SFR AND THE UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS REPORT

December 2012

THE GLOBAL COMPACT

WE SUPPORT

By signing the United Nations Global Compact in 2011, SFR committed to upholding the Compact's ten principles in the four areas of human rights, labour standards, the environment and anti-corruption by making them an integral part of its business strategy, organizational culture and day-to-day operations. Our contribution to these ten principles is presented in this "Communication On Progress" document.

These principles lie at the core of SFR's corporate citizenship policy and its approach with regard to corporate social responsibility, the details of which are presented in two key documents:

• Our Sustainable Development Report, which provides an annual account of our main achievements and progress.

• Our Code of Ethics and Commitments, which sets forth all our commitments to our stakeholders and to the environment and which is transmitted to all our employees, partners and service providers.

We are determined to pursue and strengthen this approach, which is why I am very pleased to be renewing SFR's commitment to endorsing the Global Compact principles.

Stéphane Roussel
Chief Executive Officer, SFR

December 2012

THE GLOBAL COMPACT
WE SUPPORT

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact.**

We welcome feedback on its contents.

	Global Compact Principles	SFR'S COMMITMENTS	Our main achievements in 2011/2012
HUMAN RIGHTS 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	• PROMOTING RESPONSIBLE PURCHASING: Supporting and assessing suppliers on their CSR performance (page 46 of the Sustainable Development Report)	• 50 suppliers representing 85% of SFR's purchasing turnover were assessed on CSR. • This year, special attention was paid to drawing up progress plans on suppliers scoring under 5 in 2010.
HUMAN RIGHTS 2	Make sure that they are not complicit in human rights abuses;	• FIGHTING MOBILE SPAMMING. • PROTECTING YOUNG PEOPLE MORE EFFECTIVELY (page 41)	• In 2011, SFR became the first French operator to launch a mobile parental control system, which filters all Internet content, and offers a specific portal so that the youngest users can still surf. • Dedicated to protecting youth, SFR commits each year to further action to support parents and help them understand digital practices and protect young people as they use connected equipment. • In 2012, SFR will also launch a solution that makes it possible for parents to determine when and for how long their children can go online. With a very simple interface, the service makes it possible to manage all equipment in the household connected either to the Neufbox through Wi-Fi or wire connection, by setting Internet access hours specific to each piece of equipment. This service comes in addition to Parental Control, which is used to limit content.
LABOUR STANDARDS 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	• PROMOTING SOCIAL DIALOGUE AND COLLECTIVE NEGOTIATIONS (page 61)	• Number of agreements signed with the trade unions over the course of the year: 12. • Number of Works Council meetings (CE): 48. • Number of CHSCT (Health, Safety and Working Conditions Committee) meetings: 175. • Number of meetings with employee representatives (DP): 229.
LABOUR STANDARDS 4	The elimination of all forms of forced and compulsory labour;	• PROMOTING RESPONSIBLE PURCHASING (page 46) • CODE OF ETHICS AND COMMITMENTS.	
LABOUR STANDARDS 5	The effective abolition of child labour;		
LABOUR STANDARDS 6	The elimination of discrimination in respect of employment and occupation.	• PROMOTING DIVERSITY AND EQUALITY OF OPPORTUNITY (page 62)	• 735 managers trained in diversity • DISABILITIES: - In 2012, signing of the 4th triennial disability agreement. - In 2011, SFR achieved a disabled worker employment rate of 3.34% (compared to 1.89% as at 31 December 2008).

	Global Compact Principles	SFR'S COMMITMENTS	Our main achievements in 2011/2012
ENVIRONMENT **7** **8** **9**	Businesses should support a precautionary approach to environmental challenges; Undertake initiatives to promote greater environmental responsibility; and Encourage the development and diffusion of environmentally friendly technologies.	Our environmental policy is based on four commitments: • Fighting global warming (page 19). • Enabling our customers to be eco-consumers (page 23). • Controlling raw materials consumption and managing waste (page 27). • Continuing deploying our Environmental Management System (page 32).	SFR has several processes in place: paper-free billing, optimising energy consumption, recycling of used mobile phones, eco-design, EMS, etc. • Total number of mobile phones collected in 2011: 351,545 (page 24). • In Year 2011, construction of a new datacentre at the cutting edge of innovation and more environmentally-friendly in Trappes, and the participation in the European Code of Conduct with the Achères 1 Datacentre (page 19). • A significant 18% drop in paper consumption due to the increase in e-mailing and the use of notepads to present offers (page 29).
ANTI-CORRUPTION **10**	Businesses should work against corruption in all its forms, including extortion and bribery.	GUARANTEEING ETHICS IN BUSINESS: • Preventing anti-competitive practices. • Preventing insider trading and passive and active corruption (page 44).	SFR has adopted a set of principles that govern its behaviour and actions; principles founded cumulatively in complying with legislation, regulations and the commitments specific to SFR. These principles are summarised and formalised in our Code of Ethics and Commitments.

METHODOLOGY

SFR's actions and commitments with regard to Corporate Social Responsibility are presented in two documents freely accessible on our sfr.com website:
• The Sustainable Development Report, which provides an annual account of our main achievements and progress.
• The Code of Ethics and Commitments, which sets forth all our commitments to our stakeholders and to the environment.

This communication on progress document refers specifically to content directly related to the UN Global Compact's Ten Principles.

SFR

2011

SUSTAINABLE
DEVELOPMENT
REPORT

OUR ACTION AND COMMITMENT
FOR A GREENER, SAFER, MORE UNITED WORLD

MAKING DIGITAL AN OPPORTUNITY

Digital is changing the world and our everyday lives in companies, our relations with others, our recreational activities and more. It makes new opportunities available and offers new responses to the issues of our society: the ever-growing number of screens around us and the development of new technologies are as many sources of leverage for a greener, safer and more united future.

It is our desire to develop these opportunities, building from the quality dialogue we maintain with our stakeholders and the commitment of the 10,000 SFR employees who work each day to make the promises of digital technology available as widely as possible.

Improving equal opportunity in the company and in society, lowering our environmental impact, lending an open ear to our consumers, improving protection for our customers, and more: the 21 challenges that structure our CSR policy cover all of our businesses and are at the core of our business strategy.

This Sustainable Development Report – the fruit of a process involving all of SFR's businesses – tells of the action undertaken in response to each of these issues and our commitments for a greener, safer and more united world.

OUR 21 CSR CHALLENGES

GREENER
- Fighting climate change
- Helping our customers become eco-consumers
- Optimising our raw materials consumption and managing our waste
- Working with stakeholders to sustainably develop our communities
- Continuing to deploy our Environmental Management System

SAFER
- Listening to what consumers are saying
- Stepping up customer protection
- Guaranteeing good business ethics
- Promoting responsible purchasing
- Supporting research
- Supporting the deployment of mobile phone masts
- Improving customer information, with a special focus on mobile phones and health

MORE UNITED
- Fostering the professional and personal development of our employees
- Guaranteeing employee safety and security
- Fostering lasting employment
- Promoting the integration of young people
- Promoting social dialogue and collective negotiations
- Promoting diversity and equal opportunity
- Bridging the digital divide
- Developing corporate social commitments
- Contributing to the economic development and employment in the communities where we work

CONTENTS

COMPANY FULLY-OWNED BY VIVENDI GROUP

21.5 MILLION MOBILE CUSTOMERS INCLUDING **16 MILLION SUBSCRIBERS**

5.5% JOB-STUDY INTERNS IN THE SFR TEAM

€12 BILLION IN TURNOVER INCLUDING €3.8 BILLION IN EBITDA

KEY FIGURES

OVER **98%** **OF THE POPULATION-COVERED BY 3G+ 99% IN 2G**

€1.7 BILLION INVESTED IN NETWORK AND IT

840 ESPACE SFR AGENCIES

SFR

5 MILLION HOUSEHOLDS WITH SUBSCRIPTIONS TO BROADBAND INTERNET

147 ASSOCIATIONS SUPPORTED BY THE FOUNDATION IN 2011

351,545 USED MOBILE PHONES COLLECTED BY SFR

NEARLY 10,000 **EMPLOYEES**

752 **EMPLOYEES INVOLVED** IN A CITIZEN ACTION PROGRAMME

MANAGING THE
CSR POLICY

GOVERNANCE FROM THE HIGHEST LEVEL OF THE COMPANY...

SFR has equipped itself with a cross-cutting CSR (Corporate Social Responsibility) structure steered by a Sustainable Development Committee. Chaired by the company CEO and composed of Executive Committee Members and other prominent figures, the Committee meets every quarter to establish the company's CSR priorities and goals and track progress on them.

Moreover, since 2010, all members of the Executive Committee have been asked to commit to concrete sustainable developemnt goals, the attainment of which is one of the factors determining their variable pay.

A Scientific Board, composed of an epidemiologist physician, an innovation sociologist and an environmental economist/sustainable development specialist, also contributes its expertise and an outside look at SFR's operations, in particular in the fields of healthcare, the environment and education.

... AND SHARED BY ALL, THROUGHOUT EVERY OPERATIONAL ENTITY

The top management team's strong and cross-cutting commitment goes hand in hand with that of the employees in charge of implementing the policy and objectives operationally, through cross-cutting steering committees, including:
• a Health Steering Committee,
• an Energy Steering Committee,
• a Paper-Free Operations Steering Committee,
• a Responsible Offers and Services Steering Committee,
• and themed Steering Committees, in order to coordinate and manage initiatives on topics such as anti-spam and anti-phishing, corporate travel policy, parental control, eco-friendly product design, etc.
• regional reviews, so that SFR's initiatives and commitments are trickled down across the territory.

STRONG COMMITMENT TO TAKE ACTION BEYOND SFR

The French Telecommunications Confederation

SFR is a Founding Member of the FFT (French Telecommunications Confederation). The Confederation addresses many CSR topics, particularly in its Committee dedicated to Sustainable Development and the Mobile Collegial Body (formerly AFOM) on radio-frequency and health.

In 2011, the Sustainable Development Committee's work culminated in the first review on the Profession-Wide Voluntary Commitment Charter signed with the State Secretariat in charge of Ecology, the State Secretariat in charge of Forward-Looking Studies and the Development of the Digital Economy.

It is in 2011 that SFR, working through the FFT, extended the Charter on Mobile Telephone Access to the Disabled dated 2005 to include all of its operations (ADSL, Web, stores), a document it had signed with the State Secretary for Solidarity and Social Cohesion and the ARCEP.

Likewise, the FFT represents SFR on the Interministerial Observatory for Accessibility and Universal Design which, in 2011, published its first report, on the impact of Information and Communications Technologies on Disabilities.

Furthermore, the FFT's Mobile Collegial Body, which represents mobile operators on the Operating Committee set up by the government following the Round table on Radiofrequencies, Health and the Environment, in May 2009.

The United Nations Global Compact

Proceeding from its commitments in the field of CSR, SFR signed the United Nations Global Compact in 2011: in endorsing the Compact's 10 principles, SFR added an international dimension to its corporate social responsibility.

By signing, SFR intends to bring the Compact's principles forward and better integrating them into its strategy, action plans and operating modes.

Endorsements

SFR has also endorsed and is an active member of several organisations and networks committed to CSR, such as: Comité 21, Club Génération Responsable, C3D, ORSE, IMS, AFMD and UDA, SFR signing the Charter on Responsible Communication in 2007.

THE GLOBAL COMPACT

WE SUPPORT THE GLOBAL COMPACT

IN 2011, SFR SIGNED THE UNITED NATIONS GLOBAL COMPACT.

STAKEHOLDER
DIALOGUE

SFR'S CSR POLICY IS BASED ON LISTENING TO WHAT ALL OF ITS STAKEHOLDERS HAVE TO SAY AND ENGAGING IN CONSTRUCTIVE DIALOGUE WITH THEM.

CONSUMERS

CUSTOMERS

Topics and Form of Dialogue

SFR listens to what its consumer and corporate customers have to say and regularly monitors their satisfaction, in particular through satisfaction surveys aimed at mobile and ADSL customers.

Furthermore, SFR is audited on CSR topics, as a supplier, by its key account customers: action plans are devised when areas for improvement come the Group's attention.

CONSUMER ASSOCIATIONS

Topics and Form of Dialogue

In 2011, SFR met with the national representatives of consumer associations on several occasions:

- an annual meeting with the consumer associations and executive management,
- 3 meetings with the consumer associations on current issues with the related experts from the corporate world,
- bilateral meetings.

Also to be noted in 2011 was active participation in the work carried out by the National Consumer Activity Board (CNC) and the Fédération Française des Télécoms (FFT):

- SFR was part of all of the consensus-building meetings with the consumer

associations, on mobile Internet, information transparency and consumer activity management.

- at the level of the profession, dialogue is also being developed in the FFT with progress in 2011.

For further details, please refer to page 38 of this Report.

ASSOCIATIONS OF DISABLED PERSONS

Topics and Form of Dialogue

SFR relies daily on the support of its association partners who are experts in accessibility to products and services for disabled consumers.

2011 Highlights

SFR wishes to foster access to digital technologies for disabled persons, through 2 main initiatives:

- SFR has initiated a training programme dedicated to accessing the iPhone and vocal synthesis tool VoiceOver which equips a terminal designed for the visually-impaired,
- SFR has rolled out a vocal GPS designed specially for the visually-impaired, after having tested it on the public test platform (SFR Workshop), with blind or visually-impaired volunteers.

INTERNAL

EMPLOYEES
Hygiene / Health / Safety

Topics and Form of Dialogue

General safety training programmes (safety reception, fire) or programmes dedicated to the specific risks encountered in the course of everyday operations (falls from high places, road risk, electricity, etc.) are given out each day. In 2011, 5,147 people took part in safety training across SFR Group.

In addition, nationwide surveys were launched in line with regulatory requirements to identify psycho-social risks, with the support of the firm Technologia, and in conjunction with the Health, Safety and Working Conditions Committees (CHSCT).

SFR's Occupational Health Departments carries out regular heatlh information and promotion initiatives, geared at employees, focusing on emergency response, defribillator use, relaxation and blood donation organised in partnership with Établissement Français du Sang (1,194 employees in total).

2011 Highlights

- Pilot telecommuting programme instituted between June and December with 150 volunteer employees.
- Relaxation room opened at Rive Défense site.
- Paris Cambrai site interior redesigned to encourage communication between teams and in response to employee requests.
- Renovation carried out to improve accessibility to SFR sites for the visually-impaired.
- Study carried out on the ageing of fixed and mobile telephone technical sites and sub-contractor audits.

For more details, refer to pages 58 and 59.

INTERNAL COMMUNICATION

Topics and Form of Dialogue

Internal communication at SFR means, first of all, communication on the ground, which gives employees the opportunity to speak out. It offers a range of events and tools fostering dialogue and interaction between employees and top management, such as:

- My SFR and Intranet 2.0 are two examples, but there is also a bi-monthly newsletter, information screens, etc. the employees can offer their own articles or comment on those published,
- informal breakfasts with a member of the Executive Committee and thirty employees (1 per month),
- forums or workshops during which the employees may ask the project owners questions: notebooks, SFR applications, SFR Femto, Spotify, etc.,
- discussion forums to improve the customer experience.

All of these tools and programmes are improved each year, based on the results of the internal communication survey.

The director-managers also have their own dedicated secure Intranet.

2011 Highlights

- 10 editions of the 'Matinales' (current events breakfasts with a member of the Executive Committee), which have attracted 350 employees.
- Presentation of architectural project for SFR's future head office, by architect Jean Paul Viguier (combining 4 Ile-de-France sites).
- Internal mobilisation for Sustainable Development Week and Mobility Week in Ile-de-France and across France.
- Internal mobilisation for Disabilities Week in Ile-de-France and across France.

IN JUNE 2011, VIVENDI ACQUIRED 100% OF SFR'S CAPITAL.

SOCIAL PARTNERS

Topics and Form of Dialogue

Regular meetings are held with the Central Works Council, Works Council, Health, Safety and Working Conditions Committee, and Employee Representatives to dialogue, review different requests and present the company's major social or organisational plans.

Regular negotiation sessions with the trade unions are also set up on a wide variety of topics (working time, salary, incentives, etc.): a new social dialogue agreement signed in July 2011 organises and structures social dialogue in the company.

The timely issues can be addressed at extraordinary sessions.

Lastly, regular informal meetings with the Human Resources Department (HRD) and trade unions are held through special breakfasts.

2011 Highlights

- Efforts continue in order to harmonise the by-laws, following various mergers, with the signing of various agreements regarding the compensation structure, classification, working time and on-call times.
- Progress on the project to combine the 4 major Paris sites (Séquoia, Rive Défense, Boulogne, Meudon) in Saint-Denis.
- Mandatory Annual Agreement negotiated and signed.
- Telecommuting pilot project launched.

SHAREHOLDER

VIVENDI

Topics and Form of Dialogue

SFR is a subsidiary of Vivendi Group, which owns 100% of the capital. We maintain close ties, drawing in particular on:
- a monthly Management Committee in order to review operations and strategic issues,
- a monthly Executive Board meeting with the CEOs across Vivendi,
- a Risks Committee.

2011 Highlights

- In June 2011, Vivendi acquired 100% of SFR's capital and, in so doing, became its sole shareholder.
- In December 2011, Vivendi has combined SFR and Maroc Télécom into a specific division Vivendi Télécom International (VTI).

ECONOMIC ENVIRONMENTS

SUPPLIERS

Topics and Form of Dialogue

SFR has defined its "responsible purchasing" as part of a progress approach, through assessment, dialogue, possible shared improvement plans and timely meetings with its suppliers.

As part of its ISO14001 certification process, SFR raises its suppliers' awareness using a variety of tools. One of these is an 'ISO 14001 Memo' the waste management policy and best practices recommended for implementation.

2011 Highlights

In order to step up its assessment process, SFR decided to intensify its supplier monitoring by carrying out CSR audits on-site. It is the logical next step in implementing our responsible procurement policy. Through the audit, the suppliers' processes undergo critical review. It fosters transparency and makes it possible to engage in awareness-raising for the latter. The meetings with management and personnel are used to assess the degree of process ownership at every level. Each buyer then takes on board the conclusions and encourages the supplier to institute progress plans, as is the case following other assessments.

START-UP

Topics and Form of Dialogue

SFR has chosen to call upon start-ups in order to innovate around its current and future businesses (examples: e-health, e-education).

The approach has taken on two additional concrete forms:
- an investment vehicle (corporate venture) known as SFR Développement,
- an operational support programme, drawing upon SFR's business divisions, through SFR Jeunes Talents.

2011 Highlights
- SFR Jeunes Talents Start-Up programme extended.
- New class of 10 innovative start-ups selected in November 2011.
- A partnership initiated with Clean Tech Open France as part of the SFR Jeunes Talents Green programme, in order to support young French eco-innovative companies.

For further details, refer to page 74.

SOCIAL ENTREPRENEURS

Topics and Form of Dialogue

Won over by their potential for innovation, SFR has committed alongside social entrepreneurs in a variety of ways:
- buying services from adjustment companies and re-integration companies as part of our responsible purchasing policy
- supporting social and solidarity economy initiatives and projects through partnerships or sponsoring projects,
- backing young social entrepreneurs with the programme SFR Jeunes Talents entrepreneurs sociaux.

For more information: http://www.sfrjeunestalents.fr/ entrepreneurs/social/concours/concours-entrepreneurs-sociaux

2011 Highlights
- Supporting the first class of 8 Young Social Entrepreneur Talents and launching, in November 2011, the second edition of the SFR Jeunes Talents Entrepreneurs Sociaux programme
- SFR was partner to Ashoka Changemakers Week, which was held in June 2011 for the 30-year anniversary of the Ashoka network.
- Contributing to the creation of Log'Ins, the first company clearly-geared toward the integration of disabled parties in traditional companies, in a joint non-profit venture involving Europe's leading transport and logistics player, Norbert Dentressangle and the integration company Ares.
- For the 3rd year running, SFR has called upon the association-based firm Mozaïk RH to produce its hiring campaign aimed to attract interns from diversity groups.

THE PUBLIC SECTOR

In late 2010, SFR decided to structure its relations with the public sector, in particular, with Ministries and Parliament, in order to make the company, its businesses, strategies issues and, more generally speaking, those of the digital industry, better understood. A Corporate Affairs Department was thus set up for this purpose. It develops close and trusting relations with elected officials, in order to inform and enlighten their discussions and legislative processes on topics that are both complex and subject to extremely swift technological developments.

LOCAL AUTHORITIES

Topics and Form of Dialogue
All the while awaiting the results of the discussions undertaken as part of the Grenelle Talks for the Waves announced to take place in 2012, SFR continues to dialogue regularly with the local authorities, in particular during the installation of new mobile phone masts, taking care to do so in line with the Guide to Relations between Operators and Municipalities (Guide des Relations entre Opérateurs et Communes) signed with the Association of Mayors of France in 2004 and updated in 2007, while also consulting on fixed network coverage (ADSL, Wi-Fi and Fibre Optics).

2011 Highlights
- 510 000 customers connected via ADSL thanks to the partnership programme between SFR and the local authorities.
- 1260 subscriber connection points (Nœuds de Raccordement d'Abonnés, NRA) unbundled through programmes with the local authorities, 140 of which were completed in 2011 alone.
- Fiber To The Home (FTTH) continues to be developed on very sparsely-populated areas (Gravelines, Manche) and an FTTH deployment model is being tested in medium-density areas (Mareuil en Vendée and Saint-Lô, in La Manche).
- Cantines Numériques (digital hubs and shared working areas deployed) in Nantes.

- Pilot municipalities for the 'post-Grenelle des Ondes" talks placed under the aegis of the Ministry of Ecology, Sustainable Development, Transport and Housing (MEDDTL).
- A new approach to dialogue:
  • SFR takes part at the Mayors and Local Authorities and continues to present new services, such as mobile-based parking payment solutions, the Family Connect offer, the Digital Classroom, the connected defibrillator,
  • Takes part in the think tank on regional digital, 'La mêlée numérique'

NATIONAL FREQUENCIES AGENCY (ANFR)

Topics and Form of Dialogue
SFR takes part in the working groups headed by the Agency, in particular those regarding experiments on exposure to radiofrequency waves, set up following the 'Grenelle des Ondes'.

2011 Highlights
The Agency has carried out inspections, at its points of sale themselves, to ensure that the terminals are compliant with regulatory requirements on 'health'.

REGULATORY AUTHORITY ON ELECTRONIC COMMUNICATIONS AND POSTAL SERVICES (ARCEP)

Topics and Form of Dialogue
SFR continues to consult closely with ARCEP, the sector's regulatory authority, on such topics as territory coverage and competition.

2011 Highlights
- License for the deployment of a 4th Generation (4G) network granted
- National Emergency Relay Centre set up for the deaf and hearing-impaired (114).
- ARCEP audit on the accessibility of electronic services and communication for disabled persons in France.

GOVERNMENT STAKEHOLDERS

Topics and Form of Dialogue

SFR continues to consult closely with a variety of Ministries such as: the Ministry of Ecology, Sustainable Development, Transport and Housing (MEDDTL), or the Ministry of Health, the Ministry of Solidarities and Social Cohesion and, in particular, the Interministerial Committee on Disabilities, in order to contribute to public interest work carried out in favour of people in vulnerable situations, such as disabilities, as well as with a number of Parliamentarians.

2011 Highlights

- Participates in working groups set up following the 'Radiofrequences, Health and the Environment' Round Table, in particular those regarding experimentation on exposure and information/consensus-building.
- First Review of the Voluntary Commitments Charter instituted by the Telecommunications Sector for Sustainable Development with the MEDDTL, under the aegis of the French Telecommunications Confederation (FFT).
- Under the aegis of the FFT, the profession's Voluntary Commitments Charter to facilitate accessibility to electronic communication for people living with a disability, was transposed from mobile to box services, Web sites and stores in June 2011, with all of the government and association stakeholders and ARCEP. The Charter is designed to set the profession on a constant progress track. It is unparalleled in France.
- In September 2011, after 18 months of joint inter-operator work, under the aegis of the FFT, was opened in '114', an emergency call centre dedicated to deaf or hearing-impaired.

FRENCH TELECOMMUNICATIONS CONFEDERATION (FFT)

SFR takes part in the work conducted by the French Telecommunications Confederation in the Sustainable Development Committee. The projects are very often connected with public interest issues for civil society. Accessibility to digital technologies for disabled persons, the protection of confidential data for our fellow citizens and the contribution of technologies to the environmental issues of the future are examples of topics which SFR employees wish to see progress.

CIVIL SOCIETY

Created in 2006, Fondation SFR extends and amplifies sponsoring initiatives carried out by the company to promote equal opportunity. Working right on the ground, Fondation SFR supports over one hundred association projects in France each year. For the past 5 years, more than 3,000 SFR employees have committed alongside Fondation SFR on solidarity-building projects.

MAIN PARTNER ASSOCIATIONS

Adie Micro Franchise Solidaire (AMSI)

Topics and Form of Dialogue

Fondation SFR supports the innovative solidarity-building micro-franchise programme implemented by ADIE. The idea is to offer turnkey work concept to unemployed people and in particular to young people and the underqualified. The concept is rounded out by an initial training programme and a range of shared services requiring investments under €10,000. The support provided to the young entrepreneurs makes it possible for them to get their start and establish themselves over the longer term.

For more information: http://www.adie.org

2011 Highlights

Partnership launched and first supported projects identified.

Ateliers du Bocage

Topics and Form of Dialogue

Ateliers du Bocage, an integration company run by Emmaüs France, collects mobile phones in-house, in the Espace SFR Distribution network, during events and with professional and corporate customers.

2011 Highlights

Ateliers du Bocage has opened up 7 positions to process the mobile phones collected by SFR.

Emmaüs Défi

Topics and Form of Dialogue

SFR and the Fondation SFR have been committed with Emmaüs Défi since 2009 through a new kind of partnership which, above and beyond financial support, is based on the concept of skills mentorship, through the involvement of SFR employees. Since 2010, SFR and Emmaüs have run a solidarity-building telephone programme, which makes it possible for the most underprivileged populations to have access to mobile telephones and manage their use. Refer to page 68.

SFR's commitment supports the Emmaüs Defi programme, dedicated to opening new thrift shops in Paris. In 2010, SFR funded the renovation work on the first neighbourhood Emmäus Défi thrift shop at the CentQuatre Cultural Centre in Paris' 19th arrondissement. In 2011, its funding went toward opening a new thrift shop.

For more information: http://emmaus-defi.org

2011 Highlights

- The solidarity-building telephone programme has expanded and is now serving 1,300 people in precarious living situations.
- SFR contributed in financing work toward the opening of a new Emmaüs Défi thrift shop in 2012.

French Handisport Federation

Topics and Form of Dialogue

Since 2004, SFR has been official partner to the French Handisport Federation through its corporate Federation.

For more information: http://www.handisport.org

2011 Highlights

At the Wheelchair Football World Cup, which took place from 24 October to 8 November 2011, at the Halle Carpentier in Paris, twenty SFR employees joined the volunteer team and helped organise this outstanding sporting event.

Fondaterra

Topics and Form of Dialogue

SFR has been the historical partner to the Fondaterra Foundation since 2004, to raise awareness about environmental issues and sustainable development in the academic community.

2011 Highlights

Fondatera, working in partnership with SFR, organised the 2nd Green TIC Campus Challenge, a major student competition on the topic 'toward a greener campus thanks to ICTs'. The 3rd Edition is set to take place in 2012 with a new partner, Cofely - GDF SUEZ.

La Voix de l'Enfant

Topics and Form of Dialogue

SFR has been a partner to La Voix de l'Enfant since 2001, to finance the opening of Medico-Legal Walk-In Units (UAMJ) in hospitals, where children victims of abuse or assaults can tell of their experience. As at 31 December 2011, there were 46 UAMJs across France.

An SFR – La Voix de l'Enfant Steering Committee meets at least twice each year.

Sidaction

Topics and Form of Dialogue

SFR remains committed to the fight against AIDS, serving as the telecommunications partner to Sidaction. SFR's contribution comes in three forms:
- it handles the technical and financial aspects of all telecommunications operations for the pledge and donation campaign (SFR takes all of the calls received at the 110 toll-free number and channels them to the many telephone platforms opened for the operation),
- it mobilises 3 SFR call centres (in Marseille, Meudon and Paris) and hundreds of volunteer SFR employees to record the pledges,
- it educates SFR customers to encourage donations.

FONDATION SFR IS PARTNER TO THE WORLD CUP OF THE HOMELESS.

2011 Highlights

On the weekend of 2 April 2011, 350 employees and friends took the calls and recorded pledges.

Talent des Cités

Topics and Form of Dialogue

SFR has been partner to the Talents des Cités competition for the last 6 years. Each year, Fondation SFR serves as patron to one of the national award-winners and provides special support.

In 2007, SFR and HEC created Université du Droit d'Entreprendre within Talents des Cités. This three-day training seminar is given to young entrepreneurs from 'City Policy' neighbourhoods by HEC professors and SFR employees. Université du Droit d'Entreprendre provides entrepreneurs with top-tier training geared at their issues. It is also an opportunity for entrepreneurs to build or extend their network.

For more information: http://www.talentsdescites.com

2011 Highlights

- Mehdi Yakoubi, sponsored by Fondation SFR and already an award-winner of the SFR Jeunes Talents Programme for social entrepreneurs, received the Jury's Pick award at Talents des Cités 2011. His idea was to develop the 'Nelly signs with you' software, a fun and interactive programme for learning French sign language, specially-tailored to mentally-disabled children with language impairment.
- 130 young entrepreneurs were able to take part in the 5th edition of Université du Droit d'Entreprendre, on 9, 10 and 11 June 2011.

Collectif Remise en Jeu / Coupe du Monde des Sans-Abri

Topics and Form of Dialogue

Understanding what a powerful tools sport has become today in fostering social integration for people facing major difficulties, the company has provided its support to sport has become a powerful tool, an association dedicated to fighting exclusion. SFR supported the organisation of the Coupe du Monde des Sans-Abri 2011 (2011 World Cup for the Homeless) which ran from 21 to 28 August, on Champ de Mars in Paris. SFR is also one of the companies that contributed to the international colloquium dedicated to identifying solutions to fight exclusion.

For more information: http://www.remisenjeu.fr

2011 Highlights

- At the competition venue, 20 SFR employees filled out the ranks of the teams this year and helped organise the 2011 World Cup for the Homeless.
- Following from this major sporting and solidarity-building event, SFR contributed to the debates and initiatives set in motion at the colloquium: "La rue : y tomber, y vivre, s'en sortir et ne pas retomber", about street life, going under and coming back.

CREATED IN 2011, 'MA CAMÉRA CHEZ LES PROS' (FOCUSING IN ON THE PROS') OFFERS ORIENTATION SERVICES TO YOUNG PEOPLE ENTERING UPPER SECONDARY SCHOOL BY OPENING THEIR EYES TO THE JOBS THAT WILL MAKE THE FUTURE AND TO BUSINESS VITALITY.

THE EDUCATIONAL COMMUNITY

ARPEJEH

Topics and Form of Dialogue

One of the association's founding members, SFR is committed as part of ARPE-JEH to helping improve and promote training, qualification and employment for disabled secondary school and university students, by offering internships to youth from lower secondary school up to the professional integration level.

2011 Highlights

- SFR opened its doors to 15 students over School Year 2010/2011.
- 68 employees committed to taking part in one of the initiatives offered by ARPEJEH (vocational preparation workshops, exploration of little-known jobs, and job discovery workshops).
- 24 employees that had taken in young interns received awareness-raising in disabilities.

Mobi³

Topics and Form of Dialogue

Since 2007, SFR has been operating this programme, in partnership with the National Education System. It is aimed at students from 6 lower secondary schools in Priority Education Zones, from Versailles, Créteil and Paris. The aim of Mobi³ is to give meaning to their education, step up their aspirations, introduce them to the entrepreneurial culture, the corporate world and the working world, 'from the inside'. Working in a team to design the mobile telephone of the future, its design and commercialisation – this is the challenge offered to the young participants.

2011 Highlights

In May 2011, SFR organised the finals of the Mobi³ competition, the awards ceremony of which took place at the headquarters in La Défense, with 92 young people participating.

Passeport Avenir

Topics and Form of Dialogue

For the past 7 years, SFR has been committed to equal opportunity in access to higher education and elite learning institutions for young people from under-privileged urban areas. Passeport Avenir, formerly known as Cercle Passeport Telecom, was founded by SFR in 2005, in partnership with the Ministry of Education. It is designed to support students from modest backgrounds enrolled in elite preparatory classes, engineering schools and business schools up to their entry into working world. The programme offers both individual and group tutoring. There are now 15 partner companies working with Passeport Avenir.
For more information: http://passeport-avenir.com

2011 Highlights

- 120 SFR employees show their commitment by serving as tutors for the Class of 2011-2012.
- Upstream project deployment: awareness-raising initiative aimed at nearly 1,000 upper secondary school and BTS (secondary vocational training) students about continuing into higher education and information about the opportunities in their fields in pre-elite education programmes.
- Passeport Avenir opens up to university-level degree programmes. 5 universities joined the programme in 2011, with deployment scheduled for 2012.

Ma Caméra Chez les Pros

Topics and Form of Dialogue

Founded in 2011, in partnership with the Ministry of Education, the programme offers guidance and assistance to young people starting upper secondary school, by opening their eyes to jobs for the future and employment opportunities offered by business players in the region. Using digital tools (video and Web), the lower secondary students turn into budding reporters and head out on the field to meet professionals. All throughout the year, they investigate

the jobs that will make the future in their Region and produce video reports on a local company. In the longer term, the programme aims to play a part in the professional integration and success of these lower secondary students in modest environments. The videos produced by the young people then go to feed the programme's Web site to extend the scope of their investigative work and to give other lower secondary students the benefit of what they have learned.

For more information: http://www.macamerachezlespros.fr

2011 Highlights
- Some fifty students have already taken part in this programme, launched in March 2011 by the Lyon School Board.
- 11 major corporations are mobilised alongside SFR to take part in this innovative educational programme.
- With school year 2011/2012, the programme broadened to include the Nantes, Paris, Créteil and Versailles School Boards.

Schools and Universities
Topics and Form of Dialogue
In order to attract the best talents and diversify sources of recruitment, SFR takes part in many events designed to bring professionals and students together.

SFR conducts a large number of on-the-ground initiatives as well:
- major partnerships: Chaire HEC, Essec Marketing Case Study, partnership with Fondation Bordeaux Université;
- Fondation Télécom: the 'First' Programme, a working group dedicated to 'the digital transformation and new modes of management', selecting international fellowship recipients, Best Internship Awards, and more;
- educational action delivered by employees to partner schools/universities (classwork, testimonials, participation in judging panels);
- student coaching programmes: mock interviews, résumé preparation workshops, assistance in defining their professional project;
- visits to headquarters to introduce students to SFR 'behind the scenes';
- participation in certain schools' annual seminars (post-university advisory/oriented instruction versus job development, etc.).

2011 Highlights
- In 2011, SFR took part in 23 forums, 4 of which were held in universities, 9 in business schools and 10 in engineering schools, on the principle that, by rationalising the number of forums, it will foster, not only recruitment, but also local-level action and genuine exchange with students.
- The business game 'Wh@t a challenge!' was organised with 46 partner schools/universities in order to boost SFR's attractiveness and identify future job-study/internship participants.

SFR HAS JOINED THE IMS' 'COMPANIES AND UNIVERSITIES' PROGRAMME. AS PART OF THIS, SFR TOOK PART IN THE PROGRAMME'S FIRST EDITION, FROM 5 TO 9 DECEMBER 2011 – A NATIONAL EVENT IN FAVOUR OF EQUAL OPPORTUNITY.

REPORTING: A PROCESS OF
CONTINUAL IMPROVEMENT

21 challenges structured along our CSR policy's 3 guiding lines - greener, safer, more united — cover SFR's responsibility policy. The 21 challenges has given rise to 42 commitments, on which progress is tracked using 117 indicators and 87 objectives , defined in accordance with the national (NRE Act) and international (GRI) standards.

REPORTING STRUCTURE SPECIFIC
TO THE TELECOMMUNICATIONS INDUSTRY

As was the case in the previous year, SFR called on Europe's leading extra-financial ratings agency, Vigeo, to analyse the consistency of its reporting system in relation with the way challenges are developing in the telecommunications industry, shaped by extreme innovation, both in technologies and their uses. The analysis is based on the performance reference guidelines used by Vigeo to rate listed telecommunications companies, and thus ensures that SFR's reporting indicators are consistent, efficient and explicit.
The reporting structure may be adjusted in accordance with the market and stakeholder expectations.
A ceratin number of commitments and the related indicators are submitted to the Autorité de Régulation des Communications Electroniques et des Postes (ARCEP).
A pioneer when it comes to extra-financial reporting, though not subject to any regulatory requirement in this area for several years, SFR chose to take advance action in the audit of its data by a third-party, as stipulated by the Grenelle II bill: a project group including all of the company's internal stakeholder groups was able to present its conclusions to the members of the Sustainable Development Committee.

UNLESS OTHERWISE INDICATED, THE DATA PUBLISHED IN THIS DOCUMENT COVER THE FOLLOWING SCOPE: SFR SA, SFR COLLECTIVITÉS, SFR SERVICE CLIENT, SRR, NEUF ASSISTANCE, NEUF CENTER AND EFIXO.

ITS VOLUNTARY APPROACH HAS ALREADY
BEEN VALIDATED BY TRUSTED THIRD PARTIES.

Without being subject to the NRE Act, SFR committed voluntarily from as early as 2003 to communicate its data on social, corporate and environmental performance.
Part of this data is incoporated into Vivendi Group's reporting process and is subject to auditor verification.
In addition, SFR chose to have certain sections of its CSR policy certified:
• Its Environmental Management System was certified ISO 14001, on an extended scope in 2010, and now covers all of the mobile telephone businesses as well as the Fixed Telephony business and Reunion Island.
• Its HR policy in favour of equal opportunity received the Diversité Label in November 2010, issued by AFNOR following in-depth audit.
• Its customer relations programme has earned both the Qualicert and ISO 9001 certification.

A STRUCTURE-BUILDING METHODOLOGY
FOR THE COMPANY

The procedures for gathering and consolidating the data used by SFR to report on its CSR policy are set out in a formal environmental and social reporting protocol. Used as an internal guide for the Operational Departments, it is distributed and applied at every level of the company. It is also a vital benchmark for external verification of data.
A centralised IT tool dedicated to reporting and monitoring action plans rounds out the programme. It helps strengthen the inspections carried out further to the data reporting process and thereby makes it possible to guarantee the reliability of the reporting system as a whole. It is flexible and makes it possible to take into account regulatory and organisational changes, as well as new directions set out for the company's CSR objectives.

OUR CHALLENGES AND OUR COMMITMENTS
FOR A GREENER WORLD

REDUCING OUR ENVIRONMENTAL IMPACT AND THAT OF OUR CUSTOMERS

Environmental conservation is on the verge of becoming one of the structuring lines of the digital economy. For SFR, this implies a two-fold challenge. This implies, first of all, setting an example, in particular by stabilising our energy consumption at a time when use is skyrocketing and, secondly, helping lower French society's greenhouse gas emissions, by massively spreading Information and Communications Technologies (ICTs), in the Transport, Health, Education, Construction, Energy and other sectors. It is also in this mindset that SFR is intent on deploying concrete solutions to serve individual customers, companies and the local authorities.

For more information: http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/rechauffement-climatique

CONTROLLING AND REDUCING THE ENVIRONMENTAL IMPACT OF OUR BUSINESSES

At the end of 2010, SFR was awarded, for the 6th year running, ISO 14001 certification for its Environmental Management System. The certification is of exceptional reach and is like no other in the profession.

Beyond the mobile services, fixed telephony services and those provided by Société Réunionnaise du Radiotéléphone (SRR), the certificate's scope has been extended to include the eco-design activity that led to the Neufbox Evolution, 14 new fixed telephony sites, 1 third-party site and point of sale on La Réunion.

It should be noted that SFR's mobile network is the only one in France fully ISO 14001 certified: this includes maintenance and the deploymnet of mobile phone masts in particular, as well as their integration into the landscape or the energy efficiency of the equipment it deploys.

THE NEUFBOX EVOLUTION, A FLAGSHIP INNOVATION FOR ECO-DESIGN

Smaller than its predecessors, less energy-intensive and 70% composed of recyclable materials, neufbox Evolution is the result of nearly 2 years of research and development. In total, its main environmental impacts were cut by 30 to 50%. Its electricity consumption, for instance, is now 30 to 40% lower than previously. Three buttons – 'Eco', 'WiFi' and 'on/off' – have been added so that users can optimise their energy consumption, in accordance with their usage patterns. While 2010 was a turning point through the roll-out of the new box, 2011 was the year when the aspirations around the box were confirmed and the eco-design approach deployed. For instance, 2011 saw the spread of 'EcoSIM' cards, which are now half as small compared to a traditional SIM card, to all customers and the launch of the 1st SIM half-card pilot project in France. Made of paper, they enable a carbon footpring 30% lower than plastic traditional-format SIM cards.

HELPING OUR CUSTOMERS BECOME ECO-CONSUMERS

Beyond eco-design, the efforts to help customers become eco-consumers gained magnitude in 2011:
Environmental efficiency information is now displayed on all mobiles sold in Espace SFR stores and at the online store, also in La Réunion.
Every customer can now see the total amount of CO_2 emitted over the full life-cycle of a phone before purchasing it, as well as the impact in terms of natural resource depletion.   All of the telephones marketed in the Pack SFR (excluding Apple products) are equipped with this display, which also includes a simple rating scale, from 1 to 5 (5 being the best rating). Building from this progress, SFR has of course committed to the experiment launched in July by the Ministry of Ecology.
For more information: http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/laffichage-environnemental

To round out this programme, SFR launched its 'Formules Carrées', where all offers are made available with or without mobile phones and with or without commitments.
Naturally, the recycling plan remains in place, making it possible for customers to bring their old mobile phones back to the Espace SFR stores and trade them in for vouchers, as well as the paper-free billing option.
In addition to the products in which the company has long been expert, such as the Box, SFR is also eager to develop new environmental added-value services, which form an integral part of its innovation policy, whether for companies or for the general public. Cloud computing, energy management, tele/videoconferencing, optimised transport, domotics, teleassistance, etc. offer very promising carbon footprint reduction prospects.

5 CHALLENGES FOR A 'GREENER' WORLD:
- Fighting global warming
- Helping our customers become eco-consumers
- Controlling our raw materials consumption and managing waste
- Working with our stakeholders to sustainably develop our companies
- Continuing to deploy our Environmental Management System

FIGHTING GLOBAL WARMING

SFR's carbon dioxide emissions (CO_2) are due primarily to energy consumption from its technical and tertiary infrastructures and its business travel.

The quest for more effective control of energy consumption requires the intelligent and optimised management of equipment and buildings through energy audits, remote metering systems, the use of more energy-efficient equipment, the introduction of natural ventilation, experimentation with renewable energy sources, etc.

Of particular note in Year 2011 is the construction of a new datacentre at the cutting edge of innovation and more environmentally-friendly in Trappes, and the participation in the European Code of Conduct with the Achères 1 Datacentre.

With nearly 29,000 tonnes of CO_2, business travel and home-work commutes are the company's second-highest source of CO_2 emissions. SFR has set out two main thrusts for progress: less business travel, by giving priority to teleconferencing (video/telepresence, etc.) and smarter commutes (taking the train rather than the plane, bringing hybrid vehicles into the automobile fleet, etc.). To take this thinking further, SFR has established Company Travel Plans (PDEs) at several sites. The plans implement a series of measures designed to optimise employee commuting travel, at the same time as addressing the ways in which the company's external contacts – customers, suppliers, partners and
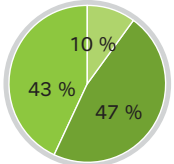
visitors – visit its premises.

In addition, SFR has chosen to get a step ahead on the provisions to be introduced by the French government's national environmental initiative (the Grenelle de l'environnement) by conducting the first comprehensive Bilan Carbone® audit of all its business activities. Based on the methodology developed by the French Environment and Energy Management Agency ADEME, this audit should identify new opportunities for improvement, as well as evaluating the gains made by those initiatives already in place.

OPTIMISING OUR ENERGY CONSUMPTION

Replacing network hardware with new, more energy-efficient equipment, virtualising servers, optimising airflow in our premises, introducing remote monitoring, limiting the use of air conditioning and rationalising our installed base of equipment are all solutions now being implemented by SFR to reduce our energy consumption. We are also focusing on controlling the energy consumed by routers and set-top boxes. For this purpose, it has committed by signing the Voluntary Industry Agreement and the Code of Conduct for Broadband Equipment, which specify the consumption thresholds to be met.

> **A TWO-FOLD CHALLENGE FOR SFR: STABILISING ENERGY CONSUMPTION AT A TIME OF SKYROCKETING USES AND HELPING LOWER FRENCH SOCIETY'S GREENHOUSE GAS EMISSIONS, THANKS TO THE MASSIVE DISSEMINATION OF ICTS.**

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	Results 2011	Comments	2012 Goals
Total energy consumption (MWh) (GRI: EN03)	548,611	562,411	--	**635,754**	SFR Group energy consumption split	--
• from electricity	546,856	561,558		**622,924**		
• from natural gas	820	430		**2,236**		
• from the urban heating-cooling grid	-	-		**9,939**		
• from oil fuels	935	423		**655**		

SFR Group energy consumption split

10 % — Lightweight Network sites
47 % — Strategic Network sites
43 % — Tertiary sites

- In 2011, the consumption posted by a services site was added, with the indicator, 'natural gas consumption'
- Urban network: new 2011 indicator

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	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Electricity consumption from office sites (MWh)	38,610	44,646	- To stabilise energy consumption from office sites in 2011 compared to 2010. - To install photovoltaic and wind energy infrastructures at 2 office sites.	53,079	- On a comparable basis, electricity consumption from the office sites decreased by 5% compared to 2010. The goal was exceeded. 38 610 44 646 42 393 2009 2010 2011 - in 2011, a 'proprietary' energy consumption metric was added to the total consumption from office sites. - Studies were conducted in 2011 for prospective photovoltaic and wind energy infrastructures.	- To stabilise energy consumption from office sites in 2011 compared to 2010. - To install photovoltaic and wind energy infrastructures at 2 office sites.
Electricity consumption from networks (fixed and mobile) (MWh)	508,246	516,912	- To stabilise, by 2020, consumption from fixed and mobile network infrastructures and data centres as compared to 2009.	569,845	A 10% increase in energy consumption on the network due to skyrocketing use and the deployment of new equipment.	- To stabilise, by 2020, consumption from fixed and mobile network infrastructures and data centres as compared to 2009.
CO_2 atmospheric emissions (in tonnes of CO_2) (GRI: EN16)	54,755	58,351	--	65,207	19.2% of emissions are due to Société Réunionnaise du Radiotéléphone (SRR) operations	--
• due to electricity	54,321	58,127		63,714	3 % 16 % 81 % SFR 81% La Réunion 16% Mayotte 3%	
• due to urban heating/cooling grid	-	-		770		
• due to natural gas	194	101		517		
• due to fuel	240	123		206		

ENCOURAGING SUSTAINABLE MOBILITY

For the past 2 years, for European Mobility Week, SFR has added 5 electrically-powered Smart cars to its service vehicle fleet for use by employees travelling between company sites in the Paris Region. For the last 3 years, internal events also introduced employees to eco-driving techniques (through the use of simulators) and provided the opportunity to test videoconferencing and telepres-

ence facilities. The number of remote meetings increased considerably during 2011, largely as a result of internal information campaigns to promote good eco-attitudes. As regards the Company Travel Plans (PDEs), those currently in existence in the Paris Region will be replaced by those under preparation for SFR's new head office in Saint-Denis.

For more information:

http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/mobilite-durable

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
CO_2 atmospheric emissions due to business travel (in CO_2 emissions) (GRI: EN16)	9,587	9,831	*- Lowering CO_2 emissions due to business travel by 10%.*	**9,980**	2010 target not reached (+1.5%), primarily as a result of the increase in number of train and corporate vehicle travel.	**- To continue to implement a business travel policy that is more respectful of the environment: to stabilise CO_2 emissions due to business travel compared to 2011.**
• from CO_2 atmospheric emissions due to air, train and short-term rental vehicle travel	4,099	3,938		**3,999**		
• from CO_2 atmospheric emissions due to corporate service fleet vehicles	5,488	5,893		**5,981**		
Corporate service vehicle fleet (number)	1,325	1,532	*- Continuing to promote eco-behaviour in employees and training 100% of the staff using a vehicle for professional purposes by 2015.*	**1,623**	SSR included in this indicator since 2011. On a comparable basis (SFR), the number of vehicles has decreased due to fleet rationalisation. Eco-driving training is available through the training catalogue. Target revised to better address sales engineers.	**- To continue promoting eco-driving with employees.** **- To test a Machine-to-Machine solution offered by the SFR Business Team making it possible to lower fuel consumption.** **- To train 100% of the SFR sales engineer population by 2015.**

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Fuel consumption (in m³)	1,851	2,002		2,015	--	--
Average emissions due to the corporate service vehicle fleet (in g CO_2/km)	139	132	*- To reach average emissions level in the vehicle fleet amounting to 130 g CO_2/km in 2015.*	129	The target set in 2010 was exceeded. Note: The average level is 124 gCO_2/km for new vehicles released in 2011.	- To bring the average emissions level of the corporate service fleet to 125 gCO_2/km by 2015.
Number of hours of video-conference/telepresence/audiowebconference	322,167	450,825	*- To increase the number of videoconference/telepresence hours by 10% compared to 2010.*	527,515	2011 target exceeded, with an overall increase in use of 14.5%. 6.7% increase in videoconferencing/telepresence.	- To increase the number of hours dedicated to videoconferencing/telepresence by 10% compared to 2011, across SFR.
• from videoconference/ telepresence hours	1,886 (Sept. to Dec.)	9,001		9,643		- For SRR: to reach 200 hours/year (videoconferencing).
• from audio/webconfer- enc hours	320,281	441,824		517,872	14.7% increase for audio and web-conferencing.	
CO_2 atmospheric emissions due to travel Employees (in tonnes of CO_2) (GRI: EN16)	16,800	17,468	*- To run the 8 PDEs already-launched and to continue encouraging travel alternatives to individual cars with employees.*	18,931	In line with the 2011 target, the PDEs were continued at all 8 sites. During Mobility Week, live events took place, in particular with awareness-raising in eco-attitudes.	- To continue with a more environmentally-friendly home-work commute policy: • to run the 3 PDEs already launched in the regions and the SRR and continue to encourage modes other than the individual car with the employees, • to prepare the PDE for the new headquarters in Saint-Denis (which will replace those already in existence at the 4 Paris region sites).

TO ENABLE OUR CUSTOMERS TO BE ECO-CONSUMERS

The efforts to enable SFR customers to become eco-consumers were ramped up in 2011:
• SFR fully-deployed its own display (including in La Reunion) and initiated experimental runs of its environmental labelling, which the Ministry of Ecology started in July.
• The eco-design SIM cards (half the size) were extended to all customers. SFR also launched the 1st pilot run in France for a SIM half-card made of paper, which enables a 30% reduction in the carbon footprint, compared to a traditional-sized plastic SIM card.

• With the launch of the 'Formules Carrées' in June 2011, all of the offers are now available with or without mobile and with or without commitment.
• The new neufbox Evolution is fully eco-designed. Its main environmental impacts were cut by 30% to 50% compared to the previous generation.
• Customer contracts are now paper-free across 190 points of sale, as of end-2011. Deployment is underway for the 840 Espace SFR stores to be equipped appropriately as at end-2012.
• Naturally, the recycling plan remains in place, making it possible for customers to bring their old mobile phones back to the Espace SFR stores and trade them in for vouchers, as well as the paper-free billing option.

CONTINUING THE DEPLOYMENT OF PAPER-FREE BILLING

For more information: http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/la-dematerialisation

	2009 Results	2001 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Total number of customers on paper-free billing	7,338,000	8,391,269	- *Continuing the deployment of paper-free online billing, in order to reach 9.7 million clients (fixed and mobile).*	**9,173,347**	2011 target not reached due to a higher attrition rate than initially forecasted.	**- Continuing the deployment of paper-free online billing, in order to reach, by 2012:**
• 'mobile' customers	3,638,000	4,484,000		**5,022,284**		• **5.3 million consumer mobile users, or 45.5% of the eligible field,**
• 'fixed' customers	3,700,000	3,907,269		**4,095,563**		• **4.2 million ADSL users, or 85.3% of the eligible field,**
• SRR customers				**55,500**	New indicator in 2011.	• **145,000 paper-free bills on the SFR Business Team side, or 36% of eligible invoices.**
						- To reach 70,000 SRR (fixed and mobile) customers, or 42% of the eligible field.
Number of *espaces SFR* stores offering the "paper-free contracts" option	--	--	--	**190**	New indicator in 2011.	**- The aim is that 100% of all *Espace SFR* stores will offer the "paper-free customer contracts" solution by 2012.**

TO STEP UP RECYCLING OF USED MOBILE PHONES

Since 2010, a new higher-incentive programme (SFR customer or other) was launched, with 3 goals:
- To duly reward the customer: if the mobile phone returned to the Espace SFR store is still of value, the customer is given a purchase voucher. A Mobile Phone Value guide has been established and is updated each month. The phone's value varies in accordance with the model, its condition and its age. The voucher is valid immediately, in the Espace SFR store issuing it, on all products and accessories. The programme has also been available since September 2010, at the Web site. The customer is sent a check at home.
- Supporting associations: €2 are paid to associations, in particular Fondaterra, a foundation that works in favour of the environment and for the sustainable development of the local communities, and to La Voix de l'Enfant, a federation of associations mobilised to protect abused children.

- Encouraging the recycling of old phones: when the phones are reuseable, they are reconditioned to be sold in countries where mobile telephones can be a development accelerator, or by Les Ateliers du Bocage, after which they become part of the solidarity-building economy network at Emmaüs France. When the opposite is true, the mobile phones (batteries and accessories) are recycled in an environmentally-friendly manner. These operations are moreover conducted in line with the Charter on the Re-Use of Mobile Telephones, established in partnership with the eco-organisation Eco-Systèmes.

In total, since the programme was first launched in 2003, over 1 million mobile phones were collected by SFR.
For more information: http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/clients-eco-consommateurs

	2009 Results	2010 Results	*For reminder purposes 2011 Goals*	2011 Results	Comments	2012 Goals
Total number of mobile phones collected	231,657	351,359		**351,545**		
• mobile phones collected in *Espace SFR* stores, events, SRR, Business Team, interne (excluding SAV/VPC/unsold)	125,020	186,076	*- To collect 250,000 mobile phones in the Espace SFR distribution network from Business Team customers, at SFR events and on the island of La Réunion.*	**205,497**	2011 target not reached due to the low increase in collection in Espace SFR stores compared with forecasts, in particular as a result of many players emerging in this area .	**- To maintain the target of collecting 250,000 mobile phones in the *Espace SFR* distribution network from Business Team customers, at SFR events and on the island of La Réunion.**
Number of ADSL boxes and decoders collected	1,627,632	1,590,348	--	**2,229,513**	71% of boxes and decoders collected were reused.	--
Total weight of Electrical and Electronic Equipment Waste (DEEE) collected (in tonnes)	994	1,073	--	**1,622**	Increase compared to 2010 due to comprehensive data collection.	--

NEUFBOX EVOLUTION ECO-DESIGNED: 30% TO 50% REDUCTION IN MAIN ENVIRONMEN-TAL IMPACTS

STEPPING UP THE PRODUCT ECO-DESIGN POLICY

On the eco-design side, while 2010 was a turning point through the roll-out of the new box, 2011 was the year when the aspirations around the box were confirmed.

For more information: http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/leco-conception

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of eco-designed products sold	0	2	- *Making the eco-designed SIM card available to all clients.*	3	neufbox Evolution marketed The eco-designed SIM card was made available to all customers in 2011. A slim paper SIM card was offered on a pilot basis in late-2011.	- **To continue the product eco-design policy.** - **To foster the implementation of services by which the general public, companies and local authorities will be able to shrink their carbon footprint.** - **To develop eco-calculators that will make it possible to assess with precision the carbon benefits expected.**
Number of Life Cycle Analyses (ACV) completed (GRI: PR01)	4	7	--	1	Paper SIM card analysed.	--

100% OF ALL MOBILE PACKS AND CASES (EXCLUDING APPLE PRODUCTS) SOLD BY SFR NOW BEAR ENVIRONMENTAL LABELLING.

DEPLOYING ENVIRONMENTAL LABELLING

Environmental labelling has been in place in the SFR online store and SFR retail outlets since 2010. In developing its methodology, SFR has drawn on the expertise of a specialist in the field: Bureau Véritas CODDE. The resulting methodology addresses every stage in the mobile phone life cycle, from manufacture to recycling. The environmental performance assessed on this basis is presented to customers on the basis of 3 indicators that reflect: climate impact (green-house gas generation), non-renewable natural resource exhaustion and water consumption. In order to guide customers in choosing the most eco-friendly mobile phone, an overall rating from 1 to 5 (5 being the best rating) is allocated to each phone in each category (standard, WebPhone, etc.). In 2011, SFR will deploy this labelling for all fixed phones sold in SFR retail outlets and the on-line store, as well as for mobile phones sold on the island of La Réunion. SFR was also involved in the experimentation launched in July by the Ministry of Ecology.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Percentage of telephones in the catalogue with environmental display	0%	100%	- *To continue the deployment of environment-related labelling on 100% of all mobile packs and kits (excluding Apple products) sold at Espace SFR stores and at the online store.*	**100%**	Goal exceeded, due to deployment over a broader scope, i.e., SRR (90% of telephones in stroes and on srr.re).	- **To ensure that environmental labelling is placed on all mobile packs and box sets (excluding Apple products) sold in *Espace SFR* stores and at the online store (including on the island of La Réunion), in *Espace SFR* Business Team stores and at the SFR Business Team store.** - **Incorporating Mayotte into the process, with 70% environmental display.**

CONTROLLING RAW MATERIALS CONSUMPTION AND MANAGING WASTE

CONTROLLING OUR WATER CONSUMPTION

A series of initiatives have been implemented as part of the Environmental Management System to reduce water consumption in office buildings, which are the major consumers of water within the Group. These initiatives focus chiefly on the installation of pressure reducers, double-flush systems and raising employee awareness as part of the eco-attitudes programme.
For more information: http://www.sfr.com/nos-engagements/ pour-un-monde-plus-vert/maitriser-nos-consommations

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Water consumption (in m³) (GRI: EN08)	91,433	134,030	- To stabilise water consumption at office sites compared to 2010.	**158,826**	Increase due to accidents at network sites.	
• from office sites		92,345		**91,413**	2010 target exceeded (-1%) following the implementation of the consumption-cutting policy.	**- Stabilising water consumption at office sites in 2012, as compared to 2010 figures.**
• from network sites		41,685		**67,413**	Incidents at air-cooling towers.	

OPTIMISING OUR WASTE MANAGEMENT

SFR has introduced selective waste sorting in all its office. 84 tonnes of equipment were reused in this way during 2010. 58% of Non-Hazardous Waste products are now recycled (paper, cardboard, drinks cans, etc.). Wherever possible, SFR encourages the re-use of Waste Electrical and Electronic Equipment (WEEE) in new deployment projects.

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Non-hazardous waste (NHW) (in tonnes) (GRI: EN22)	2,095	1,939		**1,958**		
• from recycled NHW	1,263	1,128		**1,058**		
Hazardous waste (HW) (in tonnes) (GRI: EN24)	381	237		**376**	Annual variation in accordance with battery renewal programme. Target difficult to set	
• from batteries	309	189		**327**		
Professional Electrical and Electronic Waste (DEEE) (in tonnes) (GRI: EN24)	419	286		**712**	149% increase due to large number of equipment dismantling projects in 2011. Target difficult to set.	
• from network infrastructures (fixed and mobile)	373	170		**640**		
• from tertiary infrastructures and office equipment	46	116		**50**		
• from Business Team infrastructures				**22**	New 2011 indicator for SFR Business Team.	**- To achieve a 35% re-use rate on old fixed telephony equipment at SFR Business Team.**
Professional Electrical and Electronic Equipment reused (in tonnes)	83	84	*- Aim for a minimum of 20% network and office equipment re-used in 2011.*	**120**	17% of equipment re-employed in 2011. The 43% increase is due to the extension of the scope, including the SFR Business Team equipment and re-use of dismantled cards.	**- To maintain the Electrical and Electronic Equipment re-use rate in the fixed and mobile telephone networks at 20%.**

TO LOWER PAPER CONSUMPTION AND GIVE PRIORITY TO THE USE OF ENVIRONMENTALLY-FRIENDLY COMMUNICATIONS MATERIALS

In addition to the efforts made to lower paper consumption, SFR gives priority to the use of environmentally-friendly materials. To illustrate, in 2011, 39% of the paper consumed came from recycled fibres, whereas 57% of the communications materials media were produced using FSC- or PEFC-certified papers (paper from sustainably-managed forests). SFR is also working toward entirely paper-free customer contract management by 2012.

	2009 Results	2010 Results	*For reminder purposes 2011 goals*	2011 Results	Comments	2012 Goals
Total paper consumption (in tonnes) (GRI: EN01)	13,450	8,792		**7,571**	Billing / Sales documentation, marketing mails, customer packs and kits / Internal use and other papers (3 %, 21 %, 76 %)	**- Stabilising paper consumption for sales documentation compared to 2011.**
• from billing	2,001	1,462		**1,605**		
• from sales documentation, marketing mails, customer packs and kits	11,131	7,081		**5,767**	A significant 18% drop, due to the increase in e-mailing and the use of notepads to present offers.	
• from internal use	190	178	*- To lower paper consumption by 5% for internal use.*	**177**	Stabilising internal paper consumption.	**- Stabilising paper consumption for internal use compared to 2011 (SFR and SRR).**
• from other papers	128	71		**22**		

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	2009 Results	2010 Results	*For reminder purposes 2011 Goals*	2011 Results	Comments	2012 Goals
Recycled-paper, PEFC or FSC use rate out of total paper consumption (GRI: EN02)	78%	95%	- *To increase recycled, PEFC or FSC paper use to 95% of SFR's total paper consumption.*	**96%**	2011 goal exceeded by 1%.	- **to maintain recycled, PEFC or FSC paper use at 96% of SFR's total paper consumption.**
• from recycled paper	22%	22%		**39%**		- **to increase the percentage of recycled paper used for internal SRR needs to 50%.**
• from FSC/PEFC paper	61%	74%		**57%**		
Percentage of referenced printers having been award-ed FSC/PEFC certification	83%	100%	- *To maintain the percentage of FSC/PEFC-labelled printers referenced at SFR.*	**100%**	Goal reached.	- **to maintain the percentage of FSC/ PEFC-labelled printers referenced at SFR at 100%.**

LOWERING RAW MATERIALS CONSUMPTION IN THE MANUFACTURING AND LOGISTICS BUSINESSES

	2009 Results	2010 Results	*For reminder purposes 2011 Goals*	2011 Results	Comments	2012 Goals
Raw materials (cardboard, plastic) consumption due to Manufacturing and Logistics (in tonnes) (GRI: EN01)	2,638	2,118	--	**2,140**	Stabilising raw materials consumption	- **Stabilising raw materials consumption as compared to 2011.**

WORKING WITH STAKEHOLDERS TO SUSTAINABLY DEVELOP THE LOCAL COMMUNITIES

CONTINUING TO INTEGRATE NEW MOBILE PHONE MASTS INTO THEIR ENVIRONMENTS

SFR is committed to sustainably developing its communities:
• By ensuring the integration of its mobile phone masts into the landscape in accordance with the joint policy developed by the industry: at the earliest stage in any mobile phone mast deployment project, SFR teams consult closely with local councillors, landowners and local authorities, as well as involving architects, planners and landscape architects in minimising the visual impact of these installations.

• By building partnerships with stakeholders: SFR maintains a proactive policy of partnership with the non-profit organisations, NG and local authorities, foundations and institutions concerned with environmental protection. These partnership arrangements, in which SFR customers are often involved, are designed to enable the company to play a positive role in favour of sustainable land development

For more information: http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert/collaborer-avec-les-parties-prenantes

	2009 Results	2010 Results	For reminder purposes 2011 Goals	2011 Results	Comments	2012 Goals
New mobile phone masts integrated into their environment in mainland France	89%	98%	- To integrate 96% of new mobile phone masts into their environment (company facilities, excluding white zones nad TDF sites).	**99%**	2011 target exceeded.	**- To aim to integrate at least 96% of new mobile phone masts into their environment (company facilities, excluding white zones and TDF sites).**
New mobile phone masts integrated into their environment on the island of La Reunion	75%	85%	- To integrate 75% of new mobile phone masts into their environment.	**100%**	2011 target exceeded.	**- To aim to integrate at least 80% of new mobile phone masts into their environment on the island of La Réunion.**

TO CONTINUE DEPLOYING OUR ENVIRONMENTAL MANAGEMENT SYSTEM

AN ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) WITH ISO-14001 CERTIFICATION

As is the case each year, the ISO 14001 certification was further extended, in particular to address the Box's eco-design process. A first! That it earned this certificate sends out a strong signal, proving the effectiveness of the Environmental Management System over the long term, with teams more and more mobilised and skilled in these areas.

For the 6th consecutive year, SFR earned certification in the following areas:
• the mobile telecommunications business; i.e. strategic site and mobile phone mast maintenance and deployment,
• the operation and maintenance of the main office sites, meaning the fixed-telecommunications activities offices, the maintenance, deployment and client hosting activities for 4 data centres (including 2 new centres in Bordeaux and Lille), 10 regeneration sites and 2 functional sites
• the fixed-telecommunications activities offices, the maintenance, deployment

and client hosting activities for 4 data centres (including 2 new centres in Bordeaux and Lille), 10 regeneration sites and 2 functional sites
• the activities of Société Réunionnaise du Radiotéléphone (SRR): fixed and mobile telecommunication activities, tertiary services and sales at the Le Port site, and the mobile phone mast maintenance and deployment operations, tertiary activities, sales and the repair centre on the Saint-Pierre site
• the Box eco-design process.

The certified Environmental Management System operated by SFR provides the unifying structure that enables the practical and efficient coordination of its key environmental goals, at the same time as boosting employee mobilisation. By incorporating and addressing environmental performance goals at the earliest stage of its business processes, SFR is able to respond quickly and effectively to changes in regulation and secure higher levels of commitment from its sub-contractors, to the great satisfaction of its customers, in particular businesses and local authorities to its business customers.

	2009 Results	2010 Results	For reminder purposes 2011 Goals	2011 Results	Comments	2012 Goals
Percentage of sites covered by an ISO 14001-certified EMS	100% of mobile network technical sites 48% of office sites	79% of mobile and fixed network technical sites 60% of tertiary sites	- To extend the certificate to 15 new sites. - To achieve the NF Bâtiments Tertiaires en Exploitation Démarche HQE® at the Lyon and Rennes sites. - To achieve the NF Bâtiments Tertiaires en Exploitation Démarche HQE <2825® and BREEAM certification through the construction of the new Head Office in Saint Denis, by 2013.	**79% of mobile and fixed network technical sites** **60% of office sites**	Target reached as regards securing ISO 14001 certification. Target not reached regarding HQE Exploitation approach Target not reached regarding production and distribution of a guide.	**- To maintain ISO 14001 certification.** **- To achieve the NF Bâtiments Tertiaires en Exploitation Démarche HQE ® at the Lyon Saint-Priest and Rennes sites.** **- To achieve the NF Bâtiments Tertiaires en Exploitation Démarche HQE <2860® and BREEAM certification through the construction of the new Head Office in Saint Denis, by 2013.**
Percentage of sites covered by an ISO 14001-certified EMS	68%	86%	- To prepare and distribute a best practices guide for prime contractors, explaining how to reduce the environmental impact of new retail outlets.	**86%**	--	**- To aim for ISO 14001 certification of 3 stores on the island of La Réunion.**

CONTINUE TO MAKE EMPLOYEES AWARE OF GOOD ENVIRONMENTAL PRACTICES AND IMPROVING THE TRAINING PROVIDED TO NEW EMPLOYEES AS PART OF THEIR INDUCTION PROGRAMME

SFR has set up a 2-day 'induction programme', in which all new employees take part. The programme includes a training module in the company's environmental policy. The internal awareness-raising campaigns on best environmental practices (energy, travel, waste, water, paper) also help maintain a high level of commitment and involvement throughout the company.

For more information: http://www.sfr.com/nos-engagements/
pour-un-monde-plus-vert/notre-politique-environnementale
In addition to internal awareness-raising, SFR has carried out a complete overhaul of its institutional information site, in order to be alongside each person and each company to offer them the best of the digital world. The site is structured around 4 major themes and, within these, the 'Our Commitments' section describes the CSR initiatives implemented by SFR for a greener, safer and more united world. Note: All of the topics covered by the environmental policy are addressed in instructional videos, in order to inform consumers and stakeholders.

For more information:
http://www.sfr.com/nos-engagements/pour-un-monde-plus-vert

	2009 Results	**2010 Results**	*For reminder purposes: 2011 Goals*	**2011 Results**	**Comments**	**2012 Goals**
Number of employees and service providers trained in Environment	291	248	*- To maintain employee awareness-raising in best environmental practices at 100%, via the eco-attitudes programme and training for 100% of new arrivals through the induction programme.*	**420**	--	**- To maintain employee awareness-raising in best environmental practices at 100%, via the eco-attitudes programme and training for 100% of new arrivals through the induction programme.**
Number of employees and service providers having received awareness raising in Environment	100%	100%		**100%**	Target reached	

OUR CHALLENGES AND COMMITMENTS
FOR A SAFER WORLD

Being responsible to customers, partners and, more broadly speaking, society:
A concern central to SFR's CSR policy, the cornerstones of which are listening, dialogue, transparency and vigilance.

LISTENING TO WHAT CUSTOMERS HAVE TO SAY

In order to better satisfy its customers, SFR carried out a complete overhaul of its mobile offer in 2011. By bringing the offer from 35 different packages down to a streamlined 8 sales offers referred to as Formules Carrées, SFR considerably simplified its catalogue and improved its offer's clarity. What's more, as the Formules Carrées are all offered with or without commitment, customers can tailor their chosen rate to their own specific needs, making for all the more price transparency.

PROTECTING THE YOUNGEST USERS

Being a responsible operator also means playing a part in protecting youth. It is for this reason that SFR continued, in 2011, to inform and raise parents' awareness about the uses of digital technologies and the preventive action needed to shield their children from content unsuited to their age. With this in mind, SFR regularly optimises the parental control systems offered to its customers, in order to adjust them to the constant progress in uses and technologies. In 2011, SFR was the first French operator to launch a new generation of mobile parental control, making it possible to filter mobile Internet, all the while offering an access portal dedicated to the youngest users. In 2012, this system will be upgraded for guaranteed effectiveness, even with a Wi-Fi connection and a new service will be offered that all equipment connected to the neufbox in the household share the same access.

PROVIDING BETTER INFORMATION ON MOBILE PHONES AND HEALTH

In May 2011, the CIRC (International Center for Research on Cancer) placed under the aegis of the World Health Organisation (WHO) classified radiofrequencies and in particular those due to mobile telephones, as "possibly carcinogenic to humans". SFR adapted its user information initiatives in accordance: the educational web site www.mobile-et-radiofrequences.com was updated, as was the brochure Mon Mobile et Ma Santé", updated in November 2011 and very broadly disseminated in *Espace SFR* stores, in all SIM card kits and at Web site sfr. fr. More generally speaking, SFR continued in 2011 and will continue to communicate about the standard precautionary measures to take to lower exposure to radio waves, providing a free headset with each SFR pack and display the SAR (specific absorption rate) on all of the phones marketed by the company.
For more information: www.mobile-et-radiofrequence.com

7 ISSUES FOR A 'SAFER WORLD':
- Listening to what customers have to say
- Protecting customers more effectively
- Guaranteeing good business ethics
- Promoting responsible purchasing
- Supporting research
- Supporting the deployment of mobile phone masts
- Improving customer information with a particular focus on mobiles and health

SFR Service Client

LISTENING TO WHAT CONSUMERS HAVE TO SAY

IMPROVING CUSTOMER SATISFACTION AND CUSTOMER RELATIONSHIP QUALITY

In order to provide the best-possible response to the quality expectations of its customers, SFR is continuing its customer experience improvement plan, the prime purpose of which is to be present alongside each customer and company, offering the best of the digital world.

To achieve this, SFR has been hard at work on optimising Group key processes: stepping up the customer focus and complaint handling systems, monitoring the customer experience and related processes, and securing and inspecting processes via standard procedure rules.

In order to place the customer at the heart of all initiatives and concerns, SFR has set up an immersion programme, by which employees can come in direct contact with customers, for instance visits to the Espace SFR outlets or Customer Service. A specially-created forum is also available to employees in order to report dysfunctioning or suggest improvements to the customer experience.

For the consumer audience

The SFR Customer Service Department launched the SFR Touch programme at the beginning of 2010. Its aim was to make the customer our core priority again and become more effective in serving him, from the very first call, and with end-to-end personalised service.

With customer expectations always the starting point, the SFR Touch Programme, which mobilises all of SFR's Customer Service department, was de-

signed and implemented to keep contact with the customers and place relationship quality at the heart of the programme. This is set out in the Calls Charter drawn up for customer service operations: **to win the trust of customers by listening to what they have to say, adapting our response to suit their situation and committing ourselves to finding the solution they need.**

A training course in 'SFR Touch Interpersonal Skills' now forms part of the initial and ongoing training received by customer service operators, and has been designed specifically for this purpose by our Quality, Training and Communication teams. More than 12,000 customer service operators have now been trained in SFR Touch, raising their awareness about the issues at stake in relationship quality and equipping them with the resources they need to understand the quality of treatment customers expect, and reaffirming SFR's values: Simplicity, Boldness, Commitment and Sense of Service. A specific support programme is also offered to on-the-ground managers so that they can keep the SFR Touch going every day, with their teams, including: quality clubs, briefings on service attitudes, etc.

Carrying forward from the SFR Touch programme, an accessibility securing plan was deployed in 2011 for our clients, on the mobile 'front line' (1st level of Mobile Customer Service). This system has made it possible to secure accessibility for over 90% of operations, 9 days out of 10 and to step our skills maintenance for customer account managers.

To back up the programme, SFR conducts a monthly customer satisfaction survey: SFR Preftracker. The survey is used to measure how customer quality is seen by customers with other customers and to learn from this. Moreover, in order to meet our ARCEP compliance obligations, we publish specific Quality of Service (QoS) indicators every year for the public fixed telephony services we provide.

	2009 Results	2010 Results	For reminder purposes 2011 Goals	2011 Results	Comments	2012 Goals
Satisfaction rating resulting from the SFR personal customer survey/10 (GRI: PR5)			- To become the Number 1 operator. - To secure satisfaction ratings above 7.		--	- **To become the Number 1 operator in the Customer Service contact point for 2 quarters.**
• **Mobile phone subscribers**	7	6.5		**6.6**		
• **ADSL (sales)**	7	6.9		**6.8**		
• **ADSL (technical)**	7	6.1		**6.1**		
First call resolution rate (in %) (GRI: PR5)			- To achieve a rate higher than 80% for each first-call resolution rate.		--	- **To reach the following first-call resolution rates:**
• **Mobile phone subscribers**	70%	72%		**78%**		**77%**
• **ADSL (sales)**	66%	65%		**72%**		**80%**
• **ADSL (technical)**	81%	78%		**85%**		**80%**
Personal Customer Service calls lost (in %) (Ref GRI: PR5)	4.40%	18.8%	- To achieve a lost call rate lower than 8%. - To initiate a chat-based customer service for fixed telephony. - To improve accessibility by increasing the number of customer service associates and stepping up their training. - To maintain the percentage of complaints non-handled within 5 days below 10%.	**21%**	The first 3 months of Year 2011 were significantly impacted by the increase of VAT on certain packages. Gradually thereafter, Personal Customer Service quality returned to levels very close to their target.	- **To reach a lost call rate under 10%.**
Percentage of personal mobile phone complaints not handled within 5 working days (in %)		6%		**18.9%**		
Percentage of complaints handled within less than 1 month	90%	90%	- To raise the percentage of complaints handled within one month to 90%	**89%**	Definition of a complaint: when a customer feels he has not been given an adequate response from the Customer Service Department, he turns to the Consumer Service Department. It is the second claims level.	- **To reach a calls-handled in less than 1 month rate of 90%.**

For businesses

SFR Business Team supplies business users with high-speed Internet access, fixed/mobile convergence and cloud services that help them respond effectively to their competitiveness challenges.

Customer satisfaction is a commitment supported by our continual improvement policy, reflected in:
• Service quality and customer relationship goals and indicators adapted and applied to every part of the company
• Corresponding programmes of initiatives designed to deliver customer satisfaction in every area of SFR Business Team service

The continual improvement policy is managed at the highest level of the company by the Board of Directors, which sets its strategic guidelines and priorities, guides its implementation and decides on the initiatives to be implemented. The approach draws upon the results of satisfaction surveys carried out regularly. The full range of quality issues is examined and discussed at monthly Board meetings. The Customer Experience Director is a member of the Board of Directors and has the responsibility and authority to ensure implementation of the Quality Management System, continually improve its efficiency and increase the importance of customer focus within the company.

All SFR Business Team processes and commitments are audited every three years. As part of supporting its commitment to quality, SFR Business Team is audited every year for ISO 9001 and Qualicert service certification Every audit

is followed by a report, which serves as the basis for action plans. These improvement plans are monitored by means of process reviews and subsequent audits. All the data collected by these audits is analysed in order to identify any improvement initiatives required.

In 2011, the SFR Business Team expanded its scope of action:
• turning the company's sustainable development policy in to concrete product design principles,
• launching a differentiation programme in order to offer the 'best of the digital world… and developing customer service',
• revising all Quality Commitments to extend them to the network and the environment,
• committing to a safety action programme including the initialisation of the ISO 27001 Certification Process on information security and the process to secure the 'Health Data Host' label

The general 2012 Quality goals for the SFR Business Team are:
• extending the services certification commitments including regular communication with customers
• simplifying and making the end-to-end customer experience smoother, taking a multi-channel perspective,
• communicating the proof of our commitment proactively to our customers in terms of environmental quality and sustainable development,
• extending the scope of action of SFR Business Team's Management Committee to include the sustainable development challenges specific to it.

	2009 Results	2010 Results	For reminder purposes 2011 goals	2011 Results	Comments	2012 Goals
Satisfaction ratings scored by the SFR Business Team's Services/10 (GRI: PR5)	7.4	7.3	- To achieve a rating higher than 7.5	7.5	The strategic survey looks at both the image and satisfaction level of SFR Business Team customers regarding the service provided to them. The level of satisfaction is measured at the key points in the customer experience, in Telecoms, Cloud, Machine-to-Machine, and in all market segments	- To achieve a rating higher than 7.5.
Service call-loss rate SFR Business Team fixed and mobile calls (in %)	4.40%	4.80%	- To keep the lost-call rate under 7%	7%	The rate increase is to be ascribed to the upskilling accomplished by two service-providers over the course of the year, in order to guarantee service continuity for our customers.	- To keep the lost-call rate under 7%
Percentage of claims not handled (in %) **Handling times: in less than 10 days with the announcement of a new time estimate**	7.9% (mobiles only, within 10 days)	25% (within 15 days for fixed telephony – within 10 days for mobile)	- To harmonise the handling time for fixed and mobile claims at 10 days - To reach a non-handled claims rate under 20%	23%	As at end-2011, SFR was close to its target and managed to bridge the gap compared to 2010. The decrease from 15 to 10 days over the course of the year explains the gap with respect to the target.	- To reach a non-handled claims rate under 20% within 10 days with a new time estimate announced.

CONTINUING OUR POLICY OF DIALOGUE WITH CONSUMER ORGANISATIONS

This policy of dialogue is based on three key essentials:
• lending an ear in order to improve our understanding of consumer expectations
• respecting the opinions expressed by consumer organisations
• explaining our services, restrictions and decisions transparently.
It is on this basis that we have been able to build trust-based relationships with consumer organisations over many years. In 2011, SFR met on several occasions with the national representatives of consumer organisations.

An annual meeting with the SFR executive management team
SFR reviewed the achievements of 2010 and set out the challenges for 2011. This included issues such as the market and innovation, network investments, quality, customer satisfaction and the social and environmental responsibility of the company. The meeting also provided the opportunity for consumer organisation representatives to express their points of view and ask questions freely.

Three roundtable working sessions were held during the year on timely issues.
These regular meetings bring together company experts and enable them to engage in ongoing and constructive dialogue with the organisations. In addition to listening to their requests and responses, these meetings also provide SFR with the opportunity to update them on how their expectations are being addressed.
Examples of such feedback from SFR to consumer organisations include:
- the new 'Formules Carrées' packs (offers with or without commitment, with or without mobile, which reward consumer loyalty, etc.),
- the quality approach taken by SFR,
- the latest technological innovations presented at the SFR Player event (multiscreen, contact-free payment, cloud computing…).

Meetings with local branches and their members

Local meetings are also arranged from time to time when requested by consumer organisations or at the initiative of SFR.

Dedicated information resources are also made available to organisations: a toll-free line for use by consumer organisations, a newsletter and special consumer pages on the sfr.com website designed to enable organisations to access useful information easily.

For more information: http://www.sfr.com/associations-de-consommateurs

Also of note in 2011 was SFR's presence at all consensus-building meetings with consumer associations at the Conseil National de la Consommation (CNC). These discussions resulted in the adoption of three opinions on the electronic communications sector, regarding how to make the mobile data pricing policy easier to understand and, in particular, on the conditions for using the terms 'unlimited' and '24/24':
- an opinion on how to make mobile Internet services easier to understand for the consumer,
- an opinion on the conditions for using the terms 'unlimited' and '24/24', when describing mobile services,
- an opinion on consolidating CNC opinions in the electronic communications sector,
- a report on the clarity of offers in the mobile Internet sector.

At the level of the profession, dialogue is also structured within Fédération Française des Télécoms. A few examples of work carried out in 2011:
- commitments in favour of consumers: discussions in order to reach an agreement on reviewing the grounds for contract termination requests and continuing efforts on information transparency in presenting offers,
- continuing the anti-spamming effort, with very encouraging results achieved in the 33700 system, a nationwide 'anti-SMS scamming' plan
- greater transparency for high value-added services, with the implementation of a price information server, as well as an overhaul of professional ethics recommendations and a specially-developed guide on best practices,
- continuing improvement in processing times following unrequested line changes (Internet access wrongly cut off) as part of the rapid service return procedure, at no cost and with compensation.

	2009 Results	2010 Results	*For reminder purposes 2011 Goals*	Results 2011	Comments	2012 Goals
Number of exchange and information sessions with Organisations (GRI: S01)	15	12	*- To continue developing our dialogue and consensus-building efforts with consumer organisations.*	**17**	SFR met with national-level representatives of accredited consumer organisations. It took part in the consensus-building efforts at Conseil National de la Consommation and the consensus-building meetings organised by Fédération Française des Télécoms.	**- Continuing our policy of dialogue and consensus-building with consumer organisations.**
Number of consumer organisations met	--	15	--	**13**	Associations met: AFOC, AFUTT, ALLDC, CLCV, CNAFAL, CNAFC, CSF, Familles de France, Familles Rurales, INDECOSA CGT, ORGECO, UFC Que Choisir, UNAF.	

IMPROVING TRANSPARENCY IN CONSUMER INFORMATION

Formules Carrées

In 2010, SFR put together a total of 35 price packages, meaning 35 different flat rates in its Illimythics line. Today, with the Formules Carrées, SFR has moved to only 8 sales offers.

The overhaul, which was the result of extensive efforts was tested with both customers and the customer service managers, as well as with sales outlet staff, so that it would be as closely-tailored as possible to what customers need today.

The Formules Carrées are concrete proof of SFR's desire to make simplicity and transparency part of the customer relationship and its sales policy. Across the product range, SFR offers its customers offers 'with or without commitment' as well as 'with or without mobile'.

Consumer 'multi-alerts'

As part of its commitment to transparency, SFR is working to improve the resources it offers consumers to help them keep better control over their phone bill.

To meet this need, SFR has developed a free multi-alert service that keeps customers up-to-date with their international Internet usage in real time. In 2011, the service was implemented automatically for all subscribing customers. To avoid excess charges incurred by using Internet access in other countries, SFR goes further than the €60 cap required under European regulation.

For more information: http://www.sfr.fr/telephonie-mobile/services-options/international/depuis-etranger/abonnes/maitrise-conso

Free consumer check-up

Since 2003, SFR has been working with its customers to help them keep their bills under control and create pricing transparency. This was an optional ser-

vice which customers initially paid to receive, but which has now become free of charge, such that all customers can view their consumption directly, at their own online account space.

In addition, upon request, they can receive real-time information, from the customer relations teams working in the stores or from the phone centres, about their consumption, in the form of e-mails, such that they can read the content more closely.

SFR is also looking at how to take this further, by offering a pricing advisory service, based on actual consumer activity reviews, in order to identify the solutions best-suited to its clients' needs.

Managing complaints

Customers wishing to file a complaint follow a 3-tier complaints process: Customer Service, followed by the Consumer Service Department, and finally the Médiateur des Communications Électroniques ombudsman service. SFR makes this procedure clear to its customers in its contracts (general subscription conditions), on its sfr.fr website and on every monthly bill.

It should be reiterated that, in accordance with current regulations, if Customer Service fails to respond to a customer complaint within one month, the subscriber may appeal directly to the Consumer Service Department.

Contract termination

In 2009, SFR gave its commitment to simplifying the lives of its customers by enhancing its mobile contract cancellation procedure by making it possible for all customers to cancel their subscriptions simply by calling Customer Service. A caller identification procedure is applied, and customers receive written confirmation of cancellation by post. All of these advances in customer service owe a great deal to consultation and discussion with consumer organisations. Moreover, in 2011, SFR instituted a fee computation tool in the event of mobile subscription resiliation, so as to enable greater transparency in this area.

	2009 Results	2010 Results	*For reminder purposes: 2011 goals*	2011 Results	Comments	2012 Goals
Number of court rulings in which SFR was found guilty of misleading advertising (in %) (GRI: PR7)	0	0	*- To maintain a high level of vigilance with respect to advertising.*	**0**	--	- To maintain a high level of vigilance with respect to advertising.

IMPROVING CUSTOMER PROTECTION

FIGHTING MOBILE SPAMMING

SFR continues to take action against spamming by SMS, through:
• a special operational task force dedicated to parsing and analysing spam reports received by the Fédération Française des Télécom 33700 system,
• a committee that decides monthly on penalties applicable to publishers of toll numbers used in SMS spam (reminder of law, official warning by certified letter, toll number cut off and, where the worst offenders are concerned, contract termination),
• a quarterly steering committee.
SFR also maintains an active presence in the Fédération Française des Télécoms 33700 working group set up to combat SMS text and voice spam.

SFR also fights e-mail spamming and phishing as an active member of the Signal-Spam association of public and private players involved in combating unsolicited e-mail.

PROTECTING YOUNG PEOPLE MORE EFFECTIVELY

Dedicated to protecting youth, SFR commits each year to further action to support parents and help them understand digital practices and protect young people as they use connected equipment.

SFR goes beyond regulatory requirements in terms of parental controls by providing parents with two levels of protection for their young children:
- the Contrôle Parental (Parental Control) system designed essentially for teenagers,
- and Contrôle Parental Renforcé (Parental Control Plus), which is more commonly used for small children.
SFR is the first operator to have turned away from full Internet black-out, but rather a filtering solution, so that the youngest users can continue to enjoy the

Internet, all the while benefiting from an optimal level of security.
In 2011, SFR became the first French operator to launch a mobile parental control system, which filters all Internet content, and offers a specific portal so that the youngest users can still surf.
For more information: http://securite.sfr.fr/controle_parental

For fixed services (ADSL broadband/cable): parental control is a piece of software to be installed on a computer (versions compatible with both Windows and Mac). The service offers a child mode (based on a 'white list' that allows access only to gateway sites specifically designed for children) and a teenage mode (based on a 'black list' that allows access to all content except that specifically barred, e.g. pornography, incitement to racial hatred, pro-drug, spurs to suicide, etc.) Upgrades are planned in 2012, in order to provide both parents and younger users with additional conveniences, for instance through the overhaul of the Junior Portal, the graphic identity of which will be changed and the content optimised.
In 2012, SFR will also launch a solution that makes it possible for parents to determine when and for how long their children can go online. With a very simple interface, the service makes it possible to manage all euqipment in the household connected either to the Neufbox through Wi-Fi or wire conection, by setting Internet access hours specific to each piece of equipment. This service comes in addition to Parental Control, which is used to limit content.
For more information: http://securite.sfr.fr/contrôle_parental_gratuit.html

To take its commitment even further, SFR provides financial and information-based support for organisations and events that encourage the protection of young people. SFR also relays events and initiatives such as the '119 allô enfance en danger' helpline for abused children and those supported by the AFA (the French Association of Internet Access and Service Providers). Half of all the profit made from the SFR mobile phone recycling scheme is donated to La Voix De l'Enfant, a longstanding SFR partner, which takes action to help abused children. In 11 years' time, the partnership has made it possible to fund the opening of 46 new medical-legal walk-in centres. SFR also partners Media Smart, an education programme about advertising and the media, for children 8 to 11, their teachers and their parents.
For more information: www.pubmalin.fr

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Informing parents about parental control systems	6,500,000 brochures circulated in order to inform about parental control.	6,900,000 brochures circulated to inform about parental control.	*- Continuing with the parent information policy.*	**- New brochure about parental control (mobile and fax) published and now available at sfr.fr** **- sfr.fr/parental control and sfr.sécurité site updated**	The previous indicator referred to the number of information brochures on parental control disseminated. It has been modified, as the circulation of electronic formats has largely taken over from the circulation of paper documents in the same format	**- To continue with the parental information policy**
New developments in parental control solutions	--	--	--	**- New generation of parental control filtering all mobile internet initiated** **- Junior portal specific to mobile needs and requirements created**	New indicator in place since 2011, to integrate parental control into new uses.	**Goals pertaining to mobile clients** **- To upgrade parental control (gradual Wi-Fi firewall).** **- To enhance the portal aimed at junior users.** **Goals pertaining to neufbox clients** **- To launch access control: a free service by which parents will be able to centrally manage Internet access from all equipment connected to the household's neufbox (Wi-Fi or wire)** **- To improve the junior parental control solution, in particular by overhauling the dedicated portal**

PROTECTING THE CONFIDENTIALITY OF CUSTOMER DATA

The way our society is developing has shifted attack potential to the world of information technology. The risk of intrusion (in the form of industrial espionage, unfair competition, spying and piracy) exists at governmental level and personal level, but the most closely-targeted prey is currently the business community. Every company must therefore lock its IT and telephone systems to protect its data.

SFR's role in ensuring mobile and electronic communications security

SFR takes action from early in the communication chain by securing its Voice and Data networks and services platforms (MMS, SMS, e-mail, etc.), by protecting the communications and content transiting its infrastructures, by ensuring traceability in accordance with its legal obligations and by blocking the SIM cards of phones reported as stolen. SFR also offers its business users a range of additional services, such as e-mail encryption, anti-spam filters and remote content deletion.

In the context of its security policy, SFR anticipates the arrival of new technologies and their associated applications, e.g. mobile payment services, e-ticketing and secure hosting of mobile phone embedded applications.

Internally, SFR offers 5 different employee education resources to raise awareness of these issues and ensure that current legislation is applied:
- employment contracts,
- company regulations,
- the company Code of Ethics and Commitments signed by the Chairman,
- the Charter on Information Security signed by the Chairman,
- a special department dedicated to warning and advising teams on data protection issues.

In 2012, it confirmed its approach in the Company Plan, which establishes the security and confidentiality of customer data, as a fundamental common to all employees.
In addition, 100% of the employees are invited to follow the e-Learning module, 'Information Security' New employees are convened to the training sessions as part of standard procedure.

Access traceability and data use

SFR has also introduced system tools to analyse and trace access to our customers' sensitive data. Wherever we detect a potential issue, we investigate. Wherever fraud is proven, we take action that may extend as far as dismissal. By end-2010, full traceability was available in the Office Systems and Mobile Customer Service environments. It was extended to Fixed Customer Services in 2011. This project will come to a close in 2012, with the coverage of the SFR Business Team scope.

The Information Security and Fraud Department coordinates an annual schedule of internal and external audits as the basis for improving its processes. These audits are conducted to:
- Check the Security and Fraud risk management processes already in place
- Evaluate the effectiveness of the security systems deployed

These audits cover not only SFR internal business lines, but also the relevant business lines and management processes of our partners. 30 Security audits were conducted in 2011, covering IS, Networks and Products.. Any action plans introduced as a result of audit findings are monitored by the business lines concerned.

SFR makes security recommendations to its customers in the 'Protection de vos données' (Protect your data) pages of its sfr.fr website.

In some cases where abnormal traffic levels are detected, SFR informs the customer concerned that they are the victim of piracy, and recommends appropriate corrective and preventive measures. For this purpose, a specialist unit provides permanent threat monitoring and implements the associated corrective plans.

In addition to its general policy guidelines on Information Security, SFR Business Team has set out an approach applying to its corporate clients and structured along three lines:
- a marketing line upstream, which makes it possible, from the design stage, to define and, thereafter, incorporate the safety criteria from the customer's perspective into our offers,
- an organisation line, around general governance, which applies the safety criteria concretely, to each of the offers when they are designed,
- an operational line, the aim of which is to ensure that the safety commitments are upheld, by enabling us to manage safety.

In order to keep our security response and external risks closely in line with one another, the SFR Business Team draws upon a Safety Management System, ongoing watch, an audit programme aimed both at software and hardware objectives, and operational task forces dedicated to safety management, at both the deployment and support levels.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Employees educated about CNIL Guidelines	--	2,000	- To initiate pilot training sessions dedicatd to technical IT teams: planned to reach 200 employees.	Awareness raising and safet training for technical teams: - **200 Network employees received awareness raising.** - **50 Network employees received training.** - **An awareness-raising and training system was set up for IT employees.**	2011 target reached. The gap between the 2010 and 2011 results is due to the fact that, in 2010, the e-learning module was aimed at a very broad population while the aim now is to tighten it to specific target populations.	- **To provide awareness-raising to 200 IS employees and train 50 IS employees.** - **To establish and deploy a "Sensitive Data" Directive: minimal safety and confidentiality rules applicable to our customers' data.** - **To set up a general physical system for attracting attention to and raising awareness about confidentiality protection.** - **To set up an Intranet site dedicated to information security, with access from the Home Page itself**

GUARANTEEING ETHICS IN BUSINESS

The image of SFR in the minds of the public in general, and amongst our customers, partners and employees in particular, depends largely on the way we behave, what we do and the attitude of everyone across SFR. By behaving in ways that reflect and deliver the commitments made by the SFR Group, everyone in the business makes an individual contribution to shaping the social responsibility of our business. Integrity is what inspires us to respect our values and conduct our business responsibly, transparently and ethically in ways that perpetuate our growth.

The SFR Group has adopted a set of principles that govern its behaviour and actions; principles founded cumulatively in complying with legislation, regulations and the commitments specific to SFR. These principles are summarised and formalised in our Code of Ethics and Commitments.
This Code attests to our stated commitment to ensure uncompromising compliance with legislation and regulation, and more specifically, with:

• anti-competitive practices,
• corruption and fraud,
• the rules inherent to intellectual property,
• the use of sub-contractors,
backed up by a commitment to hold to our own SFR principles, which exceed our legal obligations.
For more information: http://www.sfr.com/sites/default/files/code_ethique_engagements_sfr_20091.pdf

A series of practical initiatives are in place to ensure that this Code is applied. They include a consulting and counselling service and training for all new employees joining the Group. In order to step up those measures already in place, recurrent training sessions are held to maintain employee awareness of the issues in competition, business ethics and improper sub-contract working. For instance, improper sub-contract working is addressed through a training session entitled, "What is good behaviour in supplier relations?" in which 60 directly-affected employees were able to take part in 2011.
Such training sessions also offer a response to those employees who may potentially find themselves in ethically-ambiguous situations. SFR ensures that all key managers within the Group receive training specific to the application

of this Code and requires every manager to take personal responsibility for ensuring that his or her team is fully aware of these issues. In addition, they are expected to set an example at all times, promote the principles and commitments contained in the Code, and ensure that these principles are applied and respected by their teams. A section of the Group intranet is also devoted to these issues, and team seminars are held to discuss and consider them.

PREVENTING ANTI-COMPETITIVE PRACTICES

Anti-competitive practices are the focus of special attention within the SFR Group. In operational terms, our commitment can be summarised as follows:
- To ensure mutual respect of the principles of loyalty in all our relationships with industrial and business partners
- To respect the following and ensure that our employees do the same:
  • the rules relating to competition by ensuring the adoption of behaviour and actions that involve no anti-competitive practice whatsoever;
  • the rules relating to subcontract working, and particularly those that prohibit:
    - improper subcontract working,
    - the use of illegal labour;
  • the rules inherent to intellectual property as a result of ensuring compliance with industrial, intellectual and artistic property rights by prohibiting the unauthorised distribution of works, documents, software and any other materials protected by artistic, intellectual or industrial property rights.

PREVENTING INSIDER TRADING AND PASSIVE AND ACTIVE CORRUPTION

As part of its prevention policy, SFR is committed to preventing insider dealing and the inappropriate use of confidential or privileged information by making all its employees aware of these issues and by training the SFR Group managers in the formal prohibition of using privileged or confidential information of which they become aware in order to conduct or enable, whether directly or through intermediaries, any transaction forbidden by law in a regulated market or to act in such a way for their personal gain, that of a third party or, more generally, for speculative purposes. This prohibition applies particularly to any share purchase or sale transaction relating to the exercise of share options allocated to employees, which are subject to precise conditions set by SFR. Details of these conditions are available from the legal department.

SFR is also committed to respecting the following and ensuring that its employees do the same:
- all legislation prohibiting active and passive corruption,
- all legislation relating to the funding of political activities,
  • forbidding the acceptance of any reward or benefit regardless of nature, or the acceptance of any gift (other than those of purely symbolic value) from any third party involved in a business relationship with SFR. The same principle applies to rewards, benefits or gifts made by an employee to any third party involved in a business relationship with the SFR Group,
  • ensuring that our partners give their commitment to complying with such legislation in respect of their relationship with the SFR Group.

PROMOTING RESPONSIBLE PURCHASING

In 2011, SFR stepped up its responsible purchasing policy.

Following the first assessments carried out in 2010, the efforts made in 2011 focused in particular on instituting remedial action plans for suppliers scoring above-average ratings. In order to carry the dynamic further, some fifty suppliers were subject to assessment in 2011. All of the assessments carried out in 2010 and 2011 were incorporated into our supplier monitoring tool, in order to give us an all-encompassing view. Now, CSR is an integral part of the other pillars: finance, sales, technology, quality and delivery.

In order to improve upon the first assessment results, two CSR audits were carried out on-site by an external service provider.

In order to ensure better communication, a "sustainable development guide" has been drawn up and published online, on the Purchasing Intranet. The document reiterates all of the best practices in CSR and reviews in particular the following topics: CSR criteria in the calls for tender, standard sustainable development clauses, methods using for assessing our suppliers, reviews of labels and reference manuals, how to work with companies in the appropriate sector, etc. The guide improves our communication in the everyday.

In addition, the Purchasing Department regularly tracks the Group's level of dependency on its suppliers. Where the dependency rate is too high, discussions are initiated with the supplier, in order to find solutions, so as to return to an acceptable situation.

Lastly, SFR is continuing its efforts on its solidarity-building approach and has significantly developed its activities geared at the adapted/protected sector (orders up by 64% compared to 2010).

All of our purchasers are trained in responsible purchasing. This training is part of the training catalogue offered to all SFR employees.

SUPPORTING AND ASSESSING SUPPLIERS ON THEIR CSR PERFORMANCE

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Number of suppliers assessed on CSR	47	47	*- To identify action plans and implement appropriate quality monitoring The suppliers assessed must score at least 5 out of 10.*	50	This year, special attention was paid to drawing up progress plans on suppliers scoring under 5, in 2010.	--
Percentage in value terms (% of our purchasing turnover) provided by suppliers assessed	>39%	80%	*- Remain at 80%.*	85%	2010/2011 combined total: 85% of our Purchasing turnover.	**- Maintain at 80%.**
Supplier assessment response rate	93%	99%	*- Maintain a return rate exceeding 90%.*	99%	Since 2010, out of 150 assessments carried out, we received 149 responses.	**- Maintain a return rate exceeding 90%.**

SUPPORTING THE PROTECTED EMPOYEMNT SECTOR AND EMPLOYMENT INTEGRATION

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Total turnover earned with the protected sector	€1,275,441	€1,745,238	*- Increase by 50%.*	**€2,796,228**	Goal reached	**- Reach €3,000,000.**

SUPPORTING RESEARCH

SFR contributes to financing research in the field of radiofrequencies and health, through the new mechanism instituted by the public authorities in 2011. The Agence Nationale de Sécurité Sanitaire (ANSES), the French Food, Environment, Health and Occupational Safety Agency, which has taken over the responsibilities of the Health and Radiofrequencies Foundation, is responsible for evaluating risks and developing scientific and technical research programmes in this field.

SUPPORTING RESEARCH ON THE TOPIC 'RADIOFREQUENCES AND HEALTH'

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Support for research on the possible effects of radiofrequencies on health	Support to Fondation Santé & Radiofréquences: €730,000 over a 5-year period (2004 to 2009).	2010 marked the end of the five-year period of funding for the Fondation Santé et Radiofréquences, and the introduction of new funding mechanisms to be implemented by the relevant public authorities. The Anses has now taken over all the missions of the Foundation. Funding of a thesis on dosimetry.	- *To support research and the dissemination of knowledge through new mechanisms yet to be introduced by the relevant public authorities.*	**Contribution to financing research in line iwth the new mechanism established by the government in late 2011.** **Participation in ANSES' dialogue body**	Anses receives a subsidy amounting to €2 M/yr from the mobile telephony operators in order to fund research on radiofrequencies. In 2011, Anses already launched a call for tenders and selected several research topics.	**- To continue with support for research and knowledge dissemination** **- To continue financing a thesis in dosimetry.**

SUPPORTING THE DEPLOYMENT OF MOBILE PHONE MASTS

On issues related to the erection of mobile phone masts, SFR adopts an approach based on detailed information and consultation with stakeholders, under the 'Guide des relations entre communes et opérateurs' (Guide to relationships between local communities and operators) developed and signed by the French Mayors Association (AMF) and the French Mobile Operators Association (AFOM). The regional technical teams of SFR remain involved at all times, conducting extensive electromagnetic field measurement campaigns and holding many public information meetings.
For more information: http://www.sfr.com/mobile-et-radiofrequence/antennes-relais/installation-dune-antenne-relais

CONTINUING THE PROCESS OF MEASURING ELECTROMAGNETIC FIELDS

The Agence Nationale des Fréquences (French National Radio Frequency Assignment Agency) website at www.cartoradio.fr lists the results of more than 10,000 measurements made to date all over France, as well as the location of every radio frequency transmitter, including radio, television, mobile telephony and private networks.
For more information: www.cartoradio.fr

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of electromagnetic field measurements made by SFR	948	586	- *While awaiting the introduction of new mechanisms by the relevant public authorities in 2011, SFR continues to directly handle the requests for measurements addressed to it.*	507	Version 3 of the ANFR in-situ measurement protocol on the level of exposure in the general public to the electromagnetic fields emitted by fixed emitting stations was published in an order dated 26 August 2011. The new mechanism for financing measures was instituted by the State in 2011. Its actual implementation, which will also be steered by the State, is expected for 2012.	- **To refer the requests for measurements to the new process implemented by the State and monitoring to ensure it is duly addressed.**

CONTINUING INFORMATION EFFORTS REGARDING THE DEPLOYMNET OF MOBILE PHONE MASTS

Over the next several years, SFR will go even further, supporting the deployment of its new mobile phone masts through an information programme dedicated to the local resident communities.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of information sessions about health	287	316	*- While awaiting the introduction of new information and consultation mechanisms by the relevant public authorities in 2011, SFR continues to comply with the commitments set out in the 'Guide des Relations entre Opérateurs et Communes' signed with the AMF.*	**372**	The Grenelle des Ondes Project on information and consensus-building is continuing. Pending its conclusions, SFR continues to address the requests expressed by local residents, municipalities, fund providers, Committees for Health, Safety and Working Conditions, etc. by organising information sessions that take place in increasingly restricted formats.	**- While awaiting the introduction of new information and consultation mechanisms by the relevant public authorities in 2011, SFR continues to comply with the commitments set out in the 'Guide des Relations entre Opérateurs et Communes' signed with the AMF.**
Number of health-related mails processed by SFR	418	382		**128**	SFR responds by post to the requests it receives by electronic or postal mail, specifically dealing with the topic 'mobile and health', whether mobile phone masts or mobile terminals. The number of letters addressed to SFR on the topic is noticeably on the decline.	

IMPROVING CUSTOMER INFORMATION WITH A PARTICULAR FOCUS ON MOBILE PHONES AND HEALTH

Consistent with the principles of vigilance and transparency, SFR is continuing its information initiatives toward its customers and is doing so all the more that the Centre International de Recherche sur le Cancer (CIRC), working under the aegis of the World Health Organisation (WHO), issued an opinion in May 2011, classifying electromagnetic radiofrequency fields as "possibly carcinogenic to man", in particular those resulting from the use of mobile telephones.

Consequently, it has updated the site and the profession's leaflet " Mon mobile et ma santé" (Version 5 in November 2011), disseminated in SIM card kits, in Espace SFR sales outlets and on the Internet.   More generally speaking, SFR passes on precautionary advice on how to reduce exposure to radio frequencies through the use of earpiece kits (supplied free of charge in all SFR packs) and displays maximum exposure level values for all the mobile phones it markets, on the shelves of its distribution networks, on its Web sites, and in its advertisements.

For more information: www.mobile-et-radiofrequences.com

RAISING THE PROFILE OF HEALTH INFORMATION FOR OUR CUSTOMERS

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of FFT/AFOM "Mon mobile et ma santé" leaflets circulated (in millions)	12.5 M	8.4 M	- To continue to distribute the "Mon mobile et ma santé" leaflet in all SIM card kits as standard content To continue providing earpiece kits in all SFR packs.	6.8 M	100% of SIM card kits include the leaflet. In 2011, a health message was incorporated into the August customer bill, as had been done in 2010.	- To continue to distribute the "Mon mobile et ma santé" leaflet in all SIM card kits as standard content.
Number of earpiece kits distributed by SFR in SFR packs and phone-only (in millions)	6.4 M	6.6 M		6.3 M	100% of SFR packs include an earpiece kit. SFR also works to promote the use of the earpiece as a means of lowering exposure thanks to a pictogramme specially dedicated to the recommendation, taken up in most of the sales brochures.	- To continue providing earpiece kits in all SFR packs.

IMPROVING THE AWARENESS INFORMATION WE PROVIDE TO OUR SALES FORCES AND EMPLOYEES

In addition to the normal range of employee training initiatives, SFR introduced a Radio Frequencies and Health Quiz in 2010 to help SFR retail network sales staff to answer customer questions and meet customer expectations more effectively.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of employees receiving health policy training	291	214	- To continue the process of training our sales forces and other employees, with the emphasis on this dedicated Quiz.	181	--	- To continue the process of training our sales forces and other employees, with the emphasis on this dedicated Quiz.
Number of sales staff completing the Radio Frequencies and Health Quiz	--	3,865		1,436	--	

OUR CHALLENGES AND COMMITMENTS
FOR A MORE UNITED WORLD

As digital technologies are in the process of changing all of our lives, SFR has made it a goal to turn this into an opportunity for its employees, for the integration of young people, and more broadly speaking, to improve equal opportunity in society.

DIVERSITY AND WELL-BEING IN THE WORKPLACE

SFR has made equal opportunity and non-discrimination two centrepieces of its Human Resources policy. Its commitment was commended by the Diversity Label in end-2010 and continued in 2011 through all of its HR undertakings.

Regarding equal treatment between men and women, SFR instituted, as part of the 2011 Annual Mandatory Negotiations (NAO), a budget that will be renewed in 2012. On the same topic, after a first "Job Equality" agreement signed in 2006, SFR is involved in negotiations with the trade unions in order to secure a new agreement stepping up the measures already in place.

Other drivers for equal opportunity: training and mobility. In 2011, 4.1% of the payroll was dedicated to training and the total mobility rate reached 14%, 10% of which went to inter-job mobility.

Another highlight of this past year in HR was the creation, in coordination with the industrial partners, of a "telecommuting" pilot project, which made it possible for 150 volunteer employees to test out different telecommuting processes from June to December 2011. The experimentation and assessment by the different stakeholders serve as a starting point for the negotiations currently underway in order to reach an agreement on the topic.

FOSTERING THE INTEGRATION OF YOUNG PEOPLE

Since 2009, SFR has been actively committed to work-study internships. That initiative continues today and, in 2011, made it possible to hire 557 students on work-study contracts in the company, or a total of 5.5% of the total workforce. Similarly, SFR has also committed to diversifying its recruitment sources, by stepping up the recruitment of young work-study trainees from the University and working-class neighbourhoods.

SFR also works upstream from its own organisation, setting up "educational programmes" in order to foster equal opportunity in university education. One example is the Passeport Avenir programme, initiated in 2005 and formerly known as Passeport Telecom. Each year, it supports hundreds of young people from underprivileged neighbourhoods into elite institutions or prestigious university curricula, in particular through mentoring for young people by company employees. In 2011 SFR launched the programme 'Ma caméra chez les pros', which helps lower secondary school students to set out a career course, by introducing them to companies and jobs hiring in their region.

TAKING ACTION FOR A MORE UNITED SOCIETY

In June 2011, Fondation SFR celebrated its 5th anniversary and was renewed for an additional 5 years. Each year, Fondation SFR supports many association projects sponsored by employees. 147 associations received support through the programme in 2011.

The solidarity-building telephone programme developed in partnership with Emmaüs Défi in 2009, designed to help people living in precarious situations, gained magnitude in 2011. The programme set up in Paris includes a mobile telephony offer at a solidarity-building price, along with educational and social support. 1,300 beneficiaries received support in 2011. In 2012, the aim will be to reach 2,000 beneficiaries and to extend the programme to new municipalities.

Regarding the accessibility of offers and services for disabled customers, SFR has actively contributed to applying the Charter of Commitments for Mobile Telephony Accessibility signed in 2005, under the aegis of the FFT (Fédération Française des Télécoms) to all electronic communications.

8 CHALLENGES FOR A "MORE UNITED" WORLD:

• **Encouraging the personal and professional development of our employees**

• **Ensuring the health and safety of our people**

• **Fostering sustainable employment and promoting the integration of young people**

• **Promoting social dialogue and collective negotiation**

• **Promoting diversity and equal opportunity**

• **Bridging the digital divide**

• **Developing good citizenship**

• **Contributing to economic growth and jobs in the areas of where we operate**

FOSTERING THE PERSONAL AND PROFESSIONAL DEVELOPMENT OF OUR EMPLOYEES

In order to contribute fully to achieving the strategic goals of the company, the Human Resources Division has implemented a proactive human resources policy built around three key priorities:
- Attracting, integrating and retaining talented people,
- Guaranteeing the employability of our people and supporting their development,
- Encouraging good citizenship and enhancing the social responsibility of the company.

FOSTERING THE DEVELOPMENT OF OUR PEOPLE

Career and skills management

In a fast-moving industry like ours, it is the responsibility of the company to foresee the consequences of change for its business sectors and to help its people to develop their skills accordingly. It is against this background that a Career and Skills Management Agreement can give every person in the company the opportunity to envisage their own future, adapt their skills, move into growth areas of the business and thereby guarantee their own employability.

This far-reaching, comprehensive and demanding agreement relies on a commitment from all managers to forecast their skills requirements 18 months ahead so that all the necessary career development resources can be put in place. It makes it possible to implement all of the company's career development programmes.

Encouraging mobility

SFR has set up a career management programme focused on skills, thereby facilitating inter-job mobility. The goal of the HRD function is to create conditions that encourage the skills development required to provide maximum support for personal development and the success of the company. Every employee can view vacancies online and apply online. Those wishing to plan their careers and consider their career development opportunities are able to view job definitions online, together with videos of certain job functions within the company. Employees can also visit the 'Espaces Métiers' career pages to view information on mobility opportunities within SFR and trends in the jobs market. In 2011, the total mobility rate reached 14%, 10% of which came from inter-jobs mobility. The goal for 2012 is to maintain this rate at the same level, with greater visibility in employee development pathways and mobility.

Training

Taking into consideration SFR's priority focus areas, 2011 was a very intense year when it came to developing employee skills and, consequently, training activities.

Cross-functional opportunities were defined, cutting across the business sectors of the Group, including business control, management, communication. The learning formats give priority to active trainee participation (practice-sharing workshops, co-development and inter-session work).

The 'job specific' opportunities aimed to develop expertise by providing professional training for employees and enhancing the contributions they make towards achieving the strategic and business challenges of the company. Some training courses – and especially those that take the form of 'universités métiers' provide tailored support over the long term.

In 2011, the Xpérience Client Programme, already running for several years, was stepped up and deployed for all managers. The programme is aimed at developing closeness with employees on the ground, so that they make the re-alities of the sales and customer relations activites their own and so that they capitalise on field visits to better derive concrete action proposals. By year end, nearly 1,500 managers had taken part in the programme.

In 2011, the Training Department had developed new inspection and remedial action processes to remedy any discrepancies in access to training between non-managers and managers, men and women, senior citizens and other popu-lations. Skills requirements were adjusted over the course of the year, between the operational HR teams and the managers on the teams, between whom ac-cess levels were uneven. The gaps were closed.

In addition to the training programmes deployed under the Plan, training also more broadly responds to the needs of employees through DIF (droit individuel à la formation) or individual training entitlement modules DIF. An e-learning programme often rounds out the classroom training system with theory and core knowledge components upstream, or make it possible to validate certain lessons learned downstream.

SFR launches its university, an experience accelerator.

SFR has placed, within the University, all of its existing programmes to help its employees develop their skills in accordance with their requirements and in line with the challenges faced by the company.

Université SFR serves 4 objectives:
- to develop skills, promote professions and improve efficiency,
- to support the Company's development,
- to create ties, interaction and dialogue,
- to improve performance and customer preference.

All of this is done through the comprehensive set of training initiatives set up, through which skills are developed and employability improved, as well as through conferences that draw on external testimonials that reflect SFR's busi-ness issues. Université SFR is also a community of internal instructors, Xpéri-ence Client Programmes, induction courses, exchange and inter-Department relations programmes, support plans, an internal social network, and 'A Day in My Shoes' inter-Department events.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Performance review and profes-sional development interviews carried out in percentage (EAD) (GRI: LA11)	88%	89%	- *To extend the skills-based strategy through-out the Group by:* • *applying it to job-spe-cific training courses,* • *creating 140 new mod-ules in 2010, for 2011 training initiatives.* *Goals reached.*	**89%**	- These are interviews completed during the EAD 2011 campaign (December 2010 and January 2011) and focus-ing on Year 2010, as conducted by employees.	- **To successfully ramp up Université SFR, available to all employees:** • **skills and career development,** • **familiarity with the company plan and identification of each through own contribution,** • **knowledge transfer (role played by mentors and internal trainers),** • **'themed communities' set up and run in order to optimise skills sharing in-house.**
Number of mobility moves	1,072	644		**844**	--	
Number of internal promotions	218	388		**462**	--	
Number of employees trained	7,509	7,298		**8,079**	- 781 more employees trained than in 2010	
Number of employees on training leave (training initiatives)	30,604	32,775		**37,320**	- Up by approximately 10% compared to 2010.	

…chart continued from previous page

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Number of training hours	232,698 h	249,996 h	--	**288 784 h**	- The volume of hours offered was up sharply (+10% approximately) due to many professionalisation periods deployed, training programmes such as technical diagnostic reviews on Customer Service or the 'Xperience Client' Programmes for managers.	- **To successfully ramp up Université SFR, available to all employees:** • **skills and career development,** • **familiarity with the company plan and identification of each through own contribution,** • **knowledge transfer (role played by mentors and internal trainers),** • **'themed communities' set up and run in order to optimise skills sharing in-house.**
Training access rate	80%	78%		**84.6%**	- Rate up by 6.6 points due primarily to: • on-the-ground communication by the HR Teams, • training during the collection phase in September-October 2010, • strong support from HR for the managers during this same period. - This support generated unprecedented mobilisation on the part of the managers to develop their employees skills through training. The same support, regularly provided thereafter by the managers, helped make it possible to lower employees' absentee rate.	
Average number of training hours per employee (GRI: LA10)	31 h	34 h		**36 h**	-	
Percentage of payroll dedicated to training	4.33%	4.38%		**4.1%**	- 0.28% due to the increase in payroll.	
Average duration of training action (in hours)	7.1 h	8 h		**8 h**	- Average duration stable compared to 2010.	

WORKING TOWARDS A BETTER WORK/LIFE BALANCE

In May 2011, discussions with the social partners led to the creation of a pilot programme on telecommuting, across a sample of 150 volunteer workers who, for 6 months, tested a variety of telecommuting possibilities. The experiment and the conclusions drawn from it, with respect to both testing employees and their managers, feed into the negotiations underway with the trade unions in order to reach an agreement on telecommuting.

In July 2011, SFR signed an agreement on the institution of Time Savings Accounts (CET), which offer employees the opportunity to invest 7 days maximum each year (5 days' paid leave and 2 moveable RTT days) in a CET account and to transfer 5 days from the CET to their Group Pension Savings Plan

(PERCO) maintained at SFR and matched by the company. The days saved into the CET can be used to compensate for unpaid leave days as provided for in the agreement (full-time parental educational leave, sabbatical leave or leave to set up or take over a business, etc.), in anticipation of retirement, or to build up pension savings on the SFR PERCO.

After the supplementary health plan set up in 2010, a single prudential health insurance plan was opened up for all UES SFR employees on 1 January 2011. In order to continually contribute to fostering better work/life balance, 100% of the requests to shift to part time have been accepted since 2010.

A 'parental leave' (in reference to the legally-instituted 11-day paternity leave) aimed at granting equal rights to all employees living with a person of the same gender, was incorporated into the negotiations in progress leading up to the adoption of the new gender equality in the workplace agreement.

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Number of employees who took paternity leave or reported the birth of a child	352 employees	269 employees, or 78%	--	**343 employees or 84.90%**	--	**--**
Number of employees taking parental educational leave /number of employees entitled to this type of leave (in %)	543 employees, or 25.03%	753 employees, or 41%		**775 employees or 38.21%**		

FOSTERING EMPLOYEES' WELL-BEING IN THE WORKPLACE

With an Agreement on Living Conditions in the Workplace since 2003, addressing such key topics as stress prevention and moral harassment, SFR has long been a fore-runner in this area. In the view of SFR, which has firmly set out on the sustainable development and good citizenship track, living conditions in the workplace go hand in hand with protecting the physical and mental heatlh of employees and fighting all forms of violence in the workplace.

The alert players and systems in place at SFR

When an employee feels he or she has been victim of harassment or discrimination or is facing difficulties, the following responses are offered:
- all of the company's 'natural internal players', in particular the managers and HR, who were trained in 2010 and 2011 to be vigilant and attentive in detecting situations entailing psycho-social risk and to actively listen to what employees have to see, as well as to take action on any difficult situation in the workplace,
- the alert and management procedure used in the event of alleged harassment, completed within 2 months,
- the alert procedure in the event of alleged discrimination,
- an additional resource, thanks to which SFR employees can speak freely and anonymously, in the event of psychological strain. It is an external specialised telephone counselling service, available 24/7, Mondays to Fridays.

The procedures for filing reports and the confidential reporting processing procedure can be found on the Intranet. They include every guarantee of impunity for the filing party and the witnesses called upon in analysing the situation reported.

Psycho-Social Risks are incorporated into the Single Risk Assessment Document drawn up by SFR's UES (Economic and Social Unit).
Subsequent to this, a range of diagnostic reviews were carried out:
Since 2006, SFR regularly calls upon all employees, regardless of their status, about how they feel their work is recognised and about their own sense of work, through a working environment survey, 'La Voix des Collaborateurs',

which addresses the topics of commitment, psychological climate, on-the-job satisfaction, perceived management mode, strategy and organisation. Three consultation processes were carried out, in 2006, 2007 and end-2009, with return rates exceeding 72%, were used to analyse trends in workplace perceptions over time.

A national-level audit on working conditions was also carried out, addressed to all employees, with:
- a quantitative stage in 2010, with a questionnaire sent out. The response and participation rate (63%) attracted by the survey reflects both the interest and expectations which the vast majority of the staff hold, and provides an excellent indicator of staff involvement and attention to the workplace as a shared community,
- a qualitative stage in 2011 will be dedicated to issues identified through the questionnaire responses, thanks to individual interviews,
- reporting sessions in the Steering Committee, with employee representatives from the Committees on Health, Safety and Working Conditions (CHSCT), the trade unions and executive management, and the shared acceptance of situations which, in some cases, are experienced as problems and the avenues for taking action to remedy them.

Diagnosis of the issues shows a situation that is satisfactory overall, with:
- recognised strengths, such as pride in belonging to the organisation, the company's soundness, love for the profession, the determination to give to others, the desire to commit and the benefits offered,
- warning signals were also found more markedly in certain areas, and call for specific attention.

Draft cross-cutting action plans and avenues for operational action by the Management team were presented to the Steering Committee (composed of representatives from the CHSCTs, trade unions and members of the Executive Management team).
Their application at the local level and specific action in response to the issues have been communicated to the teams by each Department and are monitored by the relevant CHSCTs.

ENSURING THE HEALTH AND SAFETY OF OUR EMPLOYEES

A pilot telecommuting programme was initiated at the national level on 15 June 2011. The pilot programme was intended to encourage innovation in flexible work organisation methods, anticipate trends in work organisation, and foster the work-life balance. In total, 150 employees took part in the experiment at large-scale sites, engaging in varied jobs and activities across Ile-de-France and the Regions.

A pilot 'relaxation' room was set up by the Real Estate Safety and General Facilities Department (DISAG) at the Rive Défense site in May 2011, at the request of the Rive Défense CHSCT. The 32 m² relaxation room was outfitted with special lighting (subdued atmosphere), aromatherapy, a fountain and soft music. The relaxation room, equipped with around 10 armchairs and hammocks, is open to employees every day, from 12 pm to 2:30 pm, the recommended usage time per person being 20 minutes, so that everyone can take advantage of it. The

CHSCT's involvement upstream from the project helped buttress its legitimacy. For the Paris Cambrai site, SFR wanted to design the buildings to meet employee requirements and foster communication between the teams. The result was a specially-selected interior decoration concept and a set of support areas: meeting rooms, training rooms, etc.
The renovations included improvement work on the interior facilities and working environment in general (electricity, air conditioning, etc.).
In order to improve accessibility to SFR sites and to all employees and visitors with visual, hearing or cognitive impairments, renovations were made in 2011, costing a total of €440,000.
As regards the fixed and mobile technical sites, a study is underway regarding the buildings' ageing process and sub-contractor audits are being carried out on safety and health in the workplace.

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Number of employees trained in safety (GRI: IO3)	2,317	2,835	- *To ensure that 100% of new recruits receive the 'Safety and Good Practices' e-learning module.*	**5,147**	--	**- To train 100% of new recruits receive the 'Safety and Good Practices' e-learning module, over a three-year period (by end-2012).**
Occupational accident frequency rate (GRI: LA7)	2%	4%	- *To keep the frequency rate below 2%.*	**3.34%**	--	**- To keep the frequency rate below 4%.**
Occupational accident severity rate (GRI: LA7)	0%	0%	- *To keep the occupational accident severity rate below 0.1%.*	**0.04%**	--	**- To keep the occupational accident severity rate below 0.1%.**
Absentee rate (GRI: LA7)	5%	5.31%	- *To reach an absentee rate of 5%.*	**5%**	--	**- To keep the absentee rate near 5%.**
Safety audits at technical sites	101 7% of SFR sites	1,542 7% of SFR sites	- *7% of SFR sites.*	**1,574 6.4% of SFR sites**	- It should be noted that the gap between 2009 and 2010 results is attributable to the fact that, in 2010, the fixed network sites (formerly Neuf) were included as part of the SFR sites, in addition to the mobile network sites.	**- 4% of all technical sites (small sites: mobile phone masts, etc.) and 100% of large technical sites (strategic sites, such as Net Centre, BSC).**

FOSTERING SUSTAINABLE EMPLOYMENT

As SFR operates on a mature market, where competition intensified in early 2012, the number of new hires was down. In 2011, 550 new hires were made, in line with the company's natural turnover rate.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Percentage of total workforce employed under open-ended contracts at 31/12 (GRI: LA1)	93%	91%	- To reach 550 recruitments on open-ended work contracts	**92%**	Goal reached	- **To step up action in favour of internal mobility and maintain our high-profile presence at graduate school and university careers events.**
Percentage of total workforce employed under fixed-term contracts at 31/12, (GRI: LA1)	7%	9%	- To maintain our high-profile presence in graduate school and university careers events	**8%**		
External turnover rate (GRI: LA2) = external turnover rate of open-ended contract employees/ permanent workforce of open-ended contract employees	11%	6%		**5%**		

PROMOTING THE INTEGRATION OF YOUNG PEOPLE

In its Apprenticeship Charter, SFR committed to taking the percentage of its total workforce composed of interns to 5% in 2011. It will sustain this commitment into 2012.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of work-study contracts (internships + professionnalisation contracts) at 31/12 (GRI: LA1)	494	606	--	**557**	--	- **500 work-study contracts.**
Work-study contracts as a percentage of total workforce at 31/12 (GRI: LA1)	5.20%	6%		**5.55%**		- **To reach a 5% intern employment rate across all business lines.**

PROMOTING SOCIAL DIALOGUE AND COLLECTIVE NEGOTIATIONS

The willingness to maintain trust-based, positive social dialogue should charac-terise the attitude of everyone in the company. Such dialogue should:
- Contribute to the quality of working life experienced by every employee,
- Enable the difficulties and differences of opinion inherent in any working en-vironment to be resolved through discussion and negotiation. It is dialogue rather than conflict that is the preferred method for arriving at appropriate solutions to whatever issues may arise.

Social dialogue conducted in this way should run through every aspect of com-pany life, from management style to relationships with employee representa-tives.
For more information about our industrial partners, refer to page 8 of this Report.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of agreements signed with the trade unions over the course of the year	20	11	- To implement a new employee repre-sentative election process.	**12**	All of the goals were achieved in 2011, except the implementation of new employee representation elections and forecasting of negotiations in the top-ics of diversity, health and well-being in the workplace, which are in progress.	**- To finalise the new employee representation elections**
- agreements on pay	7	4	- To continue the work already started on harmonising by-laws.	**5**		
- agreements on health, safety and working conditions	0	2	- To implement a time-savings account.	**3**		**- To initiate the agreements on diversity (disabilities, gender equality, telecom-muting).**
- agreements on redundancy plans	0	0	- To initiate experimentation on telecom-muting in order to form the foundation for a possible future agreement	**0**		
- agreements on social dialogue	8	1		**1**		
- other agreements	5	4	- To plan negotiations on diversity, health and well-being in the workplace.	**3**		
Number of Works Council meetings (CE)	110	50		**48**	--	
Number of CHSCT meetings	116	223		**175**	--	
Number of meetings with employee representatives (DP)	214	231		**229**		

PROMOTING DIVERSITY AND EQUALITY OF OPPORTUNITY

Equality of opportunity and diversity structure our HR policy and our good citizenship initiatives.

Our efforts to promote equality of opportunity and non-discrimination were recognised with the award of the AFNOR Diversity Label in November 2010: SFR is the first telecommunications operator to receive this label, which is awarded only after a detailed audit conducted by AFNOR, the French Standards

Agency. It applies to every aspect of HR management, from recruitment to mobility, training and pay…
The process initiated in 2010 continued in 2011, with:
- the continuation of the diversity training plan for all local-level managers,
- the institution of diversity breakfasts to raise awareness in the HR teams about non-discrimination (examples: religion in the workplace, sexual orientation in the workplace),
- the development of a new video to raise employee awareness about the challenges inherent in the Diversity Label, shown on the Intranet,
- the organisation of an work-study internship recruitment forum, with Mozaïk RH.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of managers trained in non-discrimination and diversity	--	735	- To train all 1,800 managers by end-2012 - To launch a training plan aimed at all employees	**735 (658 employees trained in mainland France and 77 on the island of La Reunion)**	Progress in line with deployment plan (1,470 managers trained between early-2010 and end-2011). The goal is expected to be reached by the end of 2012.	**- To finalise the diversity training plan aimed at all managers.**

FOR DISABILITIES

In 2011, SFR increased its disabled worker employment work to 3.34% (as compared with 1.89% at 31 December 2008).
This progress is attributable to:
- a recruitment policy focused on skills SFR hired 38 people living with disabilities over a 3-year period,
- the development of Purchasing from companies from the protected and adapted sector. In 2011, SFR posted turnover amounting to nearly €2,800,000 with 32 companies from the protected and adapted sector,
- the implementation of special measures for disabled employees and those around them (additional leave days, 'Chèque Emploi Service Universel' (CESU) universal service vouchers, telecommuting) and the institution of a communications system, workplace adaptation, teleworking arrangements, etc.) and

the institution of a communications plan (Intranet, hotline, newsletters, posters) also helped promote SFR's disabilities policy in place for 10 years now

2012 Action Plan:
- To support employees with mental disorders so that they can continue to work.
- To develop Temporary Company Consortia (Groupements Momentanés d'Entreprises, GME) such as the partnership with ARES and Norbert Dentressangle to create the 1st adapted logistics company with the clear aim of enabling the integration of disabled persons in a traditional company environment.
- To support companies in the protected sector, to help them respond to our calls for tender.

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Disabled worker employment rate	2.25%	2.34%	*- To increase this percentage to 4% under the terms of the 3rd disability agreement.*	**3.34%**	Sharp increase in employment rate over 3-year period, though goal not reached.	**- To increase the disabled persons employment rate to 4% by 2014.**
Percentage of disabled workers in SFR UES (excluding protected sector)	1.48%	1.69%	--	**1.85%**	--	--
Number of disabled workers hired	14	12	*- To continue to recruit at least 10 disabled people per year*	**12**	Thanks to targeted campaigns, job offers now present on 9 dedicated job boards	**- To hire 10 disabled persons per year.**

FOR SENIOR EMPLOYEES

As part of anticipating changes in career patterns, SFR has introduced an assessment stage for over-50s who have been in the same job for more than 4 years with no change of responsibility. Any employee aged over 45 or with at least 20 years of employment may request this assessment.

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Number of employees aged 55 and over present in the company as at 31 December	2.64% (245 employees)	2.92% (275 employees)	*- To achieve a 3.5% rate in 2012*	**3.21% (322 employees)**	--	**- To reach a rate of 3.5%.**

FOR GENDER EQUALITY

In the belief that diversity in all forms is a performance driver, SFR feels that men and women must share a balance presence in all functions and at all levels of the company. It is for this reason that SFR has long committed to guaranteeing equal treatment between men and women, at all stages of career development.

Its far-reaching policy, developed through close dialogue with the industrial partners, was given concrete form with the signing of an agreement on Gender Equality in the Workplace in 2006, through which the company commits to instituting action to improve the place of women with respect to equality in the workplace and ensuring fair treatment, including:
- support for those returning to the workplace, following maternity leave, adoption leave,
- the opportunity for parents to break down their leave entitlement in the event of child illness or childbrith, up to the child's 6th birthday (8th if the child is disabled),
- a bonus paid upon the birth or adoption of a 3rd enfant,
- neutral impact guaranteed with respect to salary (raise, bonus, variable pay, etc.) following maternity or adoption leave,

- upskilling provided in the event of extended leave exceeding one year,
- training grant increased by 10% if the required training gives rise to additional childcare costs.

Negotiations are underway in order to set out a new agreement for years 2012, 2013 and 2014.

The agreement will make it possible to progress on the following key points:
- improving gender balance at the recruitment stage and, more specifically, in certain business lines-jobs, and upholding fair treatment and equality between women and men as pertains to access to employment and in career paths,
- ensuring that there is uniformity and fair treatment in the gender split in all jobs and classifications in the company, reflecting the educational and training system,
- ensuring that there is equal opportunity in career paths,
- guaranteeing equal pay between men and women in equivalent jobs, at the same level of skill, responsibility and results,
- guaranteeing the lack of negative impact on job and pay development in the event of career interruption for parental leave, maternity leave and adoption,
- guaranteeing a better work/life balance, taking into account parenthood.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Percentage of women in total workforce (GRI: LA13)	41%	41%	- *To open renegotiations on the agreement*	**41%**	--	--
Percentage of women in total management workforce (GRI: LA13)	31.5%	32%		**31%**		
Male/female split in promotions (in %) (GRI: LA13)	41.59% women 58.41% men	39.49% women 60.51% men		**44.20% women 55.80% men**		
Percentage of women at hiring stage (GRI: LA13)	50%	50%		**49%**		

**98%
3G/3G +
COVERAGE**

BRIDGING THE DIGITAL DIVIDE

INVOLVING OURSELVES IN URBAN LIFE
ALONGSIDE PUBLIC-SECTOR PLAYERS

SFR continues to prove its commitment to local dialogue with an increased number of meetings with public-sector players, from regional councils to local councils, housing associations and social housing providers. SFR is keen to listen to the needs expressed by local councillors (negotiation over the installation of mobile phone masts, the introduction of local fixed and mobile telephony infrastructures, equality of access to networks, deployment of new technologies, etc.) as part of its contribution to sustainable development in the civil society.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of information meetings held with public-sector (regional, departmental and local authorities)	287	316	--	372	Information sessions are held in response to requests from local resident communities, municipalities, fund providers, health CHSCTs, etc.	--

BRIDGING THE DIGITAL DIVIDE
IN POORLY-SERVED AREAS

A high-performance mobile network

As at end-2011, SFR's GSM/GPRS network (on which mobile telephony relies) covered nearly 99% of the French population and the UMTS network (Universal Mobile Telecommunications System, the technology used for 3rd generation mobile telephony, referred to as 3G/3G+) 98%. On the 3G network, SFR reached its coverage goals set for the 2000-2011 period. The company increased its capacity to support new mobile Internet uses: Data traffic doubled in one year. In addition to increasing band-width, the operator wishes to offer the best mobile Internet experience to the broadest possible audience. This will require

an effort to increase the density of the 3G+ network. Alongside this, SFR is increasing the available capacity, improving transmission links and developing the most comprehensive network possible, combining 3G+, Femtocell and SFR Wi-Fi access. In addition, SFR launched the SFR Femto Box in 2011. The Femto Box is given out free of charge, in order to improve mobile coverage in the home. SFR is the only operator in France offering this.

The leading alternative fixed network in France

As at end-2011, SFR boasted the largest alternative fixed network in France. It consists of nearly 57,000 kilometres of broad-band fibre optics, overflowing into the bordering countries, such as Italy and Switzerland. The network connects nearly 4,800 Subscriber Connection Units (SUC). This network makes it possible to offer high-speed data services (ADSL 2+, fibre optics, etc.) at

57,000 KM OF FIBRE OPTICS CABLE, 600,000 HOUSEHOLDS ELGIBLE

costs optimised in that SFR's alternative coverage of the French population is the broadest of all operators. In 2011, developments in the field of Fibre in the Home (FTTx) continued, making it possible to connect nearly 600,000 potential households with fibre. In November 2011, SFR signed a strategic agreement with Orange-France Télécom to deploy fibre in the less densely-populated zones. In total, by 2020, nearly 60% of French households will be covered by Fibre.

SFR is preparing for the arrival of 4G, very high-speed mobile
Even as consumers are massively converting to 3G, the new-generation mobile phones are being prepared in the background. As at end-2011, SFR was granted a 4G license by ARCEP. In Marseille, the operator has already completed a connection test and made an initial demonstration of its services around 4G. The test showed the significant improvements which the new technology – LTE (Long Term Evolution) – will enable in terms of speed and low response time, for the very high-speed mobile services of the future. It will make it possible for subscribers to enjoy, nestled in their palms, the speed necessary to surf, watch television or communicate via video, as smoothly as from their PCs.

SFR Collectivités is a special entity dedicated to working with Local Authorities to support the SFR Group networks and services deployment strategy.
Working through SFR Collectivités, SFR supports the development of SFR corporate relations at the regional level. SFR develops trust-based relationships built on dialogue and transparency with all the key regional and local players and decision-makers (councillors, mayors, members of parliament, governmen-

tal representatives, ICT representatives, etc.). SFR must explain its strategy, defend its positions, gain understanding and acceptance of its new network deployments and establish collaborative arrangements in order to maximise efficiency or introduce new services. All of this requires a good level of knowledge and understanding about local environments, players and forces, and, of course, the ability to establish local contact with all those involved.
To illustrate, in 2011, SFR Collectivités contributed to programmes designed to bridge the digital divide across many territories. New deployments were made through the public service contracts sub-contracted by SFR (Seine-Saint-Denis, Ariège, Moselle, Alsace, Oise, etc.) but also on new territories, such as Haute-Marne, making it possible to improve both speed and coverage.
SFR reinforces new digital developments with learning support to help users adopt these new services. New services such as those in e-education (transport vouchers, school meals payments, etc.), e-health (keeping the elderly in touch with their families) and mobile payments (like SMS text payments for parking and the NFC programme in Nice) have already been deployed.
SFR is also investing in all regions of France in facilities that reflect the dynamic expansion of the digital economy. Through partnerships with 'Cantines' (a network of digital hub and co-working spaces affiliated to the 'Cantine de Silicon Sentier' in Paris), business start-up centres and local start-up businesses, SFR helps project promoters to put their ideas into action.
SFR never restricts innovation and flagship products and services to the biggest urban centres (Paris, Lyon, Marseille, etc.), but is committed to making them accessible to everyone.
For more information: http://www.sfr.com/collectivite

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Percentage of population covered by GSM/GPRS (GRI: PA4)	99%	99%	*- To exceed 99% in 2011*	**99%**	--	**--**
Percentage of population covered by 3G/3G+ (GRI: PA4)	81%	92%	*- To achieve 99.3% as at end-2013 (license commitment).*	**98%**	--	**- 99.3% as at end-2013.**
Percentage of population covered by Edge/3G/3G+ (GRI: PA4)	97%	97%	*- To achieve 99.3% as at end-2013 (license commitment) in particular by extending Edge coverage in urban areas.*	**98%**	--	**- 99.3% as at end-2013.**
Number of municipalities covered by the Zones Blanches dead spots programme (GRI) PA1)	959	993	--	**1,026**	--	**- To cover 1,076 municipalities through the Zones Blanches dead zones programme.**
Deployment of fibre optics (number of households eligible for connection)	--	--	--	**3,300,000**	--	**- To raise the number of eligible households to 3,650,000.**
Number of Wifi base stations deployed covering ADSL dead zones (GRI: PA1)	434	514	*- To deploy FFTH in zones of medium population density (programme covering over 300 cities) by 2015*	**514**	National FTTH deployment programme initiated under Call for Statements of Intent to Invest (Appel à Manifestation d'Intention d'Investissement, AMII) by the CGI.	**- To initiate deployment across 23 cities, from as early as 2012.**
Number of NRA unbundling lines (FT DSL) with fewer than 1 000 lines, including sub-frames (GRI: PA1)	220,000	250,000	--	**270,000**	NRA unbundling lines make it possible to improve both coverage and speed.	**--**
Number of kilometers of fibre deployed in partnership with the local authorities (public sites, mixed development zones, etc.) (GRI: PA4)	9,100 km	9,300 km	*- To experiment with a business, architecture and contract engineering model to launch projects in very low-density zones*	**10,015 km**	More finely-meshed coverage of the territory makes it possible to offer innovative services to new zones at attractive prices.	**- To enhance current fixed telephony coverage in terms of speed and service through partnerships**

TAKING ACTION TO SUPPORT PERSONAL AUTONOMY

Facilitating access to mobile telephony for disabled people

SFR has been responding to the special needs of disabled people since 1997, with support from a large number of respected partners and non-profit organisations. As technology evolves, so the operator offers an increasing number of free services and solutions adapted to the needs of disabled users. This responsibility breaks down into 4 commitments, which were formalised in 2005 in the form of the Commitment Charter published by the AFOM (French Mobile Operators Association), which has since become the FFT (French Telecoms Federation):

In 2011, SFR took action to incorporate the charter's principles into its Fixed telephony operations. 4 commitments support this Charter, a public annual review of which will be carried out via the FFT:

- To offer mobile phones and services suited to use by the disabled,
- To inform the general public about products and services designed for use by the disabled,
- To provide customer service tailored to the needs of the disabled,
- To implement a long-term progress plan.

For more information:

http://www.sfr.fr/handicap/#sfrintid=V_footer_engage_handicap

Meeting the needs of senior citizens

There are now 15 million senior citizens living in France. They form a very mixed population, with specific and varied needs and expectations, which are dependent on a wide range of criteria: their degree of autonomy and dependency, possible deficiencies (hearing, visual, motor, mental), the relations they maintain with those clsoe to them, their experience of technologies, etc. For this reason, it is important that they be offered a wide range of offers, capable of meeting their various expectations – offers that are useful in the everyday, at home and while out and about, easy to use, free of stigma and modulable, so as to accompany them throughout their lifespan.

This is why SFR offers a range of mobile telephones designed specially for senior users, compatible with hearing aids, offering large-character display and oversized keys so as to enable maximum readability, amplified ringtones and speakers and, of course, an SOS key so that they can come in direct contact with emergency services (112) should they need to do so. To guarantee even more security and autonomy, in the home or while on the road, SFR offers a 24/24 Health Insurance option, wtih 26/7 unlimited access to a teleassistance platform for assistance services in the event of accident or disease during travel in France or abroad, an open ear and understanding in the everyday, by specially-trained psychological advisors, and 24/24 access to physicians by telephone. Since January 2011, SFR has also been offering its customers the SFR Family Connect solution – a service that makes it possible for senior citizens to communicate by video, receive e-mails, and consult their photo albums directly via their television. This service automatically adpats to the deficiencies users may have, with: oversized characters, amplified speakers, automatic pick-up, etc.

Over the last 5 years, SFR has carried out a wide variety of experiments with different partners in the sector, looking at health (for instance, remote medical monitoring of diabetes or asthma patients, mobile health coaching services, medical self-diagnosis services) and gerontechnologies (mobile remote assistance service for seniors, reminder calls prior to appointments or regarding medicine intake, touch terminals tailored for seniors).

Our most recent experiment is Tel&Age, developed in partnership with EuropAssistance, Prylos, Vidal, and the Centre National de Référence "Santé à Domicile et Autonomie", and tested by over 100 people. The project, which was commended by the Proxima Mobile call for projects in the 'Services for Seniors' category, is designed to improve the everyday lives of elderly or fragile persons, by offering them a range of applications for communications, entertainment, assistance and health, on mobile touch terminals such as smartphones and digital pads.

New forms of social exclusion present new challenges: The Solidarity Telephony Emmaüs Défi – SFR Programme

In terms of telephony as elsewhere, those on extremely low incomes lose out in two directions at the same time: not only do they have to manage on extremely limited resources, but as a result of poor credit histories and lack of knowledge, they tend to pay more to access the same service as others. But in today's world, a mobile phone is a basic necessity for everything, from finding work and accommodation to sorting out problems with officialdom or simply staying in contact with friends and family.

Guided and managed by Paris social workers and the project's partner organisations (SOS Familles and Cresus Île-de-France), the Solidarity Telephony scheme targets some of the most vulnerable in society. Access to the scheme is offered on a renewable six- or nine-month basis.

The scheme consists of three components:

A Solidarity Telephony phone package Beneficiaries of the scheme are offered no-commitment prepaid cards charged at a special rate that is between four and five times lower than that of typical market rates, which immediately reduces their mobile phone budget. As the scheme's operator partner, SFR meets the cost of funding these prepaid cards, which are then sold at a solidarity rate by Emmaüs Défi.

Educational support Scheme beneficiaries are supplied with straightforward information on how to use the phone most effectively and reduce household telephone bills over the long term. This information is also available from Emmaüs Défi charity shops.

From early 2011, an ombudsman unit has also been in operation, making it possible to solve any dispute situations between the programme beneficiaries and their operator.

Social support The field teams of partner non-profit organisations identify people who could benefit from this programme and introduce them to it. These 'referrers' are the points of contact with Emmaüs Défi and support scheme beneficiaries throughout the programme.

In 2011, the Solidarity Telephony programme was offered in 2 Paris charity stores.

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Number of products and services tailored to the disabled (GRI: PA2)	11	12	*- To offer accessibility services in La Réunion (SFR Réunion).*	**13**	The 13 products and services in place are as follows: - Installation of Mobile Speak software, - Installation of Mobile Magnifier software, - Installation of Color Recognizer software, - Braille and audio bills and documentation, - A regularly-updated selection of recommended mobile phones, - The 'Jaccede Mobile' application, - Video support option for deaf and hearing-impaired customers, - Daily information in French sign language, - Customer relations service for hearing-impaired customers, - Introduction of an information system in SFR retail outlets, - Introduction of Disability icons to identify mobile phones in SFR retail outlets, - Introduction of Disability icons to identify mobile phones in the online shop, - Installation of accessibility software on the island of La Réunion (SFR Réunion).	**- To initiate iPhone training in stores for blind or visually-impaired customers.**
Number of services designed to foster autonomy in non-disabled but vulnerable persons (GRI: PA2)	14	6	*- To boost the number of subscriptions to existing programmes.*	**6**	The 6 services designed to foster autonomy for persons in vulnerable situations are as follows: - The 3 services designed for senior citizens (EuropAssistance option, SFR Family Connect, Tel&Age), - The 2 services designed for people on the lowest incomes (RSA support beneficiary, Emmaüs Défi Solidairty Telephony scheme), - The range of terminals dedicated to seniors.	**- To stimulate use around these services.**
Number of people benefiting from Solidarity Telephony programme	--	250	--	**1,300**	New indicator	**- To reach 2000 beneficiaries.**

CONTRIBUTING TO THE DEVELOPMENT OF E-EDUCATION

SFR wishes to make an active contribution to the development of digital technologies in schools.

Working via SFR Business Team, SFR Collectivités and its Innovation, Services and Content Division, SFR decided in 2010 to introduce a progressive policy of establishing the company as a serious contributor in this sector by applying the 'Test and Learn' concept to introduce new applications and new markets Launched in one secondary school in September 2009, the ultra-mobile class experiment was extended to 5 further secondary schools at the beginning of the 2010 academic year in partnership with the Rhône Department. Based on simple hardware (mini PCs, tablets and a storage unit), it focuses on the adoption and development of new applications.

For more information:

Alongside this, a 'Smartphone et Balladodiffusion' was initiated in partnership with the Rouen School Board, in one secondary school, in order to explore development opportunities for the use of SmartPhones as part of teaching foreign languages.

DEVELOPING GOOD CORPORATE CITIZENSHIP

SUPPORTING THE FONDATION SFR IN ITS WORK TO PROMOTE EQUAL OPPORTUNITY

Created in 2006, the Fondation SFR extends and expands the sponsorship initiatives undertaken by the company to promote equality of opportunity. Able to take action closer to grassroots level, the Fondation SFR supports around 100 non-profit projects every year in France; projects sponsored by company employees. This support may be financial or human via volunteer involvement or skills sponsorship. Endowed with a €1,150,000 budget, the Foundation was extended for another 5 years in 2011.

For more information: www.fondationsfr.com

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of non-profit associations supported (whether financing or skills)	98	128	- To launch an external call for projects to reward those using digital solutions to promote equal opportunity - To keep the total number of non-profit organisations supported at over 100	**147**	--	- **To repeat the call for projects, 'Le numérique solidaire en faveur des personnes âgées' [Solidarity-Building Digital to Support the Elderly']** - **To keep the number of associations supported above 100.**

FOSTERING GOOD CITIZENSHIP
AMONGST EMPLOYEES AND CUSTOMERS

To facilitate commitment to good citizen action on the part of its employees, SFR has developed five programmes for getting involved:
- the **good citizen support fund** enables the Fondation SFR to fund employee-sponsored non-profit projects
- the **Socially-Supportive Employee programme** (sponsoring with skills) gives employees the chance to work on behalf of a non-profit organisation for 6 to 15 days per year during working hours (SFR is the only private firm to have negotiated a company-wide agreement on skills sponsorship, from as early 2006),

- the **solidarity leave** scheme makes it possible for employees to take part in an international development aid mission (education, training, etc.)
- the **tutoring** scheme enables employees to help and support an underprivileged or disabled young person to enter further education or to put together and elaborate upon a career plan
- the **collective commitment** enables one-off contributions to voluntary initiatives (e.g. Sidaction, Emmaüs Défi, Handisport, etc.)

SFR also involves its customers in its responsible approach, by offering them the opportunity, each month, to donate their loyalty bonus to an association. In 2011, 38,726 customers committed, choosing the Solidarity Bonus. Building from its success with the customer base, the Solidarity Pact continues in 2012, tailored to the possible developments in the SFR loyalty scheme
For more information: www.fondationsfr.com

	2009 Results	2010 Results	*For reminder purposes: 2011 Goals*	2011 Results	Comments	2012 Goals
Total number of employees inovlved in social commitment programmes	661	654	*- To keep at least 700 employees involved in our various programmes.*	**752**	--	**- To keep 700 employees involved in our various programmes**
Estimated amount of time devoted by employees to social commitment programmes (in hours)	6,036 h	9,567 h	*- To keep the amount of time devoted by our employees to our various programmes at more than 6,000 hours.*	**8,533 h**	--	**- To keep the amount of time devoted by our employees to our various programmes at more than 7,000 hours.**

752 SFR EMPLOYEES ARE CURRENTLY INVOLVED IN A SOCIAL COMMITMENT PROGRAMME

DEVELOPING EDUCATIONAL PROGRAMMES FOR UNDERPRIVILEGED YOUNG PEOPLE

Fondation SFR is committed to developing learning programmes for underprivileged young people.

In 2011, SFR initiated the new programme 'Ma caméra chez les pros' (Zooming in on the Pros) to help young people in their last year of lower secondary school to consider their future career. Using accessible digital tools (video, Web), the students became budding reporters, producing video reports about a company in their region, over a period of one year. In the longer term, the programme facilitates professional integration and success for secondary school students from modest backgrounds.

For more information: http://www.macamerachezlespros.fr

However, SFR does not work only with secondary school students in the midst of their studies, but has also been committed for 6 years to supporting students into their higher education years.

In 2005, SFR founded Passeport Avenir, a programme that can be used to support young people from modest backgrounds into higher engineering and management schools, and to prestigious university degree programmes. Thanks to the mobilisation of its 15 major partner schools, 4,060 young people were able to receive support in 2011, in particular through tutoring (individual and group).

For more information: http://www.passeport-avenir.com

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of schools partnered through learning programmes	124	148	- To keep the number of schools supported above 120.	**137**	The educational programmes supported were: - Déployons nos Elles, - Ma Caméra chez les Pros, - Télémaque, - Talent's Cup, - Passeport Avenir, - Mobi[3].	- **To keep the number of schools supported above 120.** - **To deploy the "Ma caméra chez les pros" project.**

TAKING ACTION AGAINST EXCLUSION AND POVERTY

SFR's commitment in favour of equal opportunity does not stop with educational action aimed at young people from modest backgrounds. The company has also instituted initiatives to help people living in precarious situations, adults wishing to re-enter society and disabled workers.

Since 2010, SFR has held job opportunity events, involving applications wishing to re-enter society, recruitment officers from the SFR ecosystem (including its service providers, in particular) and re-entry companies. The day is designed as an opportunity to build more bridges between re-entry companies and so-called traditional companies. This makes it possible for the applications present, selected by the re-entry organisations, to learn about different job opportunities and gain access to recruitment interviews, in a "speed-recruiting" format, for jobs available immediately.

In addition, SFR has been involved since 2010 in a global partnership with Emmaüs Défi, which includes support for opening new charity shops and the creation and expansion of a Solidarity Telephony programme to fight poverty in Paris.

For more information: New forms of exclusion entail new challenges: Emmaüs Défi – SFR Solidarity Telephony programme, in p.68 of this report.

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Annual turnover earned with re-entry company service providers(in €, excluding tax)	€133,126	€463,009	*- To maintain the same number of re-entry company service providers.*	**€222,644**	Turnover earned with 8 re-entry company service providers, namely: - Ateliers du Bocage, - Transpro, - La petite Reine, - ARES, - Login's, - Alterna, - TE: Traiteur Ethique, - Emmaüs Défi.	--
Number of people in re-entry in attendance at the job opportunities events	--	50 people in attendance 58 interviews		**61 people present** **87 interviews**	--	**- To mobilise other companies and their ecosystems so that the job opportunities days offer more hiring opportunities**

TO CONTRIBUTE TO THE DEVELOPMENT OF THE ECONOMY AND JOBS IN THE COMMUNITIES WHERE SFR OPERATES

SFR has chosen to call upon start-ups to innovate around its current and future jobs (examples: e-health, e-education).

The approach has concretely given rise to 2 schemes:
- an investment vehicle (corporate venture) known as SFR Développement,
- an operational support programme, drawing upon SFR's business divisions, through SFR Jeunes Talents.

The above programme operates through active intelligence and presence in the start-up ecosystem (competitiveness clusters, special events, innovation fairs, etc.).

For more information: http://www.sfr.com/start-up

	2009 Results	2010 Results	For reminder purposes: 2011 Goals	2011 Results	Comments	2012 Goals
Number of innovative start-ups funded by SFR Développement	16	18	- *To continue structuring an innovative ecosystem in-step with SFR operations, through:* • *financial support to sustain technological ventures in the long-term,* • *operational and sales support to speed up the development of the companies in its portfolio and the realisation of business synergies.*	17	The Fund is in its 5th year of existence: 3 outgoing and 2 incoming The outgoing entities are stakes owned that have now reached maturity.	**- To continue the intelligence and investment efforts to serve new markets, growth drivers and technological ventures in the long term.**

GLOSSARY

ADEME: Agence de l'Environnement et de la Maitrise de l'Energie (French Environment and Energy Management Agency)

ADSL: Asymmetric Digital Subscriber Line

AFMD: Association Française des Managers de la Diversité (French Association of Diversity Managers)

AFOC Association Force Ouvrière Consommateurs (Force Ouvrière Trade Union Consumers Task Force)

AFOM: Association Française des Opérateurs Mobiles (French Mobile Operators Association)

AFUTT: Association Française des Utilisateurs de Télécommunications (French Association of Tel-ecommunications Users)

ALLDC: Association Léo Lagrange Défense des Consommateurs (Leo Lagrange Consumer Advocacy Association)

AMF: Association des Maires de France (Association of Mayors of France)

AMSI: Adie Micro Franchise Solidaire (ADIE Solidarity-Building Micro-Franchise)

Anses: Agence nationale de Sécurité Sanitaire de l'alimentation, de l'environnement et du travail (National Agency for Safey in Food Health, the Environment and the Workplace)

ARCEP: Autorité de Régulation des Communica-tions Électroniques et des Postes (Electronic and Postal Communications Regulation Authority)

ARPEJEH: Accompagner la Réalisation des Projets d'Etudes de Jeunes Elèves et Etudiants Handicapés (Supporting the Educational Aspirations of Disabled Students)

BREEAM: Building Research Establishment Environmental Assessment Method, the world's most widely-used building certification standard.

C3D: Collège des Directeurs du Développement Durable (College of Sustainable Development Directors)

CA: Chiffre d'Affaires (Revenue)

CE: Comité d'Entreprise (Works Council)

CESU: Chèque Emploi Service Universel (Universal Service Vouchers)

CET: Compte Epargne Temps (Time Savings Account)

CHSCT: Comité d'Hygiène, de Sécurité et des Conditions de Travail (Health, Safety and Working Conditions Committee)

CIRC: Centre International de Recherche sur le Can-cer (International Research Centre on Cancer)

CLCV: Consumer Activity, Housing and Living Conditions

CNAFAL: Conseil National des Associations Familiales Laïques (National Board of Non-Denominational Family Associations)

CNAFC: Confédération Nationale des Associations Familiales Catholiques (National Federation of Catholic Family Associations)

CNC: Conseil National de la Consommation (French National Consumer Council)

CNIL: Commission Nationale de l'Informatique et des Libertés (French data protection agency)

CSF: Confédération Syndicale des Familles (National Federation for Families)

CSR: Corporate Social Responsibility

DAS: Débit d'Absorption Spécifique (Specific Absorption Rate)

DEEE: Déchets Equipements Electriques et Electroniques (Electrical and Electronic Equipment Waste)

DIF: Droit Individuel à la Formation (Individual Training Entitlement)

DISAG: Direction de l'Immobilier, la Sécurité et les Affaires Générales (Department of Real Estate, Safety and General Affairs)

DW: Disabled workers

EAD: Entretien Annuel d'Evaluation (Annual Performance Review)

FFT: Fédération Française des Télécoms (French Telecommunications Federation)

Fibre Optics: Very thin glass or plastic wire which acts as a conductor of light and serves in data transmission

FTTH: 'Fiber To The Home' refers to fibre optic connections into the home.

FTTx: 'Fiber To The …' consists of bringing fibre optics as close as possible to the user, in order to improve the quality of service (in particular speed) available.

FSC / PEFC: Forest StewardShip Council / Programme for the Endorsement of Forest Certification

GME: Groupement Momentané d'Entreprises (Temporary Enterprise Consortium)

GPRS: General Packet Radio Service or GPRS is a GSM-derived mobile telephony standard enabling higher data transfer rates. It is often referred to as 2.5G

GPS: GPS or Global Positioning System is a geolocation system operating at the global level.

GRI: Global Reporting Initiative

GSM: GSM is the first mobile telephony standard.

HR: Human Resources

HQE: High Environmental Quality

ICTs: Information and Communications Technologies

INDECOSA CGT: L'Association pour l'INformation et la DEfense des COnsommateurs Salariés (Association for Information and Advocacy representing Salaried Consumers)

IRP: Instances Représentatives du Personnel (employee representation organisations)

IS: Information System

LTE: Long Term Evolution

MEDDTL: Ministère de l'Ecologie, du Développement Durable, des Transports et du Logement (French Ministry for Ecology, Sustainable Development, Transport and Housing)

MMS: Multimedia Messaging Service is a system enabling the transmission and reception of multimedia messages via mobile telephony.

NRA: Nœud de Raccordement d'Abonnés (Subscriber Connection Node or telephone exchange)

NRE: Law 2001-420 relating to New Economic Regulations is a French law promulgated by the Jospin government on 15 May 2001, and applying to listed companies. Under the terms of this legislation, company annual reports must address the environmental consequences of their business activity, including atmospheric greenhouse gas emissions [ref. required]. Article 116 addresses the way in which companies account for the social and environmental con-sequences of their business activities'

ONG: Organisation Non Gouvernementale (Non-Governmental Organisation)

ORGECO: Organisation Générale des Consom-mateurs (General Consumer Organisation)

ORSE: Observatoire sur la Responsabilité Sociétale des Entreprises (Study Centre for Corporate Social Responsibility)

PDE: Plan de Déplacements Entreprise (Com-pany Travel Plan)

PERCO: Plan d'Épargne pour la Retraite Col-lectif (Group Pension Savings Scheme)

QoS: Quality of Service

SC /SSC: Customer Service

SIM: The SIM (Subscriber Identity Module) card is a micro-chip containing a micro-controller and memory. It is used in mobile phones to store information specific to a subscriber on a mobile network, in particular on GSM- or UMTS-type networks.

SME: Système de Management Environnemental (Environmental Management System)

SMS: SMS (Short Message Service) makes it possible to send messages of several thousand characters over the mobile telecommunications network.

SPAM: Spam is an unsolicited electronic communication, most often sent via e-mail

SRR: Société Réunionnaise du Radiotéléphone

TDF: Télédiffusion de France

UDA: Union des Annonceurs (Union of Advertisers)

UES: Unité Economique et Social (Economic and Social Unit)

UNAF: Union Nationale des Associations Familiales (National Union of Family Associations)

URA: Unité de Raccordement d'Abonnés (Subscriber Connection Unit)

VTI: Vivendi Télécom International

Wi-Fi: Wi-Fi networks make it possible to connect multiple computer devices (computer, router, Internet decoder, etc.) within an IT network such that data can be sent between them.

OPINION ON THE RELEVANCE OF SFR'S SUSTAINABLE DEVELOPMENT REPORTING SYSTEM FOR YEAR 2011

NATURE AND EXTENT OF MISSION

We have reviewed SFR's Sustainable Development Reporting in-depth, examining its relevance in light of best practice, in particular the GRI (Global Reporting Initiative) guidelines, supplemented by the indicators in our analysis benchmarking system for the Telecommunications sector. Our opinions are based on the three following factors:

- Comprehensiveness in informing about the sustainable development goals to which the Company is bound*
- Effectiveness: the extent to which the information provided accurately reflects management performance at SFR and the degree to which its corporate social responsibility risks are kept under control
- Intelligibility: comparability, periodicity, clarity of indicators, readability of collection and consolidation system and integration of the aforementioned into the decision-making process.

We have conducted a review of the 2011 Sustainable Development Report and the SFR Web site supplementing the report with other information about its corporate social responsibility policy.

Our opinion does not deal with the materiality of the information published and the scope of our mission does not include any factual checks of documents or on-site, to confirm the data reported.

RELEVANCE OF REPORTING SYSTEM

COMPREHENSIVENESS

The report is comprehensive: it covers all 21 commitments made by SFR and the corporate social responsibility goals to which the Company is bound*.

- The commitments are listed with an explanation of SFR's sensitivity to the issues which they encompass
- They are implemented through 42 operational action principles, which specify the content and end-purposes
- The action principles are, for the most part, listed with performance goals and a time-table

It is our opinion that the target-setting would stand to gain from being extended to all commitments:

- 74% of the indicators are supplemented with a target, but these indicators do not always come with measurable goals (support for research, deployment of mobile phone masts, etc.)

EFFECTIVENESS

The reporting is effective: for each action principle, it provides:

- Quality indicators on the measures implemented and quantitative indicators
- These indicators do reflect managerial performance at SFR (indicators on goal attainment, processes and outcomes)
- The online report contains links giving access to internal or external documents (for example, issued by stakeholders), which give added depth to the information provided

INTELLIGIBILITY

The report provides information about 117 performance indicators and conveys them in such a way that they can be understood and interpreted:

- Comparability: the SFR indicators system is drawn up in reference to international (GRI), national (NRE Act) and, in some cases, sector-specific (French Telecommunications Federation) standards
- Periodicity: a history is available for years 2009 to 2011, on a comparable basis, except where otherwise indicated. The reports from previous years are available at the site.
- Reporting scope: the report covers all SFR activities
- Clarity: the number of indicators has decreased compared to 2010 (117 as compared to 163), but these have gained in relevance (the unintelligible indicators have been removed and the indicators previously lacking have been added). Significant drops in performance compared to the previous year are generally presented with specific comments explaining their causes.

It is our opinion that the indicators would stand to gain from being standardised wherever possible:

- In particular, the Environment, Responsible Purchasing and Corporate Social Responsibility chapters
- Some indicators would stand to gain from being merged (Training) or explained in greater depth (Customer Relations)

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www.vigeo.com

CONCLUSION

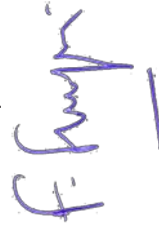We deem the relevance of SFR's Sustainable Development Report to be high.

Comprehensively-described commitments, covering all of the issues to which the Company is bound, two-thirds of the time tied to progress targets

Effective reporting that reflects SFR's performance in full, in each aspect of its managerial activities

Intelligible indicator system, which meets the standards on comparability, periodicity and clarity, even though room for progress does remain where standardisation is concerned.

Lastly, we wish to emphasise the progress with respect to reporting in 2010, in specifying the commitments and indicator system in particular.

Paris, 24 April 2012

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* Enforceability: The relevance of SFR's reporting system has been assessed with respect to the corporate social responsibility targets to which the company is bound, in light of its area of activity and its locations. These targets are set out by international public institutions responsible for issuing universally-applicable recommendations and guidelines to companies, hence their binding nature. Having contextualised them for the Telecommunications sector, Vigeo then weighted the targets in accordance to their criticality. They have been combined into 6 areas (Environment, Market Behaviours, Human Resources, Human Rights, Corporate Commitment and Corporate Governance).

TO LEARN MORE ABOUT US:

The Company and its Governance: http://www.sfr.com/nous-connaitre
CSR Action: http://www.sfr.com/nos-engagements
Publications: http://www.sfr.com/nous-connaitre/publications

About Vivendi Group's CSR Policy:
http://www.vivendi.fr/vivendi/-Developpement-durable

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