



**GLOBAL COMPACT**  
**TECHNICOLOR**  
**2011 COMMUNICATION ON PROGRESS**

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

Technicolor's affiliation to the UN Global Compact began nine 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. 2011 has seen us build on the governance and processes set in place to ensure that sustainability and good corporate citizenship are embedded in our organizational culture. This report highlights some of the key improvements we have made in our efforts to balance economic efficiency, social equity and environmental accountability. Further progress has been made, for instance, in measures to ensure the health and safety of our employees, the gathering and spreading of ethical best-practices across the businesses, as well as in our eco-design initiatives which will ensure that our products and industrial processes are optimized for the benefit of the environment. Our ability to do business responsibly and sustainably depends on the quality, diversity and well-being of our people which is why 2011 has seen a further consolidation of the employee development and leadership programs initiated in 2010. Based on our core values, these programs have included training and development of technical, managerial, business and social competencies and skills. Our achievements are the results of the expertise, ideas and dedication of our employees. No matter how encouraging our progress, however, we recognize that we can always do more. This is reflected in the prioritization of corporate sustainability initiatives throughout the Group in the year ahead.

**TECHNICOLOR – WHO WE ARE**

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

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

**TECHNICOLOR VALUES & CODE OF ETHICS**

The Technicolor Code of Ethics constitutes the foundation for the company's core practices. The Ethics Compliance Committee (ECC), created in connection with the 2006 Code of Ethics update, is responsible for all ethical issues related to the Group's activities. The Code of Ethics has four basic principles: Respect for People, Respect for the Environment, Valuing Integrity, and Valuing Creativity. It has been distributed to all Technicolor employees and is available on the company's intranet. In 2011, the



ECC's composition was modified and is comprised of the following: David Chambeaud (Executive Vice President, Human Resources, Security and Global Sourcing), Lanny Raimondo (Senior Executive Vice President, Entertainment Services), Alfred de Lassence (Senior Vice President, Tax & Customs and Internal Audit), Dillan Sum (General Counsel, Asia), Jacquelyn Boggs (Vice President, Indirect Sourcing) and Meggan Ehret (Corporate General Counsel, Americas). David Chambeaud serves as the Chair of the Committee and Meggan Ehret as the Committee's secretary. The ECC reports directly to the Audit Committee.

## **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." The EHS Charter is supported by more than 50 individual policies and guidelines.

## **TECHNICOLOR FOUNDATION**

Created in 2006, the Technicolor Foundation for Cinema Heritage is a non-profit entity, acting worldwide to support the preservation and promotion of film heritage, which reflects the history and 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 multi-disciplinary teams. These include experts from Technicolor and specialists from leading film archives, as well as film preservation and cinema schools. Transmission and education play a key role in each project. In all Foundation programs, films and audiovisual materials are preserved so that they can be shared and shown to the widest possible audience. The Technicolor Foundation operates worldwide and as a priority, in countries where archives are at risk. It works closely with film institutions or any entity holding film collections as well as cinema schools and festivals. 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 that it may be seen by and shared with as wide an audience as possible
- Train and sensitize everyone who can play a part in the safeguarding of film heritage.



The Foundation currently conducts programs in several countries: among them Cambodia, Thailand, USA, India, Turkey, Ethiopia, China, Romania and France.

## **COMMUNITY INITIATIVES**

Various community initiatives and charitable donations were undertaken in 2011.

### **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 2011. The organization builds affordable housing in partnership with families in need and approximately 300 volunteer hours were donated to construct the home. You can see the build photos for the Technicolor Panel Build at:

<http://www.flickr.com/photos/indyhabitat/sets/72157627553829609>

### **Guadalajara, Mexico, Nutrition Excellence Program**

Established to improve employee lifestyles through healthier nutrition, the Nutritional Excellence initiative at the Guadalajara plant has provided employees with the opportunity to have free health checks as well as diet and fitness programs tailored to suit their needs. Individual progress is monitored on a weekly basis with exercise and nutritional guidance from professionals and healthy canteen options provided to encourage continued participation. Some 400 employees have joined the program since its inception.

### **Manaus, Brazil, Reforestation Program**

Started in 2010, Technicolor's reforestation program in Manaus involves the planting of acai berry trees – renowned for their ability to absorb greenhouse gases – in deforested areas of the Amazon. In this way, program participants not only contribute to tackling deforestation which is responsible for 15% of the world's greenhouse gas emissions but also help raise the awareness of fellow employees and residents as regards the importance of preserving natural resources and how we all play an important part in the fight against global warming. 2011 saw 5106 seedlings of the species planted in the area covered by the program.

Technicolor sponsors *Les Toiles Enchantées*, a non-profit organization that brings current movies, including some in sneak preview, to hospitalized children throughout France. As part of the sponsorship, employees from Technicolor headquarters volunteer to help set up monthly screenings at Paris hospitals. Created in 1997, *Les Toiles Enchantées* is a one-of-a-kind organization, supported by the entire film industry in France, including distributors, producers, directors, actors and others.

## **2011 MAIN ACTIONS AND RESULTS**

Technicolor endeavoured to fulfill a number of objectives in 2011 to fulfill its ethical and EHS obligations. These included the continuation of programs to further reduce employee injury rates on the job, particularly serious injuries, reducing waste and improving carbon impact from manufacturing operations. The Group also continued a strong internal auditing process and utilizes a web-based reporting system for gathering and analyzing EHS-related information. For the first time in 2010, 20 non-industrial sites



contributed to EHS reporting, a practice which continued in 2011. 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. 2011 saw a further consolidation and stabilization of the programs initiated in 2010.

As part of its own global strategy, the Technicolor Connected Home activity (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 Connected Home product lines, life cycle analysis was deployed as part of the activity's core development process from 2010 onwards. Detailed analysis of the environmental impact of our products across their entire life cycle according to multiple criteria has enabled the development of innovative designs that are more respectful of the environment.

### **2011 Sourcing Supplier Ethics Program**

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

#### **The Technicolor Supplier Ethics Program:**

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

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

- Tolerate no discrimination and encourage diversity
- Promote best working conditions
- Use no child or forced labor
- Protect peoples' health, safety and the environment
- Support employee development



- Respect fair market competition
- Strive to be a good corporate citizen
- Respect consumer and personal privacy
- Avoid potential conflicts of interests

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

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

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

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

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

Technicolor audits revealed “unacceptable” or “unsatisfactory” violations at 15% of audited suppliers in 2011 compared to 25.5 % of audited suppliers in 2010 and 22.2 % of audited suppliers in 2009. The decrease stems from improved compliance by suppliers with Technicolor guidelines and policies as well as a greater awareness upfront by new suppliers of the importance of Corporate Social Responsibility in their ability to secure new business.

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.

## **2011 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. A thorough talent review was conducted between May and September 2011, mobilizing managers at all levels of Technicolor around the identification of employees with the right level of potential and performance to integrate the Group's Talent pool and participate in development programs in 2012. In September 2011, 13 Talent Committees were held involving each organization leader and ExCom member.

#### **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. In line with the evolution of Technicolor markets and development model, the leadership development actions in 2011 combined the





enhancement of business acumen in the digital environment with the development of personal and interpersonal skills impacting people management and leadership. In addition to the programs - which in 2011 included one on value creation in ME&C Industries done in partnership with the Institute for Media and Entertainment/IESE - Leadership Forums to discuss Technicolor challenges led by the CEO, Executive Committee Members and other Group Executives took place in Paris and Los Angeles. As a result of a more exhaustive talent review process, the number of high potential employees and executives to whom the opportunity to participate in the leadership development curriculum was given increased from 30 in 2010 to 75 in 2011.

### **Programs to Reinforce People and Performance Management Skills**

Training sessions for HR managers were organized in 2010 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. In continuity with the STEP tutorials and learning programs promoting management practices aligned with our corporate values, more than 400 managers have followed an e-learning path on "Diligent - the Customer Centric Attitude", representing some 900 hours of e-training. In addition and to allow Line Managers to discuss and share their management practices aimed at the identification and response to clients' needs, 25 meetings were organized at Technicolor sites. Since the programs launched in 2010, some 900 managers have had more than 3,500 hours of on-line training.

### **Technicolor Sales Academy**

The Technicolor Sales Academy deploys a unified sales skills development approach to the global sales force. The sales development curriculum on reinforcement of customer relations was complemented by workshops on approaches to sell value and consultative selling. In 2011, 19 groups were formed to follow sales trainings in London, Paris, Los Angeles, Hong Kong and Sao Paulo.

### **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. This network was further enlarged in 2011 with the selection of 26 new members the nomination of whom was celebrated during the Engineering Awards and Fellows ceremony organized in May 2011.

Other initiatives to reinforce and consolidate the company's long-term research and scientific capabilities were continued in 2011. 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 2012.

### **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.

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### **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. In 2011, this network has ensured that 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 technical 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 May 2011.



### **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 runs through 2012.

### **Social dialogue**

As part of a new HR organization deployed in 2010, the Group has designated regional correspondents (heads of the HR Competence Centers in 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 in European countries, addresses topics of a transnational nature. In 2011 no fewer than 8 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.

### **2011 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 and 2011. The Americas population most notably received a course highlighting the key parts of the Code of Ethics in 2010 and in 2011, members of the finance community received a course on fraud prevention and many in our human resource community received a course on preventing sexual harassment. Many in the sales community will receive valuable training in responsible business communication. Finally, middle management and human resources personnel received a course on responding to employee concerns.



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

Technicolor's Connected Home activity continued to implement in 2011 its Environmental

Product Policy and associated objectives first issued in 2009. After a pilot phase and several fruitful experiences involving Technicolor Connected Home product lines, life cycle analysis continued to be deployed as part of the Division's core development process in 2011. Detailed analysis of the environmental impact of our products across their entire life cycle according to multiple criteria has enabled the development of innovative designs that are more respectful of the environment.

2011 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 was achieved for all Connected Home R&D sites worldwide in 2011.

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

Other objectives achieved for 2011 include the compilation of a Life Cycle Analysis (LCA) tool user guide for electronic cards in order to specify consistent analysis methodologies and best practices and thus ensure that product LCAs are reliable and non-conflicting.

## **2011 EHS Programs**

### **Injury Reductions**

The Group's main business units continued to focus on programs to reduce injuries. As a result, 2011 injuries totaled 218 compared to 291 in 2010 and 374 in 2009. The accident rate decreased 23% from 1.37 in 2010 to 1.05 in 2011. Serious injuries, indicated by the lost time injury rate, decreased from 0.48 in 2010 to 0.32 in 2011.

Forty-seven 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 2011, water consumption at the Technicolor reporting locations increased by 24% versus 2010 to 1,488 thousand cubic meters including 20 non-industrial locations not reporting in prior years. Total waste generated in 2011 was 39,748 tons, an increase of 911 metric tons or 2.3% compared to 2010. The



recycling rate was 76.4% improving slightly compared to 2010. The percentage of waste determined to be hazardous increased slightly in 2011 to 5.7% compared to 5.2% in 2010.

### **Internal Auditing**

Internal auditing related to EHS has been very active within Technicolor, following the “at least every third year” rule in corporate governance. Six audits were conducted in 2011 compared to eight in 2010.

### **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 the 20 non-industrial sites first integrated in reporting in 2010. Questionnaires are managed on a monthly or quarterly 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 nine 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 (2011) questions at:  
<https://www.cdproject.net/en-US/Results/Pages/Company-Responses.aspx?company=19100>

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

The year 2011 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 2011. 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. This practice has been continued through 2011.

## **Other EHS Activities**

There were many notable EH&S achievements in 2011 a selection of which are given here:

### **Angers, France Connected Home Division**

Additional investments for cardboard baling at the site reduced the number of disposable transports more than five to one.

### **Bangkok, Thailand**

The Bangkok lab planned and Implemented flood preparations and countermeasures in advance of the event, and recovered immediately when waters receded with minimal damage and disruption.

### **Brampton, Canada DVD Services**

The packaging and distribution activity continued a year of service with no lost time injuries and received incentive payments from two different safety-related associations based on Brampton's good performance.

### **Edegem, Belgium**

The site implemented a "green car" policy related to leasing whereby maximum carbon emissions are specified depending on range of vehicle selected and also requiring diesel or hybrid powerplants.

### **Madrid, Spain**

A new lifeline technology was put in place in the chemical storage area of the Madrid Spain film lab to further reduce risks of any chemical technicians working near above-ground tanks.

### **Manaus, Brazil**

The Manaus site published its carbon emissions inventory and took some reforestation action to compensate for the industrial impact of the site.

### **Melbourne, Australia DVD Services**

The facility improved its building management system to the extent of saving hundreds of kilowatt-hours every weekend by altering the building postures or set-ups when inactive.

### **Piaseczno, Poland**

The DVD factory there made a special provision for flood prevention during the rainy season.

### **Rome, Italy Film Lab**

The Rome film operation invested in additional wastewater carbon filtering to further improve effluent characteristics.

## Summary: Technicolor 2011 United Nations Global Compact Actions & Results

Technicolor Program	2011 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.	<p>Principle 4: elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: abolition of child labor;</p> <p>Principle 10: work against corruption in all its forms, including extortion and bribery</p>
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.	<p>Principle 4: elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: abolition of child labor;</p> <p>Principle 10: work against corruption in all its forms, including extortion and bribery</p>
Ethics training	Conducted multiple training sessions on various aspects of the Code of Ethics.	Training many employees on anticorruption, global competition and antitrust. In 2011, members of the finance community received a course on fraud prevention and many in our human resource community received a course on preventing sexual harassment.	<p>Principle 1: support and respect the protection of internationally proclaimed human rights;</p> <p>Principle 2: make sure to not be complicit in human rights abuses</p> <p>Principle 4: uphold the elimination of all forms of forced and compulsory labour</p>



			<p>Principle 6: elimination of discrimination in respect to employment and occupation</p> <p>Principle 10: work against corruption in all its forms, including extortion and bribery</p>
Management development and training	Individual training programs.	2011 training initiatives representing close to 260,000 hours of training, and involving a majority of employees.	Principle 6: 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.	Principle 6: elimination of discrimination in respect to employment and occupation
Line Management Network	Line Management network (LMN) 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.. Since the LMN program launches in 2010, some 900 managers have had more than 3,500 hours of on-line training.	Principle 6: elimination of discrimination in respect to employment and occupation



Fellowship program	Fellowship Network, to bring together the strengths of individuals from various scientific domains	Nominations of additional 26 member fellows endorsed at an award ceremony in May 2011. Other initiatives to reinforce and consolidate the company's long-term research and scientific capabilities continued.	Principle 6: elimination of discrimination in respect to employment and occupation
Leadership program	Initiatives launched on leadership development	75 high potential employees and executives were given opportunities to participate in this leadership curriculum (an increase from 30 in 2010 as a result of a more exhaustive talent review process).	Principle 6: 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.	8 European Work Council meetings held to address both general company topics and specific issues, such as the disposal or reorganization of discontinued businesses.	<p>Principle 1: support and respect the protection of internationally proclaimed human rights;</p> <p>Principle 2: make sure to not be complicit in human rights abuses</p> <p>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>



			Principle 6: elimination of discrimination in respect to employment and occupation
Injury reduction	Efforts to reduce injury incident rates worldwide.	Accident rate decreased 23% from 1.37 in 2010 to 1.05 in 2011. Serious injuries fell from 0.48 in 2010 to 0.32 in 2011.	Principle 1: support and respect the protection of internationally proclaimed human rights;  Principle 2: make sure to not be complicit in human rights abuses
Environmental certification	ISO 14001 certification for all industrial sites	In 2011, 17 sites held an ISO 14001 certification and one newly opened site requiring certification was working towards certification.	Principle 7: Businesses should support a precautionary approach to environmental challenges;  Principle 8: undertake initiatives to promote greater environmental responsibility
Internal EHS auditing	Active auditing continued following the “at least every third year” rule.	6 sites audited in 2011.	Principle 8: 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	Principle 7: Businesses should support a precautionary approach to environmental challenges;



			Principle 8: undertake initiatives to promote greater environmental responsibility
Carbon disclosure project	Technicolor is a participant in this organization concerned with climate change.	Technicolor continues to be a part of the Carbon Disclosure Leadership Index for France of the Carbon Disclosure Project.  A “Supplier” questionnaire annex is now also included in responses	Principle 7: Businesses should support a precautionary approach to environmental challenges;  Principle 8: undertake initiatives to promote greater environmental responsibility
Products Life Cycle Assessment & ecodesign	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, LifeCycle Analysis deployed as part of the Connected Home core development process across all divisional R&D sites worldwide.	Principle 9: encourage the development and diffusion of environmentally friendly technologies
Products Life Cycle Assessment & ecodesign	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 achieved in 2011 for all R&D sites across the globe.	Principle 9: encourage the development and diffusion of environmentally friendly technologies

Operational Excellence Program - Collaborative Tools	Identification of collaborative tools across company to improve communication and encourage greater teamwork whilst keeping travel and other associated costs to a minimum.	Identification and pilot implementation of tools including greater use of video communications which has encouraged less reliance on travel which is detrimental to the environment.	Principle 9: encourage the development and diffusion of environmentally friendly technologies
Operational Excellence Program - Paperless Office	Assist in rationalization of paper usage and print assets across the Group. Promote a “paperless office” culture within the company.	Complete inventory and mapping of print assets of each Technicolor site in 2011. General data on the consumption of paper and consumables. Initial recommendations on “right-sizing” and rationalization of print assets with a view to cutting costs and reducing environmental impact.	Principle 8: undertake initiatives to promote greater environmental responsibility



### **Corporate Social Responsibility (Overview)**

<http://www.technicolor.com/en/hi/about-technicolor/corporate-social-responsibility>

### **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>