



# **SFR AND THE UNITED NATIONS GLOBAL COMPACT**

## **COMMUNICATION ON PROGRESS REPORT**

December 2014



		<b>Global Compact Principles</b>	<b>SFR COMMITMENTS</b>	<b>Our main achievements</b>
<b>HUMAN RIGHTS</b>	<b>1</b>	<b>Businesses should support and respect the protection of internationally proclaimed human rights; and</b>	<ul style="list-style-type: none"> <li>PROMOTING RESPONSIBLE PURCHASING : Supporting and assessing suppliers on their CSR performances RSE (page 9 of the Corporate Social and Environmental Responsibility Report)</li> </ul>	<ul style="list-style-type: none"> <li>Continued to expand our program of monitoring and tracking SFR's suppliers' CSR performance via the Ecovadis. A total of 172 suppliers were audited as of 01/07/2014 (vs 50 in 2011).</li> <li>Awareness raising and training for SFR buyers on CSR fundamentals and the importance of their role in the successful implementation of CSR best practices.</li> </ul>
	<b>2</b>	<b>Make sure that they are not complicit in human rights</b>	<ul style="list-style-type: none"> <li>MAKING CUSTOMERS' DATA AND USAGE MORE SECURE (page 29)</li> <li>PROTECTIONG YOUNG PEOPLE MORE EFFECTIVELY (page 30)</li> </ul>	<p><b>A free SFR Anti-Spam application</b> for all Android or Blackberry owners, regardless of whether they are SFR customers. This application detects SMS and voice spam (false missed calls encouraging you to call back a premium rate number), isolating them in a specific file. This is very popular with our customers, and has received a good grade (4.5 stars out of 5) on the Google Play mobile apps download store. It has been downloaded by over 350,000 customers and its use has doubled in one year.</p> <p>The SFR website was updated in February 2013. On the identification page, the highest level of security (SSL Extended Validation certificate) has been used, enabling customers to check visually that they are definitely on the legitimate SFR website and not a fictional phishing site created by fraudsters seeking to steal their personal information. Customers using a recent operating system and a recent browser version will see SOCIÉTÉ FRANÇAISE DU RADIOTELEPHONE – SFR SA displayed in green or on a green background on the Internet navigation bar. Several customer awareness-raising actions were carried out in 2013 (Phishing link on the bottom of the SFR web page, educational articles on the SFR website) which will continue in 2014. SFR's participation as an active member of the Signal-Spam association, which brings together players from the public and private sector in the fight against unsolicited e-mails.</p> <p>SFR has always been anxious to protect young people, and has been involved in supporting parents for several years. The aim is to help them to understand digital practices better and to protect the youngest children in their use of 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 parents of teenagers ; Contrôle Parental Renforcé (Parental Control Plus), which is more commonly used by parents of younger children.</p>

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<b>LABOUR STANDARDS</b>	<b>3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> <li>ENCOURAGING SOCIAL DIALOGUE AND COLLECTIVE NEGOTIATION (page 67)</li> </ul>	<ul style="list-style-type: none"> <li>Number of agreements signed with trade unions over the year 2013 : 9.</li> <li>Number of Works Council meetings (CE) : 18.</li> <li>Number of CHSCT meetings (Comité d'Hygiène, de Sécurité et des Conditions de Travail) : 250.</li> <li>Number of meetings with employee representatives (DP) : 240.</li> </ul>
	<b>4</b>	The elimination of all forms of forced and compulsory labour ;	<ul style="list-style-type: none"> <li>PROMOTING RESPONSIBLE PURCHASING (page 9)</li> <li>CODE OF ETHICS AND COMMITMENTS</li> </ul>	<p>SFR partners (as well as their own suppliers and direct or indirect subcontractors) are contractually committed to (cf. appendix dedicated to Social Responsibility) to respect and comply with the principles of the Code of Ethics and Commitments and the Principles of the United Nations Global Compact :</p> <ul style="list-style-type: none"> <li>the social fundamental principles : effective abolition of child labour, the elimination of forced and compulsory labour, wages and social benefits, freedom of speech, equal opportunity,</li> <li>environmental protection and managing of waste</li> <li>guaranteeing ethics of business.</li> </ul> <p>Besides, as for fighting discriminations, SFR engaged an amount of 3.6M€ per year in 2013 and 2014 with specialised partners in sheltered economy.</p> <p>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 <b>Code of Ethics and Commitments</b>.</p>
	<b>5</b>	The effective abolition of child labour ;		
	<b>6</b>	The elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none"> <li>PROMOTING DIVERSITY AND EQUALITY OF OPPORTUNITY (page 69)</li> </ul>	<p>SFR obtained the renewal of the "Label Diversité" on November, 4 2014, after a an audit by AFNOR. This Label shows the commitment of the whole company in favour of equality of opportunity, of diversity and fight against discriminations. SFR has signed the "Charte de la Diversité" in 2007, the "Charte de la Parentalité" in 2008 and obtained the Label Diversity in 2010.</p>

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<b>ENVIRONMENT</b>	<b>7</b>	<b>Businesses should support a precautionary approach to environmental challenges</b>	<p>OUR ENVIRONMENTAL POLICY IS BASED ON 5 COMMITMENTS :</p> <ul style="list-style-type: none"> <li>• Fighting global warming (page 40)</li> <li>• Helping our customers become eco-consumers (page 44)</li> </ul>	<p>SFR's carbon dioxide emissions (CO<sub>2</sub>) are due primarily to <b>energy consumption</b> from its technical and tertiary infrastructures (88%) and employee <b>business travel</b> (12%). The quest for more effective control of energy consumption essentially requires the intelligent and optimised management of technical infrastructures and buildings. Energy audits, remote metering systems, the use of more energy-efficient equipment, monitoring and optimisation of consumption, the use of natural ventilation, and a new high-performance data centre are all examples of initiatives that are effective. Consumption by all the technical infrastructures (93%) has in fact been stabilised, after reaching a peak in 2012, due to rapid growth in usage. Consumption by the tertiary infrastructures (which only represents 7% of overall energy consumption) has also been more or less stabilised. In particular, the new SFR headquarters at Saint-Denis has recently obtained HQE Construction certification and performs very well in terms of energy efficiency.</p> <p>As business travel and home-to-work travel by employees is the second largest source of the Group's CO<sub>2</sub> emissions, two main focuses continue to be promoted:</p> <ul style="list-style-type: none"> <li>- Travel less, use teleconferencing wherever possible (video/telephone etc.);</li> <li>- Travel more intelligently, using the train instead of aeroplane, and promote the use of car-sharing and car-pooling.</li> </ul> <p>To take this thinking further and strengthen its local roots, SFR has established Company Travel Plans (PDEs) at its main office sites and has committed to such initiatives as the Inter-Enterprise Transport Plan for La Plaine Commune, the home of the SFR Campus and the workplace of several thousand SFR employees since the end of October 2013. The plans are designed to optimise commuting times, but also to improve accessibility for all visitors: customers, suppliers, partners, etc.</p> <p>Our efforts to help SFR customers to become eco-consumers continued throughout 2013. In addition to electronic billing, used mobile phone collection and environmental display (to be developed later), the following services were recently launched:</p> <ul style="list-style-type: none"> <li>-For consumers, the SFR Mail service, which offers a tool for cleaning up advertising e-mails in a single click, and displays the environmental impact to the user. In addition to facilitating e-mail sorting, this free service informs customers of their digital storage energy requirements. Over 24 billion e-mails have been deleted each year, since the service started, which saves 44.7 GWh, or the equivalent of 5,700 households' energy consumption. Home by SFR is another innovative service, which offers intelligent domestic management remotely from your mobile phone (security, home automation, lighting etc.). Also of note is the pictogram from the environmental organisation Eco-Emballage on the packaging of "Home by SFR" products, which informs customers on the best way to sort their packaging. This informative pictogram will also be used in the design of future packaging for the Box and TV set-top boxes.</li> <li>- On the business side, the EcobySFR service, launched by the SFR Business Division, is a free tool that measures the environmental and financial benefits for companies using cloud computing and audioweb/videoconferencing solutions.</li> </ul>
	<b>8</b>	<b>Undertake initiatives to promote greater environmental responsibility; and</b>		

		<b>Global Compact Principles</b>	<b>SFR COMMITMENTS</b>	<b>Our main achievements</b>
	<b>9</b>	<b>Encourage the development and diffusion of environmentally friendly technologies.</b>	<ul style="list-style-type: none"> <li>• Managing resources and protecting the countryside (page 48)</li> <li>• Innovating for the sustainable digital city (page 52)</li> <li>• Continuing the rollout of our environmental management system (page 53)</li> </ul>	<p><b>Managing resources:</b>  <i>Controlling raw materials consumption:</i> The significant reduction in paper consumption in 2013 (16%) was mainly due to the reduction in customer packs, sales documentation and paperless billing. SFR also continues to prefer the use of ecofriendly resources, using over 95% PEFC or FSC recycled paper. SFR has also introduced selective sorting at all of its office sites.  <i>Manage end of life electrical and electronic equipment:</i> SFR continues to favour, wherever possible, the re-use of electrical and electronic equipment (EEE) in fixed and mobile networks, as part of its new technical equipment rollout projects, the scheduling for which is still very variable.  <i>Controlling water consumption:</i> Although water management is not a critical issue for SFR, due to its activities and geographical locations, actions have been in place for several years aimed at reducing consumption on all tertiary sites. The installation of pressure reducers, double-flush systems, and raising awareness among employees through internal communications campaigns have enabled us to stabilise water consumption, although this indicator may also have been affected by the reduction in personnel during the year.</p> <p><b>Protecting the countryside:</b>  SFR is committed to sustainable development of communities, through active involvement in the integration of its mobile phone masts into the landscape, in accordance with the joint policy developed by the industry with the Association of Mayors of France. Before any rollout project can begin, SFR teams consult closely with local politicians, landowners and local authorities, as well as involving architects, planners and landscape architects, wherever necessary.</p> <p>In addition to the actions carried out as part of its business, SFR strives to provide innovative solutions aimed at promoting a more eco-friendly economy in all sectors of society. From transport to health via energy, digital services have a considerable scope of opportunities, reinforced by the potential offered by access to millions of data, which must be used correctly, respecting personal privacy. A strong trend in favour of intelligent urban management has emerged, in which SFR is investing more and more, to assist in optimising networks and flows that are becoming increasingly complex.</p> <p>For the eighth straight year, SFR was certified ISO 14001 in 2013, for its Environmental Management System (EMS), even though, due to its restructuring, the scope of the relevant operations was considerably downscaled. The EMS continues to be the structuring, unifying factor enabling SFR to coordinate its key environmental targets practically and efficiently, whilst keeping employees involved and mobilised.</p> <p>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 greater satisfaction of customers, businesses and local authorities.</p>

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<b>ANTI-CORRUPTION</b>	<b>10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.	<p><b>GUARANTEEING ETHICS IN BUSINESS:</b></p> <ul style="list-style-type: none"> <li>• Preventing anti-competitive practices;</li> <li>• Preventing insider trading and passive and active corruption (page 8)</li> </ul>	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 <b>Code of Ethics and Commitments</b> .

#### **METHODOLOGY**

SFR's actions and commitments with regard to Corporate Social Responsibility are presented in two documents freely accessible on our [sfr.com](http://sfr.com) website :

- The SFR CSR Report, published in July 2014, 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.**

