that it is always accurate.

Respect for other people

The safety and health of other people are prime objectives of all employees.

As a matter of principle the company guarantees equal opportunity for all its employees. Recruit-

ment and promotion are based exclusively on professional qualities, without any form of discrimination. The company undertakes to respect the dignity and private life of each of its employees.

Furthermore one of the company's key values is to create the necessary conditions for everyone to achieve fulfilment in their professional life.

Hierarchical authority may not be used for any other purpose than ensuring the proper running of the company. It must be exercised with restraint and discernment, and must not lead to any form of abuse or harassment.

Compliance ethical guidelines

The company brings the contents of these ethical guidelines to the attention of each employee, requiring his or her compliance. In general, in the event of doubt about the appropriate conduct, it is up to each employee to immediately consult a superior or the company's Legal Department.



ETHICAL APPROACH WITH OUR SUPPLIERS

Our approach is based, amongst other input, on the International Convention of the ILO, the universal declaration of human rights and the UN convention on Children's Rights. It is based on 4 fundamental topics:

- **Respect for human rights**
 - Banish child work
 - Banish forced labour
 - Fighting discrimination
 - Freedom to join trade unions, right to participate in collective agreements
- **Acceptable working conditions**
 - Ensure Health and safety of employees
 - Respect working time
 - Ensure a decent remuneration
 - Banish practical disciplines
- **Respect for the environment**
- **Fighting corruption**

Action is taken within the company to promote this approach. Internal awareness sessions are planned throughout the year, as well as training sessions for "ethical" auditors.

In view of promoting and extending its ethical approach, Sagemcom requires its suppliers to make commitments,

- by adhering to its ethical charter (in annex 6)
- by filling out the Sagemcom self-assessment questionnaire
- by accepting to be audited on the correct application of the ethical approach of Sagemcom

As of today, 394 ethical charter have been signed among our supply chain.

Audits

Since 2007, 43 initial audits and 16 follow-up audits have been done.

In 2011, 7 audits have been practiced in suppliers premises by a third party auditor.

- The audited suppliers are mainly strategic partners for high added value components and ODM partners, and critical components suppliers.

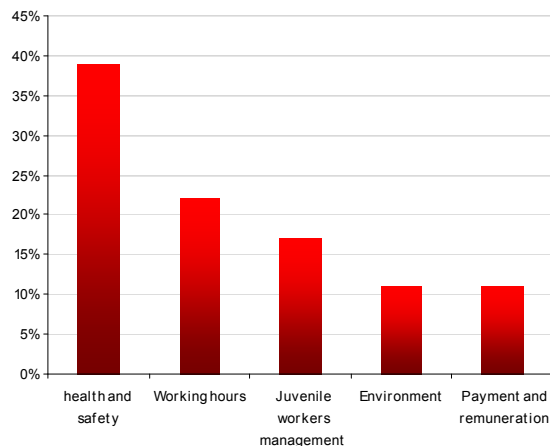
Results

Main issues during these audits were :

- Working hours
- Health and safety
- juvenile workers* management
- Payment and remuneration
- Environment

Action plans have been built with the suppliers to correct these problems, and follow-up audits have been set up.

Repartition of detected non compliance during suppliers audit



* juvenile workers are workers above legal age that must be declared to the local administration, and must not work on physically demanding jobs. For example a juvenile worker in china is between 16 and 18 years old.

Health and safety

While the environmental approach (ISO 14001) attempts to reduce environmental impact inside and outside the company, the Occupational health and safety in the work place approach aims to restrict risks for people inside the company. If these two approaches have separate objectives, they will improve the global management of the company.

International standard OHSAS 18001 (Occupational Health & Safety Assessment Series) makes it possible to evaluate and certify the health and safety management system.

We implement the occupational health & safety in the work place approach on various industrial sites on the basis of OHSAS 18001. Our production site in Tunisia is certified (see certificate in annex 4).



To know more ...

The fundamental concept behind OHSAS 18001 is based on continuous improvements of risk control in the field of health and safety in the work place and does not establish requirements in terms of performance levels. In view of the above, this standard is compatible with ISO14001 and ISO9001.

This standard allows for:

- the establishment of a health and safety management system to eliminate or at least reduce the risks faced by personnel and other individuals involved and likely to be exposed to the risks relating to the activities of the organization;
- the continuous implementation, updating and improvement of the system;
- guaranteed compliance with its policy;
- the demonstration of compliance.

Risk analysis is the focal point of the system. This particularly involves the:

- systematic identification of the dangerous substances or preparations present in the establishment;
- evaluation of the dangers inherent to the listed substances and preparations;
- evaluation of the installations, particularly those in which the listed dangerous substances and preparations are used;

systematic identification of dangers and the analysis of the phenomena relating to operating conditions.

Handicaps

Insertion of disabled workers is part of Sagemcom values and contributes to its ethical commitment and its approach regarding sustainable development.

Sagemcom, aware that the disabled workers' employment represents a major stake of the company responsibilities, has developed the insertion of disabled workers for several years around 3 major steps:

- Increase hire and facilitate their integration,
- Accompany the disabled employees all along their professional life among the company,

- Promote external employment for disabled people.

Beyond the legal framework and the strict legal obligations, Sagemcom ensures a quality of working environment for disabled employees.

The layout of workstations is therefore at the heart of a global thinking, integrating a social and human dimension and requiring genuine involvement of the company.





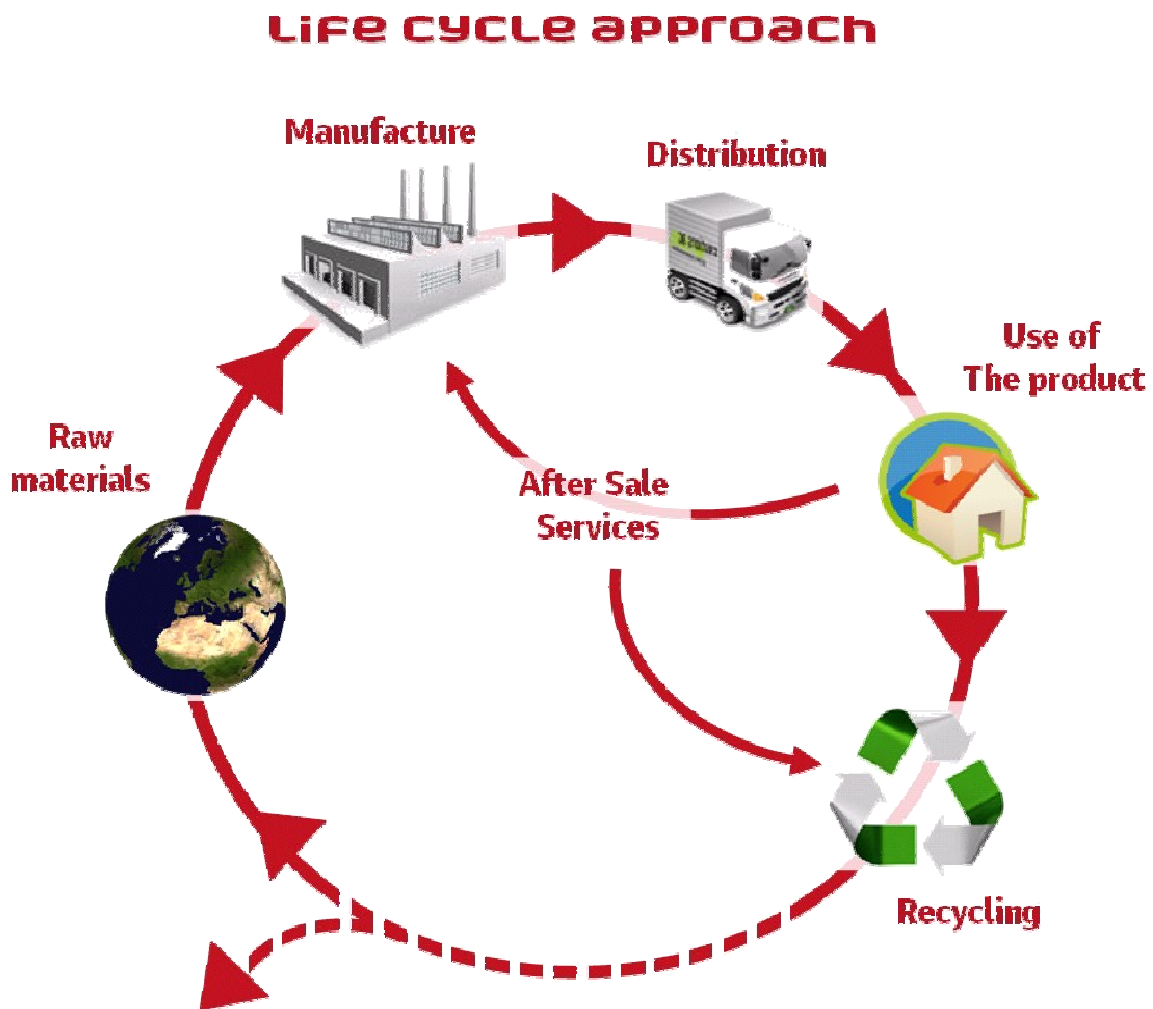
MANAGING the environmental impact

Managing our environmental impact is of the utmost importance. All our activities are watched over by environmental coordinators, in order to control and reduce our daily consumptions & wastes.

Sagemcom approach is based on the life cycle of the products through a certified Quality and environment management system.
The ISO 14001 standard describe such management system and allow us to :

Reduce the environmental impacts of our centers (marketing, R&D, production)
Design products with less impacts on resources (raw materials, rare earth elements ...), Energy Depletion (in manufacturing and use phase) and end of life (easier disassembly, recycling ...)

As required, the system is audited by a third party auditor each year. These audits ensure the efficiency of the system and its continuous improvement.



ISO 14001 Certification

The ISO 14001 standard prescribes the requirements for an environmental management system allowing organizations to formulate policies and objectives in view of regulatory requirements and information relating to significant environmental impact.

Sagemcom, in accordance with national laws and regulations, especially those relating to classified installations, controls environmental aspects such as:

- soil, water & air pollution
- sound pollution
- waste production
- consumption of water, etc.
- controlling dangerous substances

These provisions are implemented in our centres by environmental officers, under the responsibility of the respective Site Directors, according to continuous improvement processes.

Certified sites (certificate in annex 2):

- Rueil-Malmaison (Headquarter)
- Osny (France R&D center)
- Vienna (Austria R&D center)
- Ben Arous (Tunisian manufacturing center)
- Megrine (Tunisian R&D)

CO₂ impact reduction related to manufacturing

The proximity of manufacturing centres from its customers allows Sagemcom to realize significant gains on emission of CO₂*.

Less CO₂ emissions from the manufacturing process:

- 1269 g in Tunisia for a single product
- 1987 g in Hungary (+56%)
- 3839 g in China (+200%)

Less CO₂ emissions from the transport:

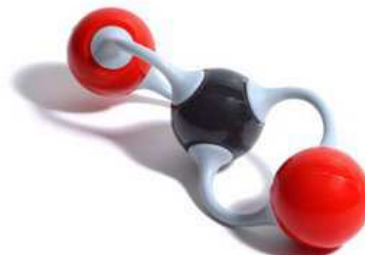
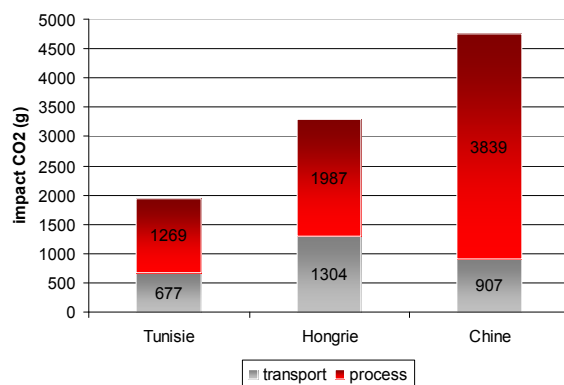
- 677 g from Tunisia for a single product
- 1304 g from Hungary (+93%)
- 907 g from China (+34%)

In total, saving of ...

- 1345 g CO₂ / product (807 tons for the range) compared to Hungary.
- 2800 g CO₂ / product (1680 tons for the range) compared to China.

(*CO₂ emissions based on IAEA database; Study based on a simple Set top box ; Range = 600 000 products)

CO₂ impact of manufacturing process and transport of a product - comparison between various production sites



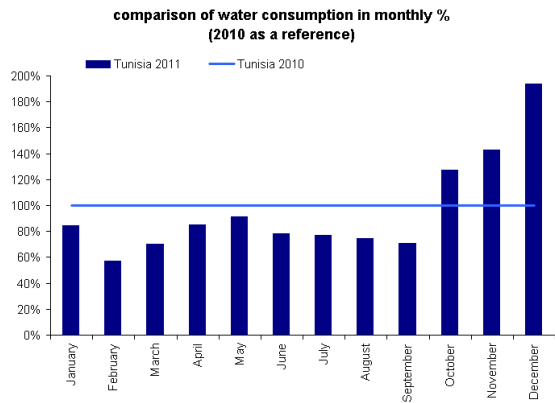
FOCUS

TUNISIAN MANUFACTURING PLANT

BEN AROUS - TUNISIA

The Ben Arous location is the main plant of Sagemcom. Its activity is focused on Meters manufacturing and Broadband terminals, in the field of Gateways and TV Set Top boxes.

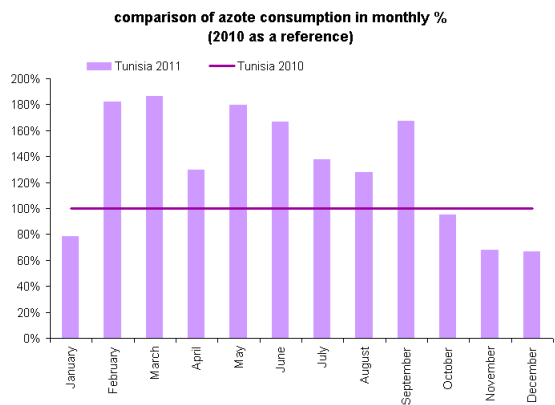
Figures :



The global water consumption has decreased by 12.2% in 2011 compared to 2010 in absolute value, while increasing production.

Calculated per product, the average water consumption has decreased by 27.2%

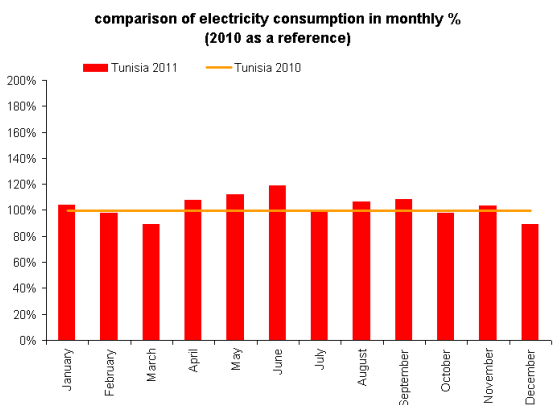
Target for 2012 : to reduce consumption by 10%



The global azote consumption has increased by 21.1% in 2011 compared to 2010 in absolute value, while increasing production.

Calculated per product, the average azote consumption is stable (+ 0.4%)

Target for 2012 : to keep consumption stable.



The global electricity consumption is stable in 2011 (+3%) compared to 2010 in absolute value, while increasing production.

Calculated per product, the average electricity consumption is decreasing (- 14.7%)

Target for 2012 : to reduce consumption by 10%.

FOCUS

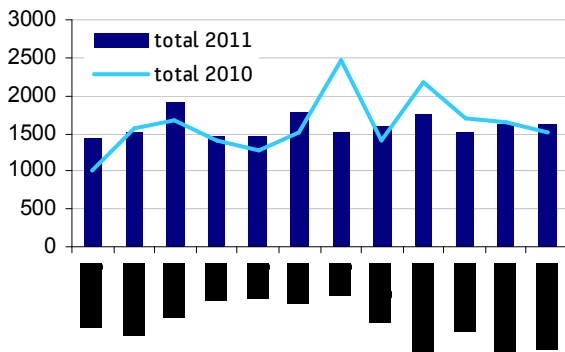
FRENCH MARKETING AND R&D SITES

OSNY & RUEIL MALMAISON - FRANCE

The Rueil-malmaison centre is the Sagemcom Group headquarter. It groups Sagemcom Broadband SAS, Sagemcom Energy & Telecom and Sagemcom SAS (holding). The Osny centre is dedicated to Sagemcom Documents and groups the marketing activity and the R&D for professional products.

Figures :

Water consumption per month (m3)

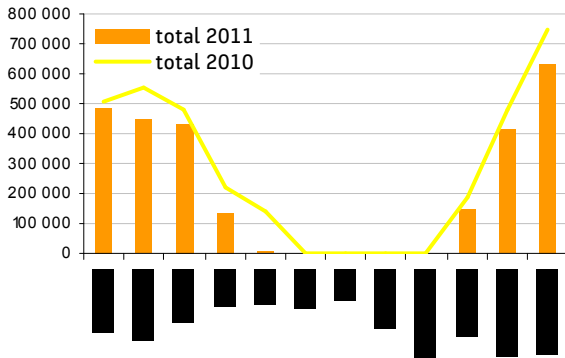


The global Water consumption is stable in 2011 compared to 2010 in absolute value (-01 %) while increasing employees number.

Calculated per person per day, the average water consumption has decreased by 9.2%.

Target for 2012 : to reduce consumption by 10%

Gaz consumption per month (kWh)

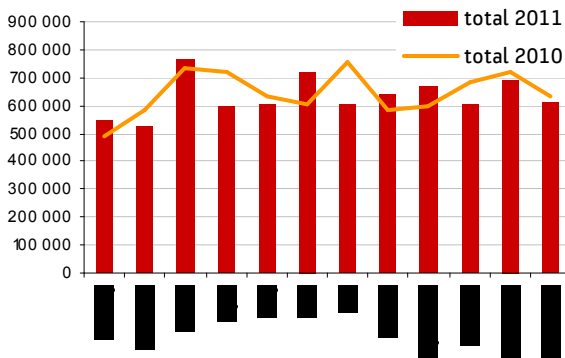


The global Gaz consumption has decreased by 18.6% in 2011 compared to 2010 in absolute value, while increasing employees number.

Calculated per person per day, the average Gaz consumption has decreased by 25.5%

Target for 2012 : to reduce consumption by 10%

Electricity consumption per month (kWh)



The global electricity consumption is stable in 2011 compared to 2010 in absolute value(-02%), while increasing the employees number.

Calculated per person per day, the average electricity consumption has decreased by 10,2%

Target for 2012 : reduce consumption by 10%

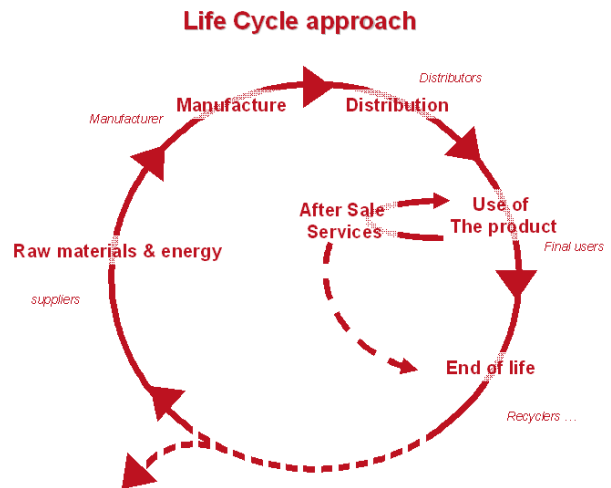
ECODESIGN

Principles

In addition to controlling the site approach (control of rejections, etc.), the research and development site obtained **ISO 14001: 2004 certification**, products oriented, for its eco design approach.

Eco design accounts for the environmental impact of a product "from cradle to grave". An eco designed product must be of the same quality as a standard product. No functions or performance must be sacrificed.

The aim of our research teams is to reduce environmental impact, by working on all aspects of the product life cycle, and particularly raw materials and the consumption of energy during the use phase as with other stages of life cycle, including disposal.



Partnerships with our customers

Sagemcom wishes to move forward with its customers for all issues relating to sustainable development, to promote its ethical and environmental ideas, and to take a step beyond the simple context of the company.

We work with our major order providers to create an "ever-greener" marketing policy, mainly for eco design. These partnerships must lead to the general distribution of information on the Ecological quality of our products.

Reduction of packaging

In addition to its effect on the consumption of raw vegetal substances, packaging has an effect on the environmental impact of transport. This is why we permanently attempt to optimize the weight and volume of our packaging.

To give an example, changing the range of our thermal transfer faxes enabled volume to be reduced by 26% per product. This optimization, combined with improved logistic control, optimized transport, increasing pallet capacity from 64 to 120 products, i.e. requiring 47% less trucks for an equivalent quantity.

Reduced energy consumption

Energy consumption is a key element on all of our product lines.

This aspect must be taken into account to reduce the environmental impact of electronic products to a significant degree.

Accounting for energy consumption requires compliance with strict consumption criteria during the various operating modes, constant innovation (programmable / intelligent stand-by modes, etc.) and the awareness of personnel.

Sagemcom has ensured that its printing products consume less energy for many years. This is why most of its products have ENERGY STAR® labels, when applicable.

Functionalities

Innovation is a factor in improvements. This is why our teams are constantly seeking out product functions which encourage consumer eco-friendliness, or replacing these functions with product automatisms (automatic duplexing, "Toner Save" function, etc.).

Significant Environmental aspects

In order to set priorities, we conduct Life cycle assessment of our products.

Our method consists of the analysis of existing products in qualitative (mode of assembly, etc.) and quantitative terms, by modelling the products using simplified life cycle analysis tools. Thanks to the EIME software, we obtain statistical data on environmental impact (creation of CO₂, water pollution, etc.) via a multi-stage, multi-criteria process, and using a database created by the electronics industry. This enables the assessment and comparison of the impact of the products on the environment. This

double qualitative / quantitative approach, avoids pollution transfers (e.g. an assembly solution which facilitates end-of-life could increase the impact of a different stage in the product life cycle).

The main conclusion is that the most significant environmental aspect for our products is the energy consumption during the use phase.

The following examples illustrate the environmental impacts of few of our products and the results obtained with the new generations.



Life Cycle Analysis

We perform life Cycle analysis of our products in order to identify significant environmental aspect to set priorities. These analyses take into account

the whole life cycle of the product, from materials to end of life, with manufacturing, transport and use phase.

Gateways

Gateways embed more and more functions as they are the central nod of the digital home. Thus, it is essential to limit the Environmental impact of these products.

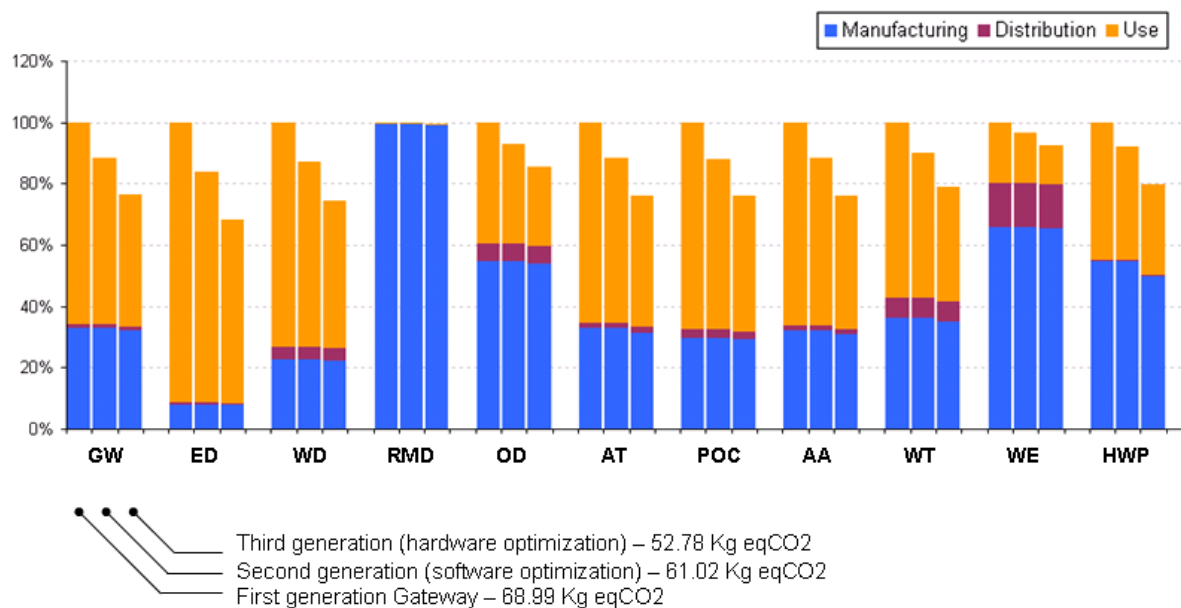
globally the power consumption.

In three generations, we decreased the power consumption by 35% with equivalent functions.

The main environmental aspect of such products is the Energy Consumption. That is the reason why we worked on the use phase, adjusting power consumption to the user behaviour with dynamic low power functions with new software features. Then, we optimised the global power management by replacing electronic components with last generations & power rails enhancement to decrease



COMPARATIVE LCA OF THREE GENERATIONS OF GATEWAYS



Detail of environmental impact Categories in annex 1

Set-Top Boxes

Set Top Boxes offer the possibility to watch TV upon different kind of Tuners (IP, Terrestrial, Satellite or Cable). In addition, one can use Video on Demand Service, recording function, and other multimedia features. This increasing number of functions, beyond simply watching TV, leads to an increasing power consumption.

The main environmental aspect of such products is the Energy Consumption. That is the reason why worked on the use phase, adjusting power consumption to the user behaviour with dynamic low power functions with new software features.

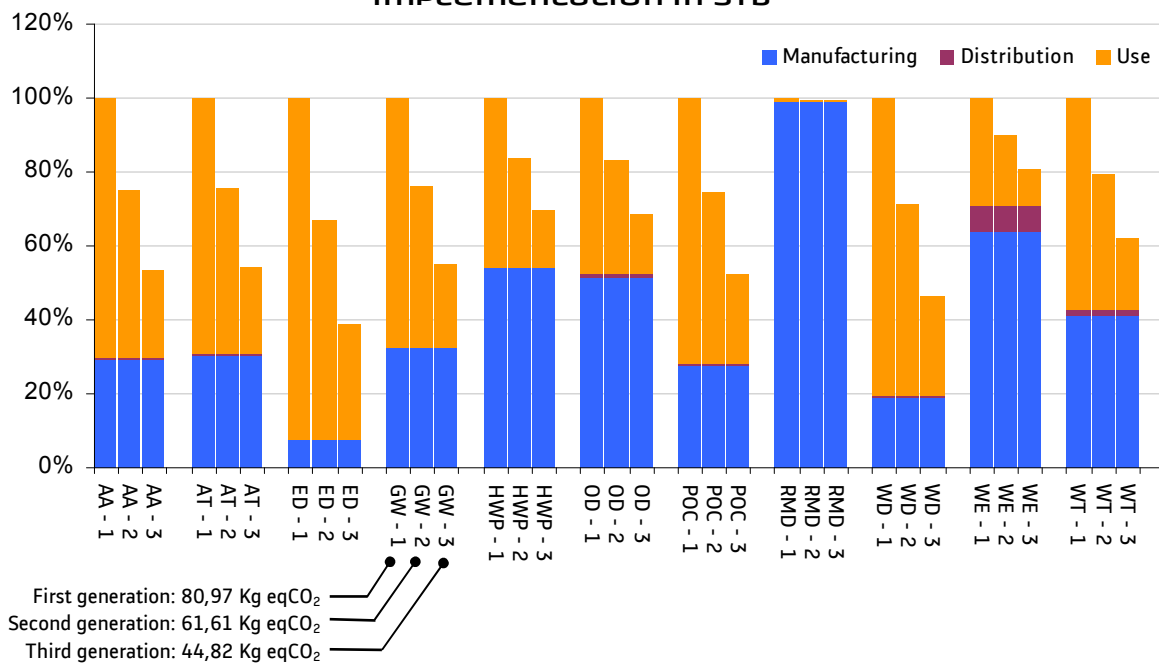
Great savings can be obtained by implementing software features. A good example is the analysis of

the environmental impact of three products providing the same feature, but with different power management :

- First generation : a product which remains in active standby (non optimised)
- Second generation : a product with Network standby
- Third generation : a product with an optimised network standby and an auto power down feature, going to a deep standby mode

Having a full power management leads to high energy savings. It is interesting to note that, in this case, the part of the manufacturing phase becomes the main impact of the product it is then more important to work on materials.

COMPARATIVE LCA : POWER MANAGEMENT implementation in STB



Example of consumptions for a SAT / TER / IP complex Set top box embedding HDD, HD processing, VOD.

French Energy mix was used for this study. Using other mix will lead to significant growth of the use phase, especially the Carbon impact.



Printers - the example of the MF 5571dw

The MF 5571dw multifunction device has been eco designed by the R&D teams. The aim was to decrease its environmental impact compared to the previous generation, while keeping its functions.

Manufacturing

Thanks to the miniaturisation, the choice of materials and assemblies, the manufacturing impact has been significantly decreased.

- - 34% in Ozone layer depletion
- - 22% in raw material depletion
- Globally, an average decreasing of the environmental impact of 10%

Distribution

The volume of packed product has been decreased by 20%, while decreasing the carbon footprint by 10%. The raw material depletion has been significantly decreased by reducing the cardboard weight and thickening of EPS packaging.

Globally, the average impact of the distribution phase has been decreased by 15%.

Use phase

The Energy consumption has been decreased by 30%. Its consumption in standby is below the threshold recommended by the European preparatory study



on network standby.

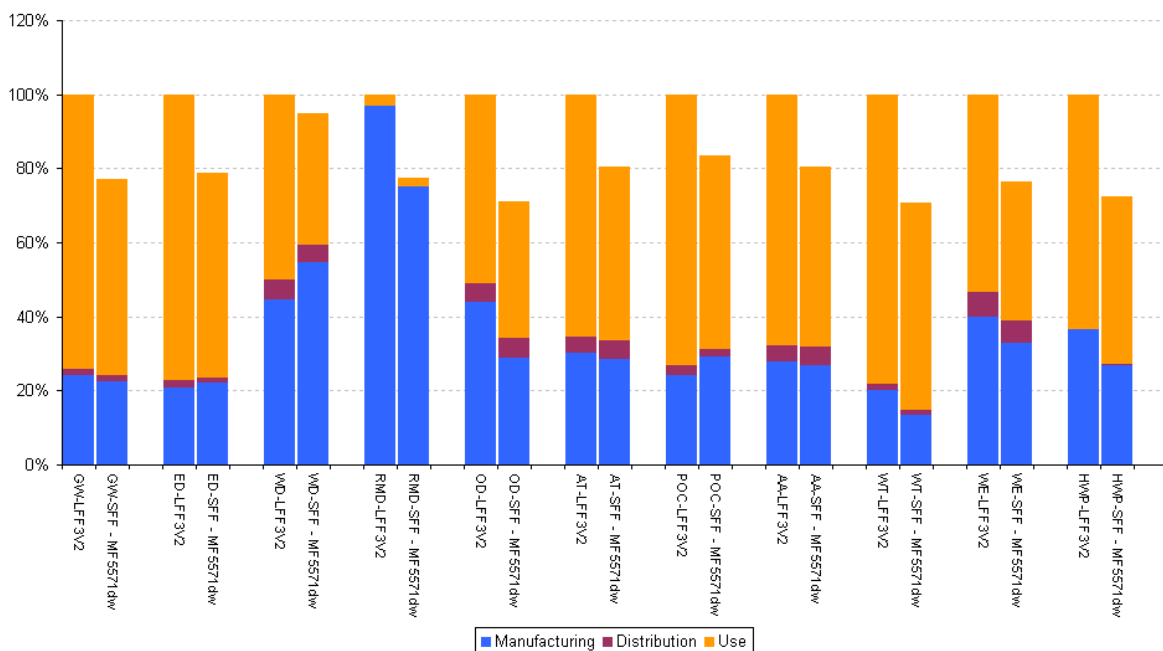
Moreover, the PF5571dw is able to print in Duplex, reducing the paper consumption by 50%. In addition, it is able to print on 60g/m² recycled paper.

Its consumable is not classified as dangerous by the EU directives.

Global Results

Globally, the average environmental impact has been reduced by 23%, while increasing the functions of the product.

Environmental impact comparison



Mechanical parts & raw materials

Selecting materials is also an important stage in the optimization of the environmental impact of our products. The combination of various types of materials can encourage or prevent the recycling of a product. This is why we ensure that we use compatible materials during recycling phases (e.g. PC and ABS plastics can be recycled together).

From an assembly point of view, every action is taken to optimize the dismantling and separation times for the various fractions (plastics/metals/electronics/cabling, etc.).

We are also taking a proactive approach and considering alternative materials which will reduce the exhaustion of the raw materials.

We identified the environmental impact of three different types of plastic (ABS, PMMA and PP) to a plastic of reference (PC: Polycarbonate).

The benefit is that ABS and PP have generally a lower impact to the PC for different impact categories studied ; thus it is interesting to generalize the use of ABS in our product.

Encouraging recycling: marking materials

In addition to financing end-of-life, measures are being taken to encourage recycling. Marking materials, particularly plastic parts, is part of these measures.

By marking parts with different items of information, we allow recyclers to sort the plastic by type. This improves recycling by purifying the batch to be recycled.

Thus, producers can encourage recycling by marking:

- The type of plastic (ABS, PC, etc.)
- The flame retardant (FR)
- The nature of this retardant



Alternative materials

In addition to characterisation of environmental impacts of our plastic parts, we are working on use of alternative materials, based on :

- High rate recycled plastics (post-consumption)
- Biobased plastics

These materials are evaluated from technical and environmental point of view.

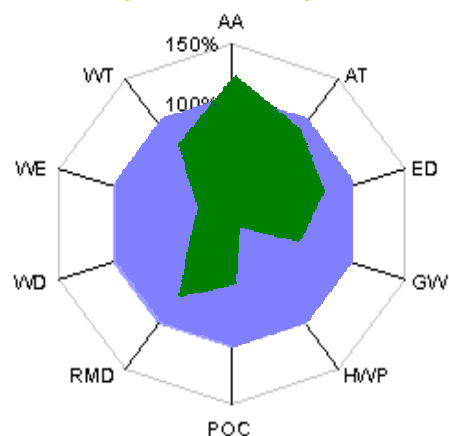
Various reference of materials have been identified and are currently studied to ensure that environmental savings are real, and that technical needs are met to keep the same level of quality.

Example of evaluation here under is a comparison of impact between a 85% recycled material and a standard ABS one. It takes into account the den-

sity of the materials and the design of the plastic part.

Result is positive for the recycled material, while it is still necessary to qualify it from a technical point of view.

Comparison of impacts between an ABS part (as a reference) and an alternative material part (same shape)



Chemicals Management

European regulations

Several European Directives aim to prohibit or restrict the use of substances, which are dangerous for human health and the environment, in particular the REACH regulation 1907/2006 (Restriction, Evaluation, Authorisation of Chemicals) and the RoHS directive 2002/95/EC (Restriction of Hazardous Substances). We guarantee that our products comply with these directives.

Particularly, the REACH regulation requires manufacturers and importers to declare the quantities of chemical substances manufactured in or imported to Europe. We have started with a complete inventory of all substances used in our activities, in coordination with the management of Material Safety Data sheets. All necessary pre-registrations have been made by the supply chain to ensure continuity of supplies.

Focus on SVHCs

Concerning Substances of Very High Concern in our product, a traceability system has been set up to identify chemicals present in our products toward the supply chain. Sagemcom asks its suppliers to give information on chemicals contained in the components. Two possibilities for the suppliers:

- To connect on our dedicated web portal, or
- To connect on other external portals

These declarations are made by uploading an IPC1752 format. This questionnaire lists:

- the restricted substances of REACH Annex XVII known to be used in the electronic sector (and other regulated substances),
- non regulated substance suspected to have an effect on human health and / or on the environment
- Substances of Very High Concern (SVHC).

The suppliers are asked to update this information every six months, due to evolutions of the SVHC list done by the ECHA.

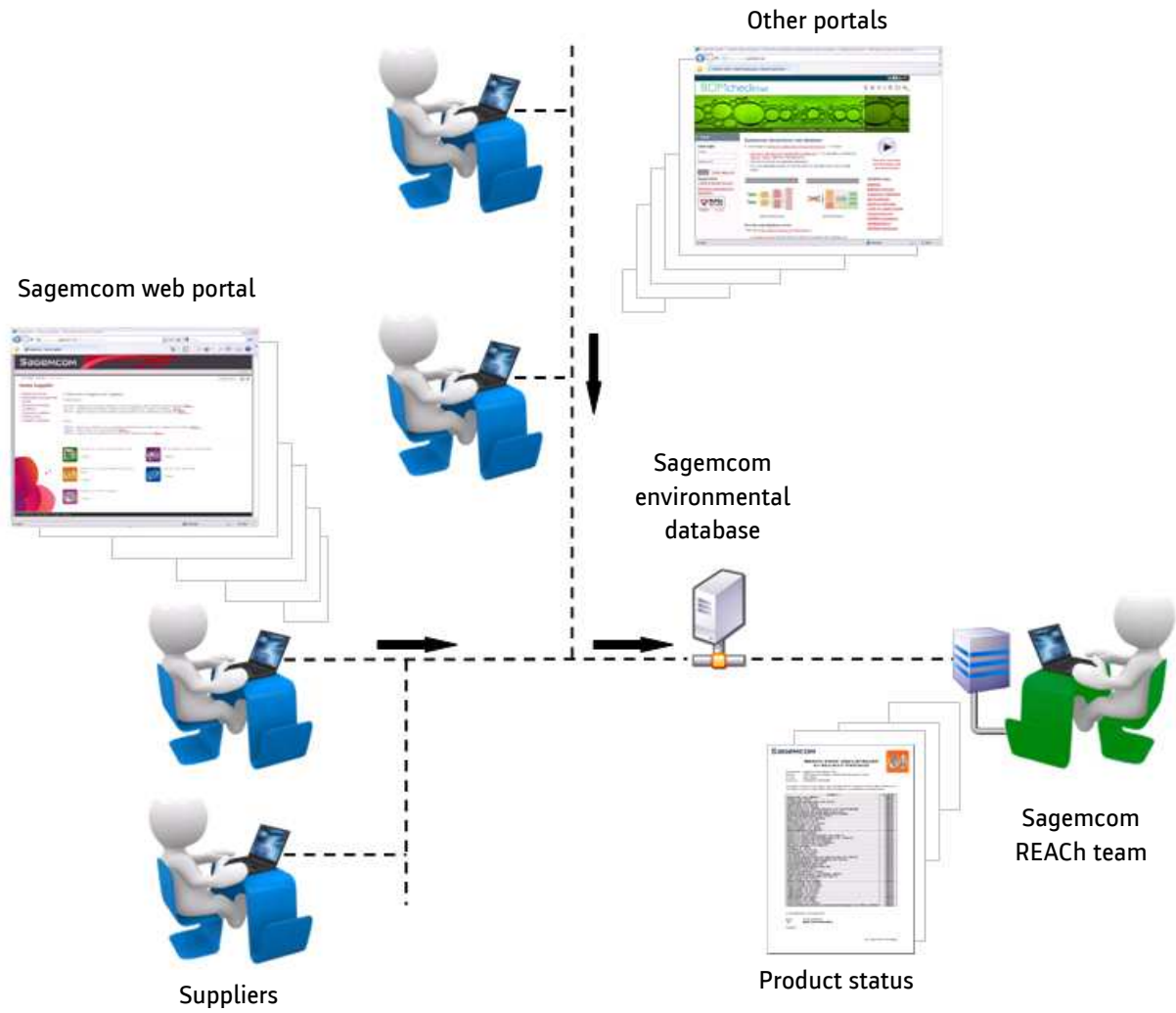
In order to enhance the update of data, we encourage our suppliers to give a full material disclosure; mean-

ing the chemical breakdown of the components. It will allow us to know in one declaration which are the substances included in the components. By doing this, suppliers will not have to update information every six months.

Once information is uploaded by the suppliers, data are gathered in our environmental database. Thanks to that, our REACH team can analyse the bill of materials of our products to deliver a clear status of products to customers asking for information about chemicals.



Sagemcom Chemicals Declaration System



ENVIRONMENTAL PROGRAMS AND LABELS

Eco-labels are intended to highlight the environmental qualities of products. These labels allow consumers to choose a product on an environmental friendly basis.

Because there are not always labels for our product families, we chose to identify the environmental qualities of our own, when they are above average, with a clear display.

The «Simple Switch» PHILIPS PROGRAM

A simple motion for the environment



asimpleswitch.com

Products wearing the "Simple Switch" label allow reducing the costs, the energy consumption and the CO₂ emissions.

How? By improving our environmental actions in many ways (energy efficiency, packaging, hazardous substances, weight, recycling, wasting and sustainability).

The range of PHILIPS fax Magic5 ECO, in the different versions as Basic, Primo, Primo Smart, Voice and Voice Smart received this label because of its environmental qualities.



Why the range Magic5 PHILIPS ECO is the « greenest » in phonefax market?

Our range of Thermal Transfer fax has the lowest

power consumption in standby on the market. This is particularly important for telecom products, which always remains connected; standby mode represents more than 90% of operating time! Thus, with the Magic5 PHILIPS ECO range, we save energy and money.

Ecodesign of this range of fax is beyond energy consumption; his design has reduced its size and weight, thus preserving natural resources by using fewer raw materials.

Thus, it was possible to significantly reduce packaging size, with all consequences on the supply chain, more products per pallet for transportation, so fewer trucks on the roads, and less CO₂!

Participation in the ENERGY STAR® PROGRAM

Sagemcom has ensured that its printing terminals consume less energy for many years.

The ENERGY STAR® program aims to promote the development and the general use of office hardware with low consumption. As a partner of ENERGY STAR®, Sagemcom develops many products satisfying the requirements of the label.

You can find ENERGY STAR® compliant products on our Website <http://www.sagemcom.com> or on www.eu-energystar.org

By using products with this label, you can help to protect the environment, while making savings!



SET-TOP BOXES : The Industry Voluntary Agreement

Overall objective

The industry Voluntary Agreement seeks to contribute to the achievement of the EU Action Plan on Energy Efficiency and in particular of the Eco design Directive 2009/125/EC, by reducing the potential environmental impact of Complex Set-top-Boxes (CSTBs), which will ultimately be beneficial to consumers and other end users.

Its overall objective is to reduce the energy consumption of CSTBs in accordance with energy consumption targets and time frame, with a view to maximise the environmental benefits from improved design.

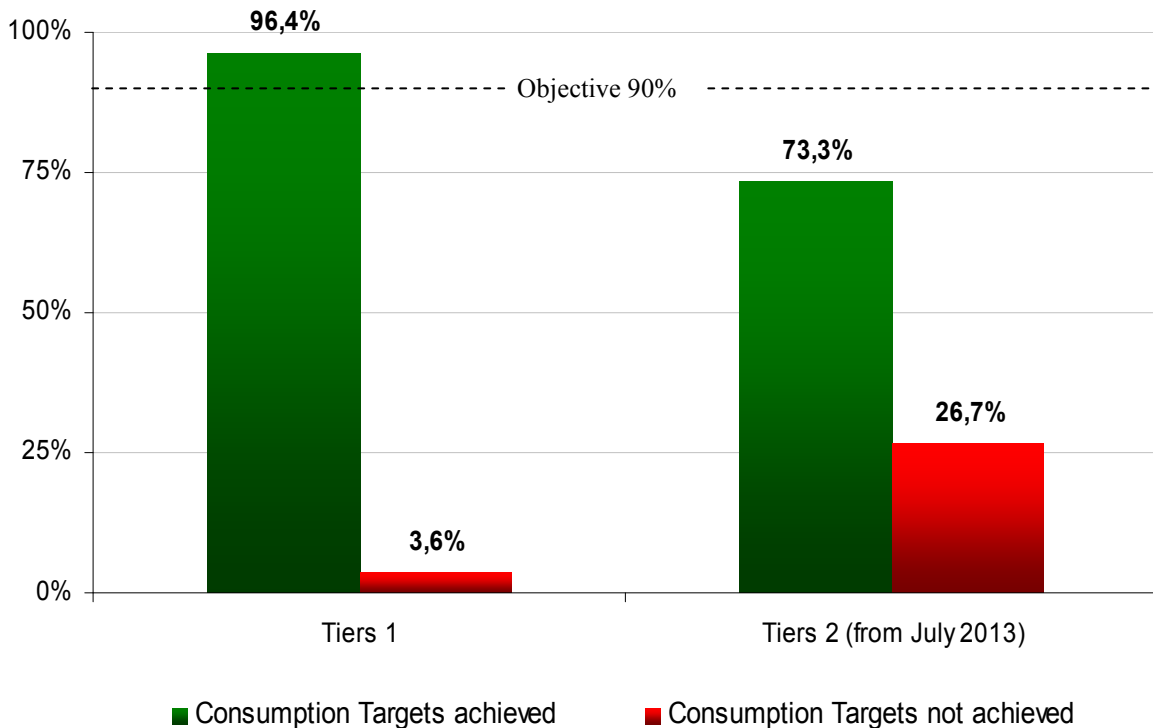
The Voluntary Agreement delivers an industry-wide commitment to reduce the potential environmental impact of CSTBs. It goes beyond a "business as usual" scenario and provides for quick

progress by means of rapid and cost-effective implementation, while allowing for flexible and appropriate adaptation to technological options and market sensitivities. This Voluntary Agreement sets out the means by which the Signatories, which are drawn from across the spectrum of the CSTB industry, will commit to achieve such rapid and effective implementation while continuing to invest in and develop sustainable and appropriate "best of class" CSTB products.

Signatories engage in having more than 90% compliant products put on the market each year.

Sagemcom signed the voluntary agreement as it reflects our eco design policy ; achieved results are described below.

2011 European Sells - Via Compliance



RECYCLING

Sagemcom commits to the recycling of all of its products.

Electrical & electronic equipment

European Directive 2002/96/CE (known as WEEE) regulates the management of Electric and Electronic products at their end-of-life. Producers are responsible for the recycling of their products.

Sagemcom is one of the founders of the eco-organization Ecologic, a company approved by the French government for the management of WEEE. (www.ecologic-france.com)



Packaging

Sagemcom packaging satisfies the requirements of applicable regulations (European directive 94/62/CE):

- No heavy metal content
- Optimized volume of raw materials used
- Materials are identified to optimize recycling

We finance the collection and recycling of our packages via eco-packaging systems. In addition to meet its obligations, Sagemcom permanently attempts to reduce packaging quantities.

To give an example, changing the range of thermal transfer fax products reduced volume by 26%. Individual packaging is thus optimized as well as transport as an equivalent quantity of products can be carried by fewer trucks.

Materials incomings being also an important question, we deploy recycled packagings in cardboard or certified, printed with vegetal inks.

Batteries and accumulators

Batteries and accumulators can represent a danger for the environment during elimination due to the dangerous substances they contain.

The European directive 2006/66/EC prohibits the marketing of the least eco-friendly batteries and

accumulators (limits for lead, mercury and cadmium content). It makes collection and recycling mandatory to ensure that elimination is controlled and to encourage less use of raw materials.

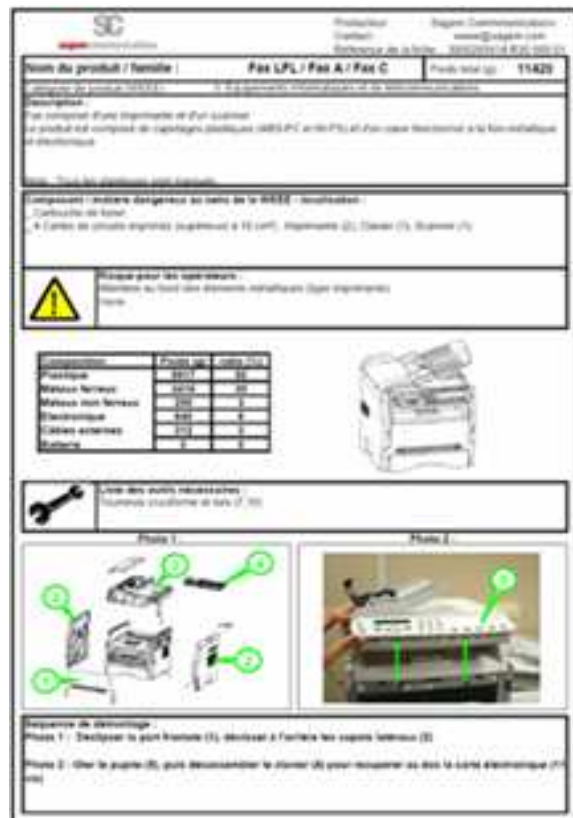
Sagemcom contributes to the collection and recycling of batteries, particularly via its membership of eco organizations such as **SCRELEC** in France.

enhancing recycling : Dismantling sheets

To ensure the correct recycling of its former products, Sagemcom provides recyclers with a dismantling sheet at request. This sheet contains all the information required to properly dismantle the product & recycle products in an optimum manner.

To give an example of the information on the sheet:

- A summary of the material used (metals, plastics, electronic boards, etc.)
- Location of the components to be separated (according to the WEEE directive)
- Dismantling instructions
- Potential risks for recycling operators (sharp metal edges, etc.)



Consumables

Sagemcom voluntarily set up a free-return system for corporate laser consumables. Eligible consumables have the “**Nature by SAGEMCOM**” logo.

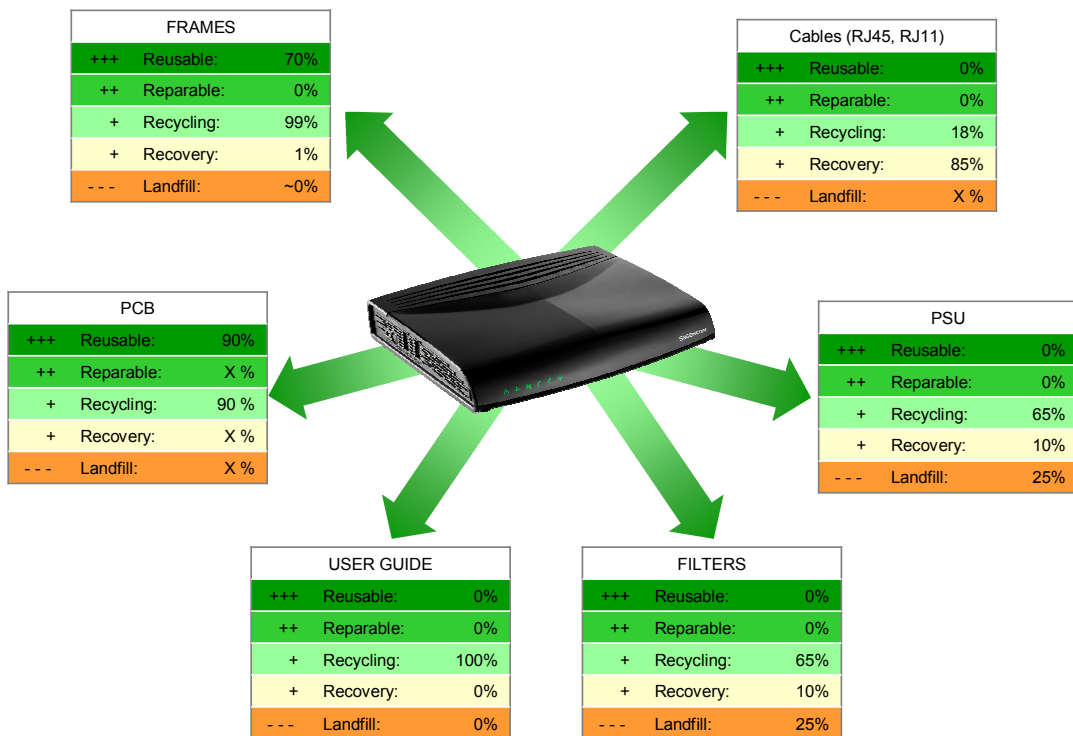
The Sagemcom collection program was set up to protect and conserve the environment. Our environmental program uses a T label which allows all users of Sagemcom cartridges to return them from anywhere in Europe. The T label is located on the packaging of your cartridge. This packaging is therefore designed to be returned to our centers.

Once an empty cartridge has been returned, it is treated in a recycling center.

The T label placed on packaging enables you to manage your empty cartridges simply by sending them by post. Thanks to the re-use of cartridges via this program, you contribute to reduce industrial pollution. Sagemcom covers all postage, making this procedure useful, fast and free.

To return your empty consumable, just slip the used cartridge into the bag which contained your new cartridge. Put the empty cartridge into the box of the new cartridge, then close the box and drop it off at your nearest post office.

WEEE : Possibilities to reuse / repair / recycle the elements of a product



Our approach : environmental impact of a refurbished product

In addition to recycling household products and professional via Ecologic, Sagemcom has implemented a strategy of refurbishing products for its customers.

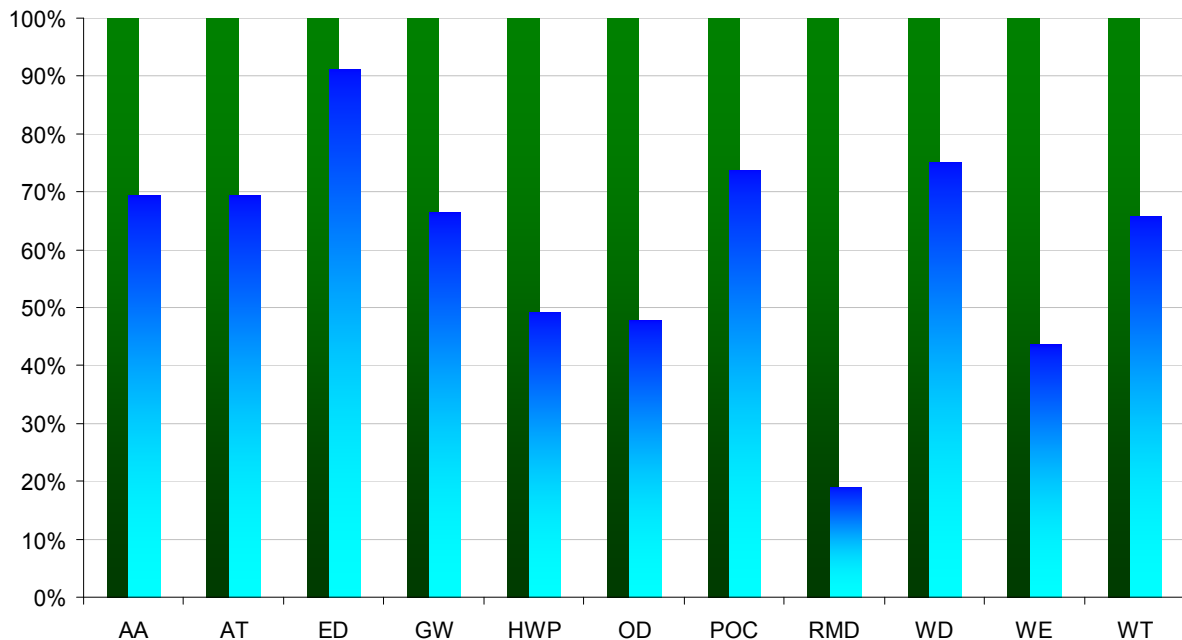
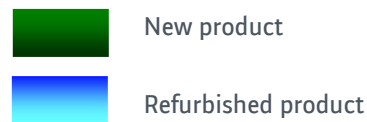
This strategy consists in recovering products and strengthens life time by refurbishing:

- Functioning tests (software functioning, assembly ...)
- Cosmetic repair (cleaning, changing shells if necessary)
- New packaging with user's guide, etc.

This approach allows the reuse of a maximum of products; depending on products types, up to 85% can put repaired and have a second life on the market. (the remaining products are non-repairable). The environmental impact is considerably reduced:

ENVIRONMENTAL IMPACTS

RMD	<u>Raw Material Depletion</u>
ED	<u>Energy Depletion</u>
WD	<u>Water Depletion</u>
GW	<u>Global Warming (eqCO₂)</u>
OD	<u>Ozone Depletion</u>
AT	<u>Air Toxicity</u>
POC	<u>Photochemical Ozone Creation</u>
AA	<u>Air Acidification</u>
WT	<u>Water Toxicity</u>
WE	<u>Water Eutrophication</u>
HWP	<u>Hazardous wastes production</u>



Environmental impact comparison between a newly manufactured product (in green) and a refurbished product (in blue)



ANNEX 1

SAGEMCOM POLICY

SAGEMCOM



Policy and Commitment to Quality, the Environment, Ethics and Safety

Sagemcom is witnessing significant change in its markets, both in technological and commercial terms. These changes are characterised by a significant acceleration in the growth of our offer and of our added value communications terminal solutions, alongside the constant development of the technologies implemented.

Our aim is to satisfy our customers by anticipating their needs, to achieve greater success than our competitors and to speed up our growth while maintaining our profitability.

To do this, we rely on the efficiency of our procedures, with ISO9001 standard as our guide in making progress to:

- offer the best of Sagemcom to our customers, with innovative products that bring growth and profitability,
- develop our ability to adapt into a high-performance, customer-oriented organisation,
- business continuity.

Aware of the potential impact of its activities, Sagemcom is committed to a Sustainable Development approach, taking into account the environmental, social and societal aspects of its work, through:

- controlling environmental aspects by continuous improvement through ISO 14001 certified environmental management to:
 - limit and control the impacts of our sites on the environment, particularly through controlling the consumption of resources, preventing pollution and protecting the environment,
 - design and distribute products and services with the least environmental impact through the dissemination of Eco-design practices and obtaining Eco-labels.
- respecting ethical rules, especially those set out by the International Labour Organisation; we encourage our suppliers to do likewise, through respecting Sagemcom's ethical charter.
- respecting the health and safety of its employees, with a professional health and safety procedure complying with international OHSAS 18001 standard; we provide safe facilities and look after the health of the everybody who contributes to our business.

I charge the Sagemcom Quality Director, acting in close collaboration with the Quality Activity Director and Managers for the various entities, with monitoring the provisions set out in the present document. I ask them to put forward any developments they deem necessary for the permanent improvement of our management system and to take into account new legal and other requirements which may become applicable to our professionals and businesses.

I personally commit myself to:

- make all the policies and aims understood that we define together on a regular basis,
- oversee the continuous improvement of the efficiency of the procedures involved, as consistent with Sagemcom's Strategy, Policy and Objectives, in particular through carrying out Management Reviews,
- introduce the resources and skills necessary for the implementation of the Management System and the full usage of feedback.

As well as these principles, everyone's creativity, initiative and responsibility remain the keys to our success.



Patrick SEVIAN
President

Document Sagemcom Ref : 24037696-C

ANNEX 2

ENVIRONMENTAL IMPACTS

Environmental impacts described in this document are calculated thanks to the EIME software. The impact categories are as follow :

Short Name	Name	Unit
RMD	Raw Material Depletion	y^{-1}
ED	Energy Depletion	MJ
WD	Water Depletion	dm^3
GW	Global Warming	$g \sim CO_2$
OD	Ozone Depletion	$g \sim CFC-11$
AT	Air Toxicity	m^3
POC	Photochemical Ozone Creation	$g \sim C_2H_4$
AA	Air Acidification	$g \sim H^+$
WT	Water Toxicity	dm^3
WE	Water Eutrophication	$g \sim PO_4$
HWP	Hazardous Waste Production	kg

The use phase of the evaluations has been calculated with the French Energy mix, which is less CO2 emitting because of the importance of the nuclear electricity production in France.

ANNEX 3 ISO 14001 Certificate



N° 2008/31032c

AFNOR Certification certifie que le système de management mis en place par :
AFNOR Certification certifies that the management system implemented by:

SAGEMCOM SAS

pour les activités suivantes :
for the following activities:

**CONCEPTION, PRODUCTION ET SERVICES AUX CLIENTS :
- DE PRODUITS DE TELECOMMUNICATION,
- ET AUTRES EQUIPEMENTS ELECTRONIQUES
(A L'EXCLUSION DES CHANTIERS D'INSTALLATION HORS EUROPE).**

**DESIGN AND PRODUCTION OF:
- TELECOMMUNICATIONS PRODUCTS,
- AND OTHER ELECTRONIC EQUIPMENT
(EXCLUDING NON-EUROPEAN INSTALLATION SITES).
RELATED CUSTOMER SERVICE.**

a été évalué et jugé conforme aux exigences requises par :
has been assessed and found to meet the requirements of:

ISO 14001 : 2004

et est déployé sur les sites suivants :
and is developed on the following locations:

250 route de l'Empereur CP 1111 FR-92848 RUEIL-MALMAISON

**(Liste des sites certifiés en annexe n° 1)
(List of certified locations on appendix n° 1)**

Ce certificat est valable à compter du (année/mois/jour) **2011-02-04** jusqu'au **2014-02-03**
This certificate is valid from (year/month/day)

Directrice Générale d'AFNOR Certification
Managing Director of AFNOR Certification



F. MEAUX



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SAS au capital de 18 187 000 F - 475 975 002 RCS Bobigny - www.afnor.org

41-2010-1

Annex 5

ISO 9001 Corporate Certificate (including all locations)



afaq
AFNOR CERTIFICATION

Certificat
Certificate

N° 2004/23652g

AFNOR Certification certifie que le système de management mis en place par :
AFNOR Certification certifies that the management system implemented by:

SAGEMCOM SAS

pour les activités suivantes :
for the following activities:

**CONCEPTION, PRODUCTION, VENTE ET SERVICES AUX CLIENTS :
- DE PRODUITS DE TELECOMMUNICATION,
- ET AUTRES EQUIPEMENTS ELECTRONIQUES.**

**DESIGN, PRODUCTION AND SALE OF:
- TELECOMMUNICATIONS PRODUCTS,
- AND OTHER ELECTRONIC EQUIPMENT.
RELATED CUSTOMER SERVICE.**

a été évalué et jugé conforme aux exigences requises par :
has been assessed and found to meet the requirements of:

ISO 9001 : 2008

et est déployé sur les sites suivants :
and is developed on the following locations:

260 route de l'Empereur CP 1111 FR-92848 RUEIL-MALMAISON

(Liste des sites certifiés en annexe n° 1)
(List of certified locations on appendix n° 1)

(Traduction en chinois en annexe n°2)
(Chinese translation on appendix n°2)

Le certificat est valide à compter du (en lettres et chiffres) **2011-02-04** Jusqu'au* **2014-02-03**
This certificate is valid from (year/month/day) (date)

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F. MÉAUX

afnor
CERTIFICATION

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245 rue Gabriel de 10 107 000 C - 479 270 002 002 Bobigny - www.afnor.org

ANNEX 6 SUPPLIER ETHICAL CHARTER

SAGEMCOM

Suppliers Ethic Charter

Sagemcom, invites its Suppliers and subcontractors (named after «Supplier(s)») to adopt, support and apply, in their area of concern, all the fundamental values hereafter "Principles" in terms of Human Rights (Universal Declaration of Human Rights), working rules (ILO), environment, and struggle against corruption :

- To prohibit, systematically, under-aged labour (lower than the legal age in force into the country), except ILO clause;
- To prohibit all forms of obligatory or forced labour;
- To prohibit all kind of labour, which, by its nature or its conditions, presents an immediate danger or would be likely to endanger their health and safety;
- To promote and respect the International Human Rights;
- To insure that Human Rights principles are not violated;
- To respect the freedom of association among workers and to take into account the right to do collective bargaining;
- To practice an all-equal opportunity employer attitude, during hiring process and, vis-à-vis his workers, whilst on job;
- To apply a careful approach towards environmental problems;
- To undertake some initiatives in order to promote environmental aspect awareness;
- To encourage the utilisation of nature-respecting technologies during product development;
- To act against all kinds of corruption, including money extortion and bribes;

The Supplier commits himself to promote the above-mentioned Principles, besides respecting them and ensuring his own Suppliers and subcontractors do respect them as well.

The Supplier commits himself to respect all current international treaties with regards to the environmental protection. Upon Sagemcom request, necessary documents correlated to the eco-conception view and to his durable development programmes must be provided by the Supplier.

Upon Sagemcom request, the Supplier will communicate duty without any restriction, all necessary documents allowing Sagemcom to verify if Suppliers and other second party respect the above-stated Principles. Prior to verification, Sagemcom should be given free access by all its Suppliers and subcontractors to their premises during audit-related process via internal auditors or external auditors, approved by Sagemcom.

Illicit labour by under-aged workers, obligatory or forced labour, as well as an immediate risk for the safety of the employees constitutes a crippling element with any trade of Sagemcom with the supplier. Generally, Sagemcom will take care to help the supplier to improve his standards of satisfaction. Without any improvement of the supplier, the supplier will see himself also private of any trade with Sagemcom.

Drawn up in two originals

For Sagemcom,
Rueil-Malmaison on,

For the Supplier, "Company name" (+company sealing)
"place" on, "date"

Jean-Claude Barberan,
VP Purchasing Managing Director

"Name"
"Title"

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24037 148 E

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