

**CORPORATE SOCIAL
AND ENVIRONMENTAL
RESPONSIBILITY**
REPORT 2013



SFR

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EDITORIAL

“BY CONNECTING INDIVIDUALS, COMPANIES AND LOCAL AUTHORITIES, SFR CONTRIBUTES TO THE EMERGENCE OF A MORE COLLABORATIVE, MORE AGILE, SMARTER SOCIETY.”

SFR is at the heart of the digital revolution in society. By connecting individuals, companies and local authorities, SFR contributes to the emergence of a more collaborative, more agile, smarter society. But like any revolution, the digitalisation of our society creates new challenges. Are our electronic communications protected? What happens to our personal data, collected here and there on the web? How can we guarantee digital equality between geographical regions? How can we manage energy consumption at a time when the number of machines and the amount of communications is increasing so rapidly? Does the digitalisation of society bring with it new inequalities? As a committed digital operator, there are so many questions to deal with.

SFR is committed, and doubly so. We are committed to supporting the company's transformations in a constantly changing telecoms market. SFR is ready to continue expanding in a highly competitive market. We are also committed to exploring digital potential, so that we can meet the economic, social and environmental challenges of our business in an innovative way.

SFR has set out its social and environmental policy by starting with its core business and defining the major challenges in terms of consumer protection, control of environmental impact, employee development and satisfaction, and social engagement. Managing this CSR policy involves practical commitments, the progress of which is monitored by indicators set out in line with national and international standards.

Our CSR policy is supported by regular dialogue with our stakeholders, including our employees. The fruit of multiple contributions from all departments, this report is the expression of the whole company's involvement.

We invite you to discover all our commitments in the 2013 edition of our social and environmental responsibility report.

Jean-Yves Charlier, Chairman and CEO of SFR

SFR IN FIGURES

at end December 2013

OUR CUSTOMERS

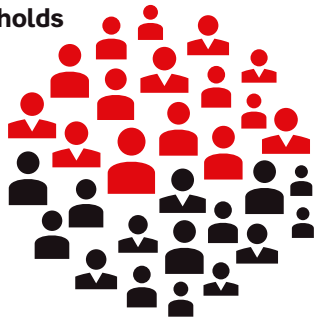
Over 5 million subscriber households

High speed Internet
3.3 million TV customers



160 000 business, administration and local authority customers

business, administration and local authority customers



Over 21 million mobile customers,

Over 21 million mobile customers, nearly 18 million of whom are subscribers
64% of our individual mobile customers have a smartphone



250 operator customers

Fixed, MVNO, International

MULTI-FACETED SUPPORT

Nearly 800 SFR sales outlets

Nearly 800 SFR sales outlets

Over 10,000 ccustomer service advisers

Over 10,000 ccustomer service advisers

Over 200 SFR Business Team sales outlets

Over 200 SFR Business Team sales outlets



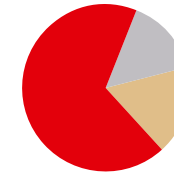
sfr.fr

130 million hits per month

130 million hits per month
12th most visited site in France
50% of actions resolved by selfcare

General public €6.8 billion

Mobile
Fixed
TV
Data
Connected devices



Businesses €1.7 billion

Unified communications
Machine-to-Machine
Data

Operators and others €1.5 billion

Mobile and fixed services
France and international

OUR BUSINESS

Over €10 billion

2013 Turnover

Around 20

sites in mainland France (+ Réunion and Mayotte)

Over 9,000 employees

3,000 network and IS employees
2,000 SFR Business Team employees
150 different professions in the company

€1.5 billion

annual investment in network infrastructure

vivendi
sole shareholder



THE COMPANY

THE MOST EXTENSIVE NETWORK

4G 1st operator to offer 4G in France

to the general public and businesses in 2012

DUAL CARRIER over 75% of the population

covered by superfast mobile broadband

99,3 % of the population covered by the 3G+ network

4 million SFR WiFi hotspots in France

Femto network amplifier on-demand home

1.5 million eligible households 200,000 Fibre subscribers

MANAGING THE CSR POLICY

GOVERNANCE

2013 was marked by a reorganisation of the whole company. In this specific context, SFR has maintained its CSR ambitions by adopting a new mode of governance. The main operational bodies guaranteeing enforcement of our CSR policy have been retained: the Health Monitoring Committee, the Risks Committee, the Saint-Denis Campus Sustainable Development Committee, and other topic-based committees.

During this period of transformation in the company, all those involved have remained vigilant and ready to maintain the CSR policy and to continue with the projects already started.

Governance of CSR is now carried out at the highest levels of the company, with an CSR Committee chaired by the CEO of SFR, and consisting of members of the Executive Board. It is jointly coordinated by two departments: the HR Development and Social Innovation Department and the Public Affairs, Health and Environment Department. Its main objectives, in strategic order, are:

- To set out the annual road map for the Group's CSR policy, and decide on the priority issues;

- Assess the commitments made by the company, through strategic indicators with a high material content (beyond the CSR reporting indicators), and monitor their progress;
- Ensure the quality of dialogue with all the stakeholders;
- Ensure the visibility of projects both internally and externally.

The topic-based operational committees give substance to the commitments made by the CSR Committee and ensure that they are properly implemented throughout the company.

The company is planning to set up a consultative committee which will structure and represent in the long term the principles of constructive dialogue to the different stakeholders in the company: representatives of consumer associations, environmental associations and associations of elected representatives.

SFR FOUNDATION

In 2006, SFR set up a Foundation for equal opportunities. This was renewed in 2011, with a budget of 5.75 million euros for five years.

It is managed by an Administrative Board which meets at least twice a year. Currently chaired by the Executive Director of Human Resources, General Affairs and Organisation, it consists of a collegiate body of founder members, SFR representatives and a collegiate body of qualified celebrities.

REPORTING PROCESS

REPORTING IS CENTRAL TO OUR CONTINUOUS PROGRESS APPROACH

SFR's CSR policy is structured into four main areas, which match the specific challenges of the telecoms sector:

- Consumer protection;
- Control of environmental impact;
- Employee development and satisfaction;
- Social engagement.

The issues involved in these four areas are represented by 17 commitments. Progress on each of these is tracked using the indicators defined in compliance with national and international standards (GRI).

The performance indicators, accompanied by quantitative targets where necessary, are central to the way we manage our CSR policy, which is part of our continuous progress approach. This system is regularly adjusted to take into account regulatory developments and, in a sector shaped by swift innovative change, the latest usage patterns and new stakeholder expectations.

A METHODOLOGY THAT BRINGS STRUCTURE TO THE COMPANY

A reporting protocol listing all of the procedures to be followed in collecting and consolidating all the data found in this document is used as the basis for SFR to report on its CSR policy. As an in-house guide for the operational divisions, the protocol is disseminated and enforced at all levels of the company, and regularly updated. A centralised, computerised tool for action plan reporting and monitoring is also used to facilitate protocol implementation. It helps to reinforce inspections further to the data reporting process and so makes it possible to guarantee greater reliability in all data reporting.

AN APPROACH ALREADY RECOGNISED BY TRUSTED THIRD PARTIES

Part of the environmental, social and corporate data is subject to verification by Vivendi Group auditors.

In addition, SFR chose to seek certification for certain sections of its CSR policy:

- For the eighth consecutive year, the Environmental Management System was certified ISO 14001;
- For the fifth consecutive year, the SFR Business Division was certified Qualicert and ISO 9001 on all of its services;
- The HR policy promoting equal opportunity was recognised and awarded the Diversity Label.

BUSINESS ETHICS

The image of SFR in the minds of the public in general, and our customers, partners and employees in particular, is determined in large part by the behaviour and actions of everyone across SFR. By behaving in ways that reflect and deliver on the commitments made by SFR Group, everyone in the business makes an individual contribution to shaping our corporate social responsibility. Integrity is what spurs us to abide by our values and conduct our business responsibly, transparently and ethically in ways that perpetuate our growth.

SFR Group has adopted a set of principles that govern its behaviour and actions; principles that could be summed up as complying with legislation, regulations and the commitments specific to SFR. These principles are encapsulated and formally stated 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, and a commitment that goes beyond legal requirements, grounded in SFR-specific principles.

A range of initiatives have been instituted to ensure that this Code is enforced, such as creation of a support and assistance structure and a presentation during the induction process for new employees. To ensure the measures in place are even more effective, follow-up training sessions are held to maintain employee awareness of issues relating to competition, business ethics and unauthorised bargaining. These training sessions also offer help for employees who may potentially find themselves in ethically ambiguous situations. SFR makes sure that all key managers within the Group receive training dealing specifically with Code enforcement, after which they are responsible for educating their teams. In addition, they are expected to set an example at all times, promote the principles and commitments found in the Code, and ensure that these principles are upheld and followed by their teams.

PREVENTING UNETHICAL PRACTICES

Practices that go against our ethical commitments are the focus of special attention within the SFR Group. In operational terms, our commitment can be summarised as follows:

- Ensuring mutual respect of the principles of fairness in all our relationships with industrial and business partners.
- Abiding by the following and ensuring 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 sub-contracting, and particularly those that prohibit:
 - unauthorised bargaining,
 - unlawful loan of labour;
 - the rules inherent in intellectual property, 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 has made commitments to prevent insider trading 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 that comes to their knowledge 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 principle was specifically established in response 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 terms 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 SFR,
 - ensuring that our partners give their commitment to complying with such legislation in respect of their relationship with the SFR Group.

RESPONSIBLE PURCHASING

SUPPORTING AND ASSESSING SUPPLIERS ON THEIR CSR PERFORMANCE

In 2013, SFR consolidated its responsible purchasing policy. After the foundational work carried out since 2010, which led to the institution of an CSR assessment methodology for our suppliers, SFR initiated a reassessment plan for already-scored suppliers, adding new suppliers as appropriate. In total, nearly 150 suppliers were assessed or re-assessed on their CSR criteria and their CSR performance was monitored. The initiatives put in place in previous years were consolidated: performance measurement and setting up monitoring of suppliers' CSR action plans, systematic CSR annex in contracts detailing the environmental and social obligations of partners (environmental protection and waste management, business ethics etc.).

Buyers are made aware and trained in the fundamental principles and their role in implementing good CSR practices, but also in the reflexes to adopt in order to integrate environmental and social criteria when drawing up specifications, and assessing and monitoring suppliers.

In the current environment, the Purchasing Department continues to carefully track SFR's degree of dependency on specific suppliers for its business. When the dependency rate becomes too high, discussion is requested with the supplier to determine how to return to a situation that is also acceptable for our partner.

Last but not least, the Purchasing Department continues to promote its solidarity-building approach. The amount of orders with companies in the sheltered economy is stable, compared with the previous year, at 3.6 million euros in 2013.

	2011 Results	2012 Results	2013 RESULTS	<i>Reminder of 2013 targets</i>	Comments	2014 TARGETS
Number of suppliers assessed on CSR	50	90	146	<i>To focus on the main weaknesses identified through supplier assessment</i>	-	-

COMMITMENT TO THE SHELTERED ECONOMY

SFR has long been committed to supporting the sheltered sector, demonstrated for instance by the regular increase in the turnover it directs to sheltered companies.

	2011 Results	2012 Results	2013 RESULTS	<i>Reminder of 2013 targets</i>	Comments	2014 TARGETS
Turnover earned with the sheltered sector (in €m before tax)	2.8	3.6	3.6	3.6	-	-

ECONOMIC ENVIRONMENT

Suppliers, partner companies, start-ups, social entrepreneurs

VIVENDI SHAREHOLDER

EMPLOYEES AND SOCIAL PARTNERS

CONSUMERS

Individuals, companies, consumer associations, disabled person associations

SFR AND ITS STAKEHOLDERS

ADMINISTRATIVE AUTHORITIES

ARCEP, ANFR, ANSES, CNN etc.

TERRITORIES

Associations of elected representatives (AMF etc.)

DIGITAL ECOSYSTEM

Start-ups, digital hubs, incubators, Fondation Télécom etc.

GOVERNMENT AND MPs

CHARITY SECTOR

Environmental associations (Fondaterra etc.)
Social work charities (AMSI, Emmaüs Connect, Sidaction, Talents des Cités, Fédération française Handisport etc.)

PROFESSIONAL FEDERATION

FFT

THE EDUCATIONAL COMMUNITY

Schools & Universities
Programmes (Ma caméra chez les pros, Passeport Avenir)
Associations (ARPEJEH)

CONSUMERS

CUSTOMERS

For our individual customers

SFR listens to what its individual and professional customers have to say and regularly tracks their satisfaction, through surveys aimed at mobile and fixed line subscribers. SFR has also put in place a team of community managers to answer customers' questions via social media (Twitter, Facebook page etc.)

For our business customers

The SFR business division listens to its customers, using our comprehensive system known as Business Voice. Launched in 2012, this enables all employees to monitor and report on customer feedback.

In 2013, the business division stepped up its efforts around the creation of the **Business Club**. This users' club was created to foster interaction and sharing of experience between users of SFR Business Team solutions and to gain a better understanding of market expectations. Finally, the SFR business division carries out a satisfaction and image survey three times a year.

CONSUMER ASSOCIATIONS

SFR listens to consumer associations and actively participates in different committees on consumer issues:

- Meetings between SFR and national representatives of accredited consumer associations;
- Meetings between SFR and local branches of consumer associations;
- Participation in consensus-building meetings with the French Consumer Council or other work sessions, at the request of the public authorities.
- Participation in consensus-building meetings organised by the French Telecommunications Federation.

Terms of dialogue

In 2013, SFR met on several occasions with the national consumer association representatives:

- An annual meeting between the consumer associations and Executive Management;
- A meeting on topical issues between consumer associations and the relevant experts in the company;
- Several meetings with local branches of consumer associations;
- Bilateral meetings.

DISABLED PERSON ASSOCIATIONS

SFR relies, for its everyday operations, on the partnership of associations with an expert understanding of products and services aimed at consumers with disabilities. SFR wanted to facilitate access to digital technologies for disabled people through two main initiatives:

- Setting up a specific product range for people who are deaf or hard of hearing;
- Integrating the points of interest from the "Jaccede" mobile application in the SFR GPS application, in partnership with the Jaccede association.



EMPLOYEES AND SOCIAL PARTNERS

EMPLOYEES

Health / Safety / Security

As part of its “health and safety at work” policy, in 2013 SFR stepped up its prevention and support measures for employees via various actions:

- Setting up a support unit for organisational or psychosocial risks;
- A listening and support network with an individual, confidential interview with one of its members;
- Internal transfer support systems: “live my life” training programmes and group workshops;
- Training and raising awareness for Human Resources and managers in person-centred management;
- Workload regulation: workshops on workload and cooperation.

This is intended as a means of supporting employees as they look for solutions and to help them identify helpful resources (internal and external) that are appropriate to their situation. In addition, a telecommuting agreement was signed by all the trade union representative bodies in the SFR UES (Economic and Social Unit) in 2013, offering an opportunity for employees to achieve a better work-life balance and/or to limit travel, by performing part of their job outside their usual place of work.

INTERNAL COMMUNICATION

Internal communication at SFR means, first and foremost, dialogue and sharing experiences, giving employees the chance to speak out. It involves an extensive range of events and tools that foster dialogue and interaction between teams and management.

Everyday digital, participative communication tools

At the heart of the internal communication system: MySFR, an Intranet 2.0, accessible from a PC or smartphone. On MySFR, employees can suggest their own articles or comment on others that are published. Topics as varied as product news, sales success, Human Resources information or company information are posted there. Key articles are reproduced in MySFR express, a bi-monthly newsletter sent by e-mail to all employees. MySFR also groups together the “tools” specific to each department, thus facilitating cross-departmental communication within the same team.

Finally, managers have access to specific documents (presentation kit, Q&A made available on the Intranet within each relevant section e.g.: Telecommuting, Engagement, Diversity, Performance Reviews etc.).

In the offices, screens broadcast key information, MySFR TV, events and press releases etc.

Finally, workshops or forums are also organised. At these, employees can ask questions or familiarise themselves with SFR’s new products (demonstrations of new products, smartphones or office automation tools).

Senior Management close to and in contact with employees

The CEO or Executive Directors regularly speak to employees, travel around the regions and sites as well as the Espaces SFR. These activities are publicised on MySFR. In addition, at each key stage in the life of SFR, the CEO notifies employees by sending an e-mail or organising forums or chats (with employees being able to ask questions live), broadcast on the Intranet.

Increased managerial communication

By organising Executive Directors' Board meetings every quarter, attended by the Group Directors, and telephone conferences, the CEO keeps top management informed on SFR's challenges, directions and new strategies. It is then the Directors' job to pass down this information to the line managers. Involvement by managers is essential for successful internal communication.

ONE change plan, led by the Chairman and rolled out to all employees

The changes in governance at SFR have led to a relaunch of the ONE transformation plan. In September 2013, the ONE "Kick Off" meant that employees could find out about the initiatives that would transform SFR and allow the Group to position itself at a better level in a constantly changing sector. "ONE Days" now take place once a quarter, so that all employees can follow the progress of the change initiatives put in place by the whole company. These "ONE Days" are usually followed by internal chats, which are then rebroadcast live to all SFR sites. As part of the change plan, ONE workshops were also organised on all sites, between December 2013 and March 2014. At these workshops, employees were able to talk to the Directors implementing the change plan. A special ONE page was created on the Intranet, so that employees could follow the progress of the various change projects.

Notable events 2013

Some of the Ile-de-France employees are now working on a single site at the SFR Campus in Saint-Denis. Forums, information e-mails and close support were a feature of the two months prior to the Campus move. When it was time to move, the employees did so in successive waves over more than a month, with dedicated teams by their sides to ensure their arrival on the new site was stress-free.

SOCIAL PARTNERS

Regular meetings organised with the employee representative bodies (Central Works Council, Works Council, Health, Safety and Working Conditions Committee, and Employee Representatives) and the negotiation sessions with the trade unions as required by law with the representative trade unions form the usual discussion framework with the social partners. Notable events for 2013 involved:

- Central Works Council negotiations and meetings on dealing with the social consequences of the SFR restructuring project with a view to transitioning from "a telecoms operator to a digital operator".
- Signature of a company agreement on transfers and voluntary redundancy as part of SFR's transition into a digital operator, and a method and social guarantees framework agreement within SFR;
- Signature of an agreement on telecommuting and an agreement on support measures as part of the move to the new SFR Campus in Saint-Denis;
- Signature of an agreement concerning the renewal of the Health, Safety and Working Conditions Committee and the consequences on mandates;
- Signature of a method agreement concerning the Central Works Council and Health, Safety and Working Conditions Committee on the SFR network sharing draft agreement with the Bouygues Telecom network;
- Continuation of the work to standardise the by-laws, in particular as regards working time and structuring of pay plans.

SHAREHOLDER

VIVENDI

As SFR is a subsidiary of the Vivendi Group, which owns 100% of the capital, we have a very good relationship with our shareholder, represented specifically through a monthly Management Meeting where we review operations and strategic issues, and a Risks Committee.

ECONOMIC ENVIRONMENT

SUPPLIERS

SFR designed its "Responsible Purchasing" Plan in accordance with its belief that progress comes through assessment, dialogue, and improvement plans, shared if necessary with its suppliers. To strengthen this approach, SFR chose to expand its monitoring programme by carrying out CSR site audits and producing critical reviews of supplier processes. This fosters transparency and makes it possible to raise awareness among suppliers. 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-UPS

SFR has chosen to use start-ups to provide innovation for its current and future business. The approach has resulted in three complementary systems:

- An investments vehicle (*corporate venture*): SFR Développement;
- An annual support programme for innovative start-ups, linked to SFR activities: SFR Young Talents Start-up;
- A community of 60,000 volunteers testing technological and everyday innovations: the Atelier SFR.

2013 was marked by the selection of a new wave of 10 innovative start-ups.

Together with nine other major companies, SFR also launched a call for tenders to create, in partnership with Paris Région Lab, a start-up incubator in the e-health sector, which will be operational in 2014. The club is promoted by the Paris Région Innovation Laboratory, an association created by the City of Paris and Ile-de-France Region. The Laboratory runs seven enterprise incubators, in which it hosts over 150 start-ups.

Lastly, SFR integrated BtoB beta-tests in the Atelier SFR (SFR's workshop).

PUBLIC SECTOR

SFR is keen to maintain relationships with all the players in the public sector (Government, Parliament, associations of elected representatives, local politicians, public bodies etc.) to ensure that the Group, its strategy, CSR policy and its issues are well-known, and to clarify their discussions and legislative work impacting the digital sector. These relationships are managed by the Public Affairs, Health and Environment Department.

In this context, SFR participates actively in the work of Parliament and various public bodies such as the Regulatory Authority on Electronic Communications and Postal Services (ARCEP) and the National Frequencies Agency (ANFR), and promotes its CSR commitments to the public authorities, as well as its actions aimed at digital inclusion, specifically via support for the Connections Solidaires programme, run in partnership with Emmaüs Connect.

SFR defends a responsible, transparent vision of the activities of its interest representatives, and complies strictly with the charters, regulations and codes of conduct laid down by the various public institutions. The Group is therefore registered on the register of interest representatives with the National Assembly, the Senate, the European Commission and the European Parliament.

GOVERNMENT STAKEHOLDERS

SFR has a continuous relationship with various ministries such as the Ministry of Digital Economy, the Ministry of Ecology, the Ministry of Health and the Ministry of Solidarity and Social Cohesion. Furthermore, SFR has regular discussions with MPs on all subjects related to the digital economy, whether in terms of corporate social and environmental responsibility or the economy.

The notable events of 2013 included:

- Continued participation in working groups set up following the “Radio frequencies, Health and the Environment” Round Table, in particular those regarding experimentation on exposure and information/consensus-building;
- Discussions concerning the law on plainness, transparency and dialogue regarding exposure to electromagnetic waves (known as PPL Abeille);
- Active participation by SFR in government working groups to experiment in national relay centres for local calls for deaf people. Launch planned for 2014

REGULATORY AUTHORITY ON ELECTRONIC COMMUNICATIONS AND POSTAL SERVICES (ARCEP)

SFR continues to consult closely with ARCEP, the sector’s regulatory authority, on topics such as territory coverage and competition.

The most recent notable events include:

- The decision authorising Bouygues Telecom to implement 4G in 1800 MHz bandwidth from 1 October 2013. N.B.: SFR and Orange France can also request at any time to extend 1800 MHz bandwidth to 4G;
- The introduction of VDSL2 in direct distribution on the Orange copper local loop;
- The decision to set up a measurement and monitoring system on the quality of fixed Internet access services;
- The publication of a second report on application of the electronic communications accessibility charter.

NATIONAL FREQUENCIES AGENCY (ANFR)

SFR participates in several working groups led by the ANFR. SFR therefore actively participated in technical working groups on exposure to radio waves, as part of the government's work from the "Radio frequencies, health and environment" round table.

FRENCH TELECOMMUNICATIONS FEDERATION (FFT)

SFR takes part in the work conducted by the French Telecommunications Federation, on a number of different committees: Consumer Activity, Innovation and Standardisation, Taxation and Jobs, Security, Content, Sustainable Development, Companies and Digital Responsibility, Fibre Optics and Cross-Cutting Issues.

2013 was marked by a large amount of legislative and regulatory work which involved quality dialogue with the public authorities, in particular the DGCCRF, and several co-regulation reports.

Also of note were:

- Participation in steering committees on the rollout of mobile telephone coverage for dead zones;
- Third report on the Voluntary Commitments Charter instituted by the Telecommunications Sector for Sustainable Development with the Ministry of Ecology, Sustainable Development and Energy;
- Second report of application of the Voluntary Commitments Charter to facilitate access by disabled people to electronic communication services. This charter was transposed from mobile to ADSL services, websites and stores with all the governmental and charity stakeholders, and ARCEP. The Charter is designed to set the sector on a track of constant progress and is unparalleled in France;
- Greenwich Study: over-taxation of telecoms in France and tax optimisation of "Internet giants";
- Paris Charter on mobile phone masts: first year application report;
- Multi-party governmental work on radio frequencies;
- Fight against mobile theft: Ten-year partnership between the FFT and the Ministry of the Interior.

LOCAL AUTHORITIES

Topics and Forms of Dialogue

SFR Collectivités is a special entity dedicated to working with Local Authorities to support the SFR Group networks and services rollout strategy. Its mission is to manage the partnerships in place with local authorities (Delegation of Public Services, Public-Private Partnership etc.) and to promote new practices. Its activities therefore consist in explaining the Group's strategy, helping others understand and accept the new network rollouts, and initiating cooperation agreements that enable greater efficiency or new services. Likewise, SFR takes part every year in the Mayors and Local Authorities trade fair (SMCL), and in several regional discussion groups, such as the "Cantines numériques" (Digital hubs) or "La mêlée numérique" in Toulouse.

In terms of support for rollout of mobile phone masts, SFR also pursues the commitments of its operational road map: the *Guide to Relations between Operators and Local Communities*, signed with the Association of French Mayors. In this way, SFR responds to extremely varied requests from politicians: information meetings, drawing up charters etc.

The main events of 2013 include:

- The three-operator pilot on the impact of LTE 800 frequency use with the French Telecommunications Federation, the National Frequencies Agency and the City of Saint-Étienne;
- Signature of the first Ultra-high Speed national agreement with the City of Lille;
- Support for 4G and FTTH openings with a number of local authorities;
- Participation in the Printemps du Numérique (Digital Spring) in the Oise region;
- Continuation of the "Ma caméra chez les pros" and "SFR YoungTalents" regional programmes (see p. 19);
- Opening of Connexions Solidaires regional contact points (see p. 80).

CIVIL SOCIETY

MAIN ASSOCIATIONS AND PARTNER ORGANISATIONS (IN ALPHABETICAL ORDER)

Adie Micro Franchise Solidaire (AMSI)

Fondation SFR supports the innovative solidarity-building micro-franchise programme implemented by ADIE. The idea is to offer a turnkey work concept to unemployed people and in particular to young people and the under-qualified. 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. SFR has been part of the Investment Monitoring Committee in charge of over-seeing the supported projects since 2011. In 2013, in two key sectors (driving and gardening), around 100 candidates achieved economic balance by developing micro-franchises.

Les Ateliers du Bocage

Ateliers du Bocage, an integration company run by Emmaüs France, collects mobile phones in-house, during events and with professional and individual customers. At the end of 2013, Ateliers du Bocage became a SCIG (General Cooperative Company), which means it is partly a social reintegration company and partly a sheltered company.

At the end of 2013, it had created 40 reintegration jobs and 12 jobs for disabled workers.

Emmaüs Connect

SFR and its Foundation have been involved with Emmaüs Défi since 2009. In addition to financial support, this partnership is based on sponsorship of skills, by involving SFR employees in the Emmaüs Défi sales outlets (bric-à-brac).

Since 2010, SFR and Emmaüs Défi have also run a charitable telephone programme, which makes it possible for the most underprivileged populations to have access to mobile telephones and use them appropriately.

In 2013, this programme, now called Connexions Solidaires, was rolled out by the association Emmaüs Connect, and was further improved by an Internet access offer and educational support for the beneficiaries (see p. 80).

Fédération Française Handisport

Since 2004, SFR has been official partner to the French Disabled Sport Federation. During the World Athletics Championships in Lyon, which took place between 13 and 30 July 2013, SFR employees joined the charity team.

Fondaterra

SFR is the historical partner of the Fondaterra Foundation, which aims to raise awareness about environmental issues and sustainable development in the academic community. Together, they launched the Green TIC Campus challenge, a major student competition on the theme “towards a greener, more open campus”, using Information and Communication Technologies (ICT), the 5th edition of which was held in 2013.

Fondation Télécom

Fondation Télécom supports French research and academic excellence in the digital industry. SFR has been a partner since its foundation in 2008. This partnership is part of a general plan for the sector, from applied research to job creation, via education and start-up incubation. Fondation Télécom is a key player in the digital ecosystem in France.

HomoSFèRe, the SFR LGBT association

Founded in October 2009 by company employees, HomoSFèRe is the SFR association of Lesbians, Gays, Bi and Trans (LGBT). Its missions are to fight against discrimination against sexual orientation and gender identity at work, work for equal treatment in the company, develop solidarity and relationships between members and their friends.

Sidaction

SFR extended its commitment by serving, once again, as the telecommunications sector's partner to Sidaction. SFR's contribution plays out in three ways:

- 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 telephone platform opened for the operation);
- SFR call centres (in Marseille and Meudon) and hundreds of volunteer SFR employees to record donation pledges;
- It raises awareness among SFR customers to encourage donations. In April 2013, 60 employees and their friends dealt with calls at the sites in Marseille l'Estaque and Aix-en- Provence.

Talents des Cités

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

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

This year, Fatoumata Sidibé was selected by SFR for her "e-market Africa" project. Her company, based in Villepinte, allows African families in remote areas to do their shopping online, and also to pre-pay for food for their families still in their home country. This innovative product meets a clearly identified social need, and makes daily life easier for the site's customers, whilst strengthening their links with their families back home.

La Voix de l'Enfant

Founded in 1981, La Voix de l'Enfant is an umbrella association, the stated purpose of which is to "support and advocate for all children in distress, wherever they may be". The partnership with SFR, which began some 12 years ago, is aimed primarily at funding the Medico-Legal Walk-In Units (UAMJ) in hospitals: in the belief that "talking about it is reliving it", the UAMJs prevent a repetition of the trauma, by taking down once and for all the testimonials of children who have been victims of abuse or assault. At the end of 2013, there were 52 UAMJs open across France.

SOCIAL ENTREPRENEURS

SFR has been involved in fruitful discussions with the players in the social and charity sectors for several years now. Convinced by their potential for innovation, SFR has put in place various collaboration methods: buying services from social entrepreneurs, sheltered companies and social reintegration companies as part of its responsible purchasing policy, supporting social and solidarity economy initiatives and projects through partnerships or sponsorship, supporting young social entrepreneurs through the SFR Young Social Entrepreneurs programme.

In 2013, we supported the third edition of the SFR Young Social Entrepreneurs competition (8 prizewinners in total) and the launch of the fourth edition. At an evening organised in partnership with Ashoka, "Constant & Zoé", a ready-to-wear brand for disabled people, and "Zéro Gâchis", an innovative service for preventing food waste, were distinguished for their respective projects.

The SFR Young Social Entrepreneurs competition is a genuine launching pad. "Rejoué", the 2011 winner, now has around 20 employees, including 14 socially reintegrated employees, and recycles several tonnes of toys a year, selling them at "charity" prices.

Finally, for the fifth straight year, SFR has used the charity firm Mozaïk RH to carry out a recruitment campaign aimed at interns from diversity groups.

EDUCATIONAL COMMUNITY

ARPEJEH

One of the association's founding members, SFR is committed to helping ARPEJEH improve and promote training, qualification and employment for disabled secondary school and university students, by offering internships to young people from lower secondary school up to work entry level. In 2013, 4 interns were welcomed to SFR teams and 5 employees took part in skills workshops at a secondary school in Créteil.

Ma caméra chez les pros

Founded in 2011, in partnership with the Ministry of Education, the programme offers guidance and assistance to young people starting upper secondary school, by introducing them to the future and employment opportunities offered by business players in their region. Using digital tools (video and Web), the lower secondary students turn into budding reporters and head out on the field to meet professionals. 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 from modest backgrounds. The videos produced by the young people then feed the programme's website to extend the scope of their investigative work and to give other lower secondary students the benefit of what they have learned (70 videos available to date).

In 2013, the programme brought together 29 secondary schools across nine education boards, including two new participants: Strasbourg and Lille. 29 major corporations work alongside SFR to take part in this innovative educational programme.

Passeport Avenir

For seven years now, SFR has been committed to equal opportunity in access to higher education and elite learning institutions for young people from underprivileged 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 the job market. The programme offers both individual and group tutoring. There are now 15 partner companies working with Passeport Avenir.

85 SFR employees showed their commitment by serving as mentors to the Class of 2012-2013. 24 management schools, 41 engineering schools, 5 universities, 69 preparatory ATS classes, in total 139 partner establishments have been mobilised. In 2013, 4,260 young people received mentoring.



CONSUMER PROTECTION

Being a telecoms operator means listening to our customers to understand their needs and make their telecommunications usage easier. It also means anticipating and taking into account the impacts of the digitalisation of society. Clarifying customer information, guaranteeing data protection in a context of rapidly growing data exchange, protecting young people in their Internet usage via parental control, or paying attention to issues regarding radio frequency and health... At SFR, this is all part of our customer relations.

SFR makes sure that the quality of the relationship with its clients, private individuals or businesses, is a priority. This is done by simplifying our product range and optimising our customers' experience in all our channels: customer service, Espace SFR or online (forum etc.) To improve the quality of its services, SFR listens to its customers and maintains regular dialogue with consumer associations.

To support the digitalisation of society, SFR has stepped up its commitment to make its customers' data secure, as the amount of data exchange is skyrocketing. This is a dual commitment: securing and guaranteeing the confidentiality of customer data (through highly secure data centres, based in France) and providing its customers with advice and solutions to prevent against attacks (viruses) or fraudulent practices (solutions to combat spamming and phishing).

SFR is also attentive to the need to protect young people. Parental control devices enable parents to understand how their children are using the web, and protect young children while they are using connected equipment.

Finally, in terms of health, SFR pays special attention to scientific work and the positions of the health authorities regarding radio frequencies and, as part of its vigilant and transparent approach, provides its customers with usage recommendations.

OUR CHALLENGES

- LISTENING TO WHAT CONSUMERS HAVE TO SAY
- IMPROVING TRANSPARENCY IN CUSTOMER INFORMATION
- MAKING DATA AND USAGE SECURE
- KEEPING INFORMED ABOUT RADIO FREQUENCIES AND HEALTH

LISTENING TO WHAT CONSUMERS HAVE TO SAY

IMPROVING CUSTOMER SATISFACTION AND QUALITY RELATIONS

To offer an optimum response to its customers' quality expectations, SFR continues its customer experience improvement programme, driven first and foremost by the desire to be present alongside each individual and each company and bring them the best of the digital world.

Toward this end, SFR strives to optimise its key processes: improving its customer support and issue resolution systems, monitoring the customer experience and related processes, and running standard security and inspection checks as part of every project.

To make the customer the central focus and concern of everyone at SFR, the company has designed an immersion programme in which employees are brought face to face with customers, through activities such as visits to an Espace SFR outlet or Customer Service centre. A dedicated forum is also open to employees, so that they can report any malfunctions or suggest improvements to the customer experience.

FOR INDIVIDUAL CUSTOMERS

Always attentive to customers' needs, the SFR Customer Service department pursues its objective of customer satisfaction through its "Selfcare" programme, the purpose of which is to help customers be independent with regard to simple requests, thanks to quick, easy and reliable methods.

In this way, SFR Customer Service reduces the number of calls which customers are able to resolve independently, so that they can increase their support to customers with complex demands, and meet these better. The Customer Service officers provide end-to-end assistance for these requests, with impeccable performance quality.

As assisting customers requires empowering our people, a new customer support and handling interface was designed in collaboration with the customer care teams. It gives easy, immediate access to information necessary for understanding the customer's background, their past contacts, their current requests, thereby allowing the Customer Service officer to concentrate on listening to the customer and finding the most appropriate solutions for the customer's situation. This interface is already in place for mobile customers. It is planned to roll it out to all customers, regardless of their equipment, over 2014.

SFR Customer Service also continues to manage its Customer Relations Service Centre NF certification obtained from AFNOR in 2012. Quality of service is at the heart of SFR Customer Service, which monitors the quality of service perceived by its customers on a monthly basis.

	2011 Results	2012 Results	2013 RESULTS	Comments	2014 TARGETS
Satisfaction rating from SFR Consumer Satisfaction Survey/10 (Ref GRI: PR5) – Mobile subscribers	6.6	6.2	6.9		Monitoring indicator, no target.
Satisfaction rating from SFR Consumer Satisfaction Survey/10 (Ref GRI: PR5) – ADSL (sales)	6.8	6.0	6.8		
Satisfaction rating from SFR Consumer Satisfaction Survey/10 (Ref GRI: PR5) – ADSL (technical)	6.1	6.1	6.9		
First-call resolution rate (in %) (Ref. GRI: PR5) Mobile subscribers	78%	78%	84%		
First-call resolution rate (in %) (Ref. GRI: PR5) ADSL (sales)	72%	73%	76%		
First-call resolution rate (in %) (Ref. GRI: PR5) ADSL (technical)	85%	69%	76%	New measurement method explaining the variation over 3 years.	
Consumer calls to Customer Service lost (in %) (Ref GRI: PR5)	21%	19%	12%		
Percentage of mobile subscribers complaints not handled within 5 working days (in %)	18.9%	21%	11%		
Percentage of complaints handled within less than one month	89%	62%	93%		

FOR BUSINESS CUSTOMERS

Customer satisfaction is a commitment underpinned by the continuous improvement policy in place in the business division. It is represented by:

- Service quality and customer relationship targets and indicators adapted to and enforced in every part of the company;
- The related action programmes, so that customer satisfaction becomes an essential part of all business practices.

The continual improvement policy is managed at the highest level by the Business Division Management Board, 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 regular customer satisfaction surveys on service quality.

The Quality and Performance Director, a member of the Management Board, is responsible for and has authority to effectively implement the Quality Management System, with the target of making it increasingly more effective and customer-focused.

All Business Division processes and commitments are audited over a three-year period. The external audits focus both on the Quality Management System (ISO 9001) as well as on the Service commitments (QUALICERT).

Each audit is then written up in a report and triggers action plans.

In 2013, the main achievements of the SFR Business Division were:

- Reinforcing the customer experience key moment approach by updating and creating new customer processes;
- Setting up operational change programmes.
- The optimisation and homogenisation of our Satisfaction and Performance measures;
- Our repeated ISO 9001 and QUALICERT certifications.

The general quality objectives for 2014 are:

- To continue the customer experience simplification approach and alleviate irritation factors;
- To continue the operational transformation work-streams;
- To stabilise customer satisfaction by key moment;
- To develop the service spirit in order to deliver an outstanding customer experience.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Satisfaction rating on SFR Business Division performance/10 (Ref. GRI: PR5)	7.5	7.2	7.1	To achieve a rating above 7.2	The transformation workstreams initiated in 2012 have not yet yielded results. They are being continued and results are expected by 2015. Results close to target.	7.2
Lost call rate for SFR Business Division fixed and mobile Customer Service (in %)	7%	7%	7.3%	10%	-	10%
Percentage of complaints not handled and with a new timeframe not announced within 10 days (in %)	23%	13%	16.2%	20%	-	20%

CONTINUING OUR POLICY OF DIALOGUE WITH CONSUMER ORGANISATIONS

SFR's dialogue policy is based on three essential principles:

- Listening, to improve our understanding of consumer expectations;
- Respecting the opinions expressed by consumer organisations;
- Transparency in explaining our services, constraints and decisions.

It is on this basis that we have been able to build trust-based relationships with consumer organisations over many years. In 2013, SFR met on several occasions with the national consumer association representatives.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments
Number of exchange and information sessions with the associations (Ref. GRI: S01)	17	20	16	20	Meetings between SFR and national representatives of accredited consumer associations.
Number of consumer associations met	13	15	13	15	Participation in consensus-building meetings with the French Consumer Council and consensus-building meetings organised by the French Telecommunications Federation.

AN ANNUAL MEETING WITH THE SFR EXECUTIVE MANAGEMENT TEAM

During this meeting, SFR went over its performance in 2012 and shared the challenges for 2013. 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 was also an opportunity for consumer organisation representatives to express their points of view and ask questions freely.

SEVERAL ROUND TABLES HELD OVER THE YEAR, TO DISCUSS CURRENT ISSUES

These regular meetings brought together company experts and made it possible for them to engage in ongoing and constructive dialogue with the organisations. Ever attentive to their questions and reactions throughout the year, SFR used these meetings as an opportunity to report to the organisations on how their expectations

had shaped company policies.

For example, SFR presented its position on 4G (network, products, communication, sales and marketing etc.).

MEETINGS WITH LOCAL BRANCHES

On request from the consumer associations or on SFR's initiative, meetings are sporadically organised on specific topics: presentation of the complaints procedure, dealing with disputes at SFR, billing, cancellation etc.

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

PARTICIPATION IN CONSENSUS-BUILDING

CONSEIL NATIONAL DE LA CONSOMMATION (FRENCH CONSUMER COUNCIL)

In 2013, SFR was present at all the consensus-building meetings with consumer associations held at the French Consumer Council (CNC). The result of these discussions was the finalisation of several draft opinions and orders concerning the electronic communications sector:

- A draft opinion relating to electronic communications operators customer service quality, enabling an objective comparison of operators' customer services (definition of objective comparison criteria, methods of communicating these criteria);
- An order concerning electronic communications services bills;
- An order concerning price information for electronic communications services sold as prepaid cards and capped tariffs.

FRENCH TELECOMMUNICATIONS FEDERATION – CONSUMER COMMITTEE

These consensus-building meetings run with consumer associations are held to address associations' information needs, call their attention to new issues and, last but not least, to share viewpoints. Some of the topics tackled in 2013:

- Presentation to the consumer associations about contactless mobile (education about usage, technology, organisations in charge of contactless mobile, safety excellence approach);

- Continuation of the work undertaken in 2012 with the DGCCRF, the DGCIS, ARCEP and consumer associations concerning traffic management transparency. The objective being to identify solutions so that traffic management measures are made more transparent and so that users can have a better understanding of Internet-access offers or offers for content, services and applications via the Internet.

A summary of the Consumer Committee's work in 2013 is given in the Federation's 2013 annual report, accessible via:

IMPROVING TRANSPARENCY IN CUSTOMER INFORMATION

CLARIFICATION AND SIMPLIFICATION

OFFERS

Since 2011, offers have been simplified, and the related services have been made clearer, through the “Services Carrés”, which are modulated according to the offer proposed (three service levels: Silver, Gold and Platinum). Comprehensive information about the services connected with each offer and, where applicable, pricing terms for the services not included, are developed as a matter of standard procedure at all subscriber contact points.

All SFR offers are now available with or without commitment, and with or without mobile device.

BILLING

Itemised billing was put in place in 2012 for mobile subscribers, making it much easier for customers to read and understand their bills. This is shown in the customer satisfaction surveys carried out every month: significant increase in customer satisfaction with the item “simplicity and clarity of bills”, and a considerable fall in the volume of calls to Customer Services for billing information requests.

MONITORING USAGE

FREE USAGE TRACKING

Since 2003, SFR has been working with its customers to help them better manage their mobile use levels and make pricing transparent. Offered as an additional service, initially for a charge but now free, this option makes it possible for customers to track their usage levels from their online personal area.

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 usage, via e-mail, so that they can read the content more carefully.

USING THE INTERNET ABROAD

To help consumers manage their bills better, SFR rolled out a new service known as “Info Conso” in 2012, which enables customers to track their usage abroad in real time from their mobile or on the customer area on sfr.fr. All customers are also offered access to an alert service every €45, with a maximum of €60 for Internet usage.

SPECIFIC CUSTOMER REQUESTS

COMPLAINTS PROCEDURE

Customers wishing to file a complaint are directed to a three-tier complaints procedure: Customer Service, then Consumer Service, and lastly the Médiateur des Communications Électroniques ombudsman service. SFR customers are informed of this procedure in their contracts (general terms of subscription), on the sfr.fr site and in each 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 Services Department.

CONTRACT CANCELLATION

SFR wants to make its customers' lives easier. Since 2009, it has therefore accepted mobile subscription cancellations through a single call to the customer service centre, and since 2012 offers the same for ADSL. Once the caller's identity has been verified, the cancellation request is recorded and a confirmation letter sent out. In addition, in 2011, SFR introduced a mobile subscription cancellation charges calculation tool on sfr.fr.

DESIMLOCKING

Some consumers are not aware that terminals can be locked and this can raise questions for them when they decide to change operators while keeping their telephone. The member operators of the French Telecommunications Federation have decided to take coordinated, strong-willed action to ensure that consumer information is perfectly clear and uniform, whatever the operator, with regard to mobile telephone locking, the resulting consequences and the desimlocking process. For this reason, they have adopted a single, standard statement to be used by all operators in their communications materials, to inform consumers about the desimlocking mechanism.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Number of rulings in which false advertising was found (Ref. GRI: PR7)	0	0	0	<i>To maintain a high level of vigilance with regard to advertising content</i>	-	Monitoring indicator, no target.

MAKING DATA AND USAGE SECURE

MAKING CUSTOMERS' DATA AND USAGE MORE SECURE

SFR offers its customers different solutions for protecting their data and usage, and also for protection against all possible threats on PCs or Macs.

FIGHT AGAINST SMS AND VOICE SPAM ON MOBILES

- A dedicated operational unit, which operates and analyses spam signals sent via the 33700 national signalling system on a daily basis, which since March 2013 has filtered calls to premium rate numbers involved in "ping calls" (scam calls displaying a high premium rate number);
- A Committee that decides monthly on penalties applicable to publishers of premium rate numbers used in SMS spam (reminder of law, official warning by certified letter, premium rate number cut off and, where the worst offenders are concerned, contract termination),
- An SFR Steering Committee also plays an active part in the French Telecommunications Federation 33700 working group set up to combat SMS text and voice spam;
- A free SFR Anti-Spam application 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.

FIGHTING PHISHING

- 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.

SFR also offers a complete security solution to protect up to three PCs or Macs against viruses, attacks and malicious software. This "Security Pack" solution can be subscribed to at an Espace SFR, from Customer Service or on the Customer area on sfr.fr.

PROTECTION AGAINST MOBILE LOSS OR THEFT

SFR offers its mobile customers an application which:

- Locates your mobile in the event of loss or theft;
- Restores your contacts and SMS on a new mobile.

This application is available on iOS and Android. The number of downloads of this application has more than doubled in one year, confirming customers' interest in this type of service.

To help customers share their photos and videos, in 2013 SFR launched a cloud storage solution called "SFR Cloud". This application is available on iOS, Android, Windows phone 8, PC and Mac, and can be used to store and share digital content, very simply and very safely. All the data on "SFR Cloud" are stored and protected in France (Ile-de-France and Rhône-Alpes regions).

PROTECTING YOUNG PEOPLE MORE EFFECTIVELY

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.

On mobiles, SFR was the first operator to offer a filtering solution rather than full Internet black-out, so that the youngest users can continue to enjoy the Internet, while benefiting from an optimal level of security. Mobile parental control on a 3G/4G network, which was launched over two years ago, allows children to navigate on a specific portal which filters the whole Internet via a “white list” of suitable sites.

For fixed connections (ADSL/Fibre), SFR also provides parental control software available on PC and Mac, guaranteeing children optimum safety. The service is available in junior mode (based on a “white list” that allows access only to content specifically designed for children from the Junior Portal) and a teenage mode (based on a “black list” that allows access to all content except what is specifically barred, e.g. sites containing pornography, inciting racial hatred, advocating drug use, encouraging suicide, etc.).

Two years ago, SFR also launched a simple solution which enables parents to find out when their children are on the Internet and how much time they spend on it at home, using the various equipment in the home (mobile, tablet, PC etc.). Using this solution you can control the hours during which Internet access is available on any equipment connected to the SFR box, via WiFi or wired. This service can be easily configured by parents from a website and an SFR mobile app “Contrôle d’accès” (controlled access), available on iOS and Android. There was a significant increase in use of this service over 2013.

SFR produced a guide for parents on mobile and Internet usage in young people, to answer all their questions. This guide gives key information to help them make their choices, without taboos or received ideas. Guide downloadable on <http://www.sfr.fr/parents>. In addition, an information brochure about the Parental Control solutions offered is available at all SFR points of sale.

To take its commitment further, SFR provides financial and information based support for organisations and events that encourage the protection of young people (through financing, information centres, etc.).

Finally, SFR also relays events and initiatives such as those supported by the AFA (the French Association of Internet Access and Service Providers) and the “119 allô enfance en danger” helpline for abused children. SFR also partners Media Smart, an education programme about advertising and the media, for children aged 8 to 11, their teachers and their parents.

PROTECTING THE CONFIDENTIALITY OF CUSTOMER DATA

The developments in our society have made the world of information technology one of the prime targets for maliciously minded individuals. The risks of industrial espionage, piracy, data theft and radio network intrusion must be taken very seriously. The most common targets these days are businesses. It is thus vital that every company takes care to protect its IT systems and communication tools.

SFR'S COMMITMENT TO MOBILE AND ELECTRONIC COMMUNICATIONS SECURITY

SFR takes action 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.

As part 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

ACCESS TRACEABILITY AND DATA USE

SFR has also introduced system tools to analyse and track 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.

Since the end of 2010, traceability of access and usage of office systems and IT tools has been in operation.

To improve SFR's security, the Information Security and Fraud Department coordinates an annual schedule of internal and external

audits.

These audits are conducted to:

- Verify the security and fraud risk management processes already in place;
- Assess the security systems in place for effectiveness.

The audits cover not only SFR internal business lines, but also the relevant business lines and management processes of our partners. 17 audits were carried out in 2013 on the IS, Networks and Products, and 9 audits on suppliers to Customer Services. Any action plans introduced as a result of audit findings are monitored by the business lines involved.

SFR makes security recommendations to its customers via its 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.

FOCUS ON BUSINESS CUSTOMERS

With regard to information security, the SFR Business Division has set out an approach for its corporate clients which is structured along three lines:

- An upstream marketing line 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 in practice 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.

Since 2012, the Business Division has provided players in public and private healthcare with a hosting, storage and connectivity service that has a high level of security and confidentiality, and has reinforced the security of its customers' data via various products:

- With "Service Internet Sécurisé Expert" (SIS) our customers can protect their data sharing and secure their online transactions.
- Anti-DDOS Cloud Security offers the opportunity to secure service platforms and the sites hosted on the SFR Cloud.
- SFR OTP (One Time Password), is a reinforcement solution for user authentication.

In 2013 it offered the SFR Proxy Cloud to its customers, which enables their employees to protect their Internet navigation (anti-virus, anti-malware, filtering and control of web use and analysis of web content).

RAISING EMPLOYEE AWARENESS ABOUT DATA PROTECTION

In-house, SFR offers 5 different employee education resources to raise awareness of these issues and ensure that current legislation is applied:

- Employment contracts;
- Internal regulations;
- The Ethics and Commitments Code;
- The Information Security Charter;
- A special department dedicated to warning and advising teams on data protection issues.

In 2013, 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 employees are invited to follow the "Information Security" e-learning module. New employees are enrolled on the training sessions as part of standard procedure.

In 2013, SFR's Anti-Fraud and Information Security Department held three conferences at its Parisian sites addressing the topic, "Information Security in Companies: Decoded." It focused on such topics as information leaks in companies, specific cases of cyber-attack and recommendations for countering these. The conferences were attended by 250 people.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Employees made aware of information security, data protection and the CNIL Directives	<p>Awareness-raising and training about security for technical teams</p> <ul style="list-style-type: none"> - 200 Network employees received awareness-raising; - 50 Network employees trained; - an awareness-raising and training system for IT teams. 	700	430	<i>700 additional employees.</i>	Differential due to personnel reorganisation and movement.	Monitoring indicator, no target.

KEEPING INFORMED ABOUT RADIO FREQUENCIES AND HEALTH

2013 was marked by the publication of several reports which highlighted some very important results. Firstly, the conclusions of the government’s technical work launched following the round table on “Radio frequencies, health and environment” confirmed the fact that exposure to mobile phone masts is currently very low, less than 1/10th of the regulatory thresholds in over 99% of cases. Scientifically speaking, in mid-October the French Food, Environment,

Health and Occupational Safety Agency (ANSES) published the fourth update of its scientific assessment on radio frequencies, confirming that there are no noted health effects associated with radio frequencies below the maximum exposure values, but there are possible biological effects.

Although the conclusions of these reports are somewhat reassuring, it seems that they will not prevent the march of French legislation on the matter. Evidence of this is the adoption by the National Assembly in January 2014 of the draft law on “plainness, transparency and dialogue regarding exposure to electromagnetic waves” examined by the Senate in June 2014.

Therefore, in a fast-changing context, SFR maintains its duty of vigilance and transparency and continues its actions to support the rollout of mobile phone masts and to keep all the stakeholders informed.

SUPPORTING RESEARCH

For many years, SFR has contributed to funding research in the area of radio frequencies and health. This contribution is now mainly made through the mechanism set up by the public authorities in

2011. ANSES therefore assesses the risks and defines the scientific and technical research programmes in this area.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Supporting research on the possible effects of radio frequencies on health	Contributed to research funding under the new government mechanism.	Participated in ANSES dialogue structure.		<i>To continue supporting research and knowledge dissemination.</i>	Under Finance Act no. 2010-1657 of 29 December 2010 and the corresponding enforcement decree, ANSES receives an annual subsidy of €2m from mobile telephone operators to fund research on radio-frequencies. Funding for a thesis on dosimetrics.	To maintain the 2013 target.

SUPPORTING THE ROLLOUT OF MOBILE PHONE MASTS

SFR is continuing its approach of information and increased dialogue with its stakeholders as part of the *Guide to Relations between Operators and Local Communities*, signed between the Association of Mayors of France (AMF) and the French Telecommunications Federation (FFT). This guide has been the sector's operational route map for rolling out mobile networks for over 10 years. SFR's technical teams remain involved at all times.

MEASURING ELECTROMAGNETIC FIELDS

2012 was a year of transition, marked by the entry into force of the new National Frequencies Agency (ANFR) measurement protocol. In 2013, the number of measurements funded by SFR returned to its normal level, i.e. a little over 500 electromagnetic field measurements carried out on request from politicians, landlords or private individuals (with 100% compliant measurements).

The new system for managing measurement requests, led by ANFR, was only initiated at the beginning of 2014, although it was funded by a tax paid by the mobile telephone operators since 2011. This explains why the operators have continued to take direct charge of measurement requests, in order to respond to the needs of people living near mobile phone masts.

Using the ANFR website <http://cartoradio.fr>, it is possible to identify the location of all radioelectric stations of over 5W in France (mobile telephone masts, television or radio emitters, private networks) and the results of the electromagnetic field measurements made. Since the end of 2013, it is also possible to access this information on the move, via an application available on Smartphones and tablets (iOS and Android).

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Number of electromagnetic field measurements by SFR	507	427	531	<i>Send measurement requests to the new process approved by the government and managed by the ANFR.</i>	As the actual implementation of the measurement system did not take place until early 2014, the operators continued to take direct charge of measurement requests during the whole of 2013.	To maintain the 2013 target.

CONTINUING TO SEEK INFORMATION ON THE ROLLOUT OF MOBILE PHONE MASTS

SFR took part in over 500 information meetings on the subject of health and radio frequencies. The requests can be very varied: support for the rollout teams to help with a project and respond to any questions, contacts with local authorities during negotiations on mobile telephone rollout charters, or meetings with company Health, Safety and Working Conditions Committees. Important

discussions also took place with stakeholders on a national level, particularly as part of the government work that came out of the “Radio frequencies, health and environment” round table.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Number of information sessions about health	372	579	527	<i>Compliance with the Guide to Relations between Operators and Local Communities signed with the Association of Mayors of France (AMF).</i>	The written requests, via post or e-mail, are usually on the topic of “mobile telephones and health”, whether with regard to mobile phone masts or mobile terminals.	Maintain the 2013 target while awaiting regulatory developments.
Number of health-related letters handled by SFR	128	161	71			

KEEPING CUSTOMERS INFORMED ABOUT MOBILE PHONES AND HEALTH

Consistent with its principles of vigilance and transparency, SFR is continuing its information initiatives towards all its consumer and business customers. In particular, it publishes the sector leaflet *Mon mobile et ma santé* (My mobile and my health), which is regularly updated in line with current events (most recent publication November 2013). The leaflet is mainly delivered in printed format with the "SIM card kit" when you open a mobile phone account, and provided to customers in store. Since mid 2013, it has been printed at the end of the General Terms and Conditions of Subscription given to customers.

SFR is also keen to issue up-to-date information on its sales websites: <http://sfr.fr>, <http://sfrbusinesssteam.fr> and dedicated <http://mobile-et-radiofrequences.com>

More generally, SFR issues user precautions in order to reduce exposure to radio waves, such as using an earpiece kit (provided free of charge in all SFR packs, and a pictogram specially for this recommendation is used in most sales brochures) or the recommendation to telephone in areas with good reception. Finally, in accordance with the legislation, SFR displays the maximum exposure level (Specific Absorption Rate -SAR) for mobile terminals in its sales brochures, on the shelves of its distribution network, on its websites and in its advertising.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Number of FFT/AFOM "Mon mobile et ma santé" leaflets circulated (in millions)	6.8	5	4.3	- To continue disseminating the "Mon mobile et ma santé" leaflet in all SIM card kits.	-	To maintain the 2013 target.
Number of earpiece kits distributed by SFR (in millions) SFR packs + phone-only	6.3	5.5	6.26	- To continue providing earpiece kits in all SFR packs.	-	

INCREASING AWARENESS AMONG OUR SALES FORCES AND EMPLOYEES

In addition to the normal range of employee training initiatives, SFR has developed online training on the topic of radio frequencies and health for its retail network sales staff, and a special quiz, so that they can better answer customer questions. The Company's sales forces are also the target of various awareness-raising actions. In 2013, the SFR Business division put in place a "Mobile and health" e-learning module for its internal and external sales forces.

	2011 Results	2012 Results	2013 RESULTS	Reminder of 2013 targets	Comments	2014 TARGETS
Number of employees trained on health policy	181	237	9	<i>To continue training employees and sales staff, in particular using the specially-developed quiz.</i>	Differential due to personnel reorganisation and movement.	To maintain the 2013 target.
Number of sales staff who took part in the "radio frequencies and health" quiz	1436	1703	683			



CONTROL OF ENVIRONMENTAL IMPACT

Digital services can play a key role in reducing environmental impact on our society. However, the rapid growth in digital use has been accompanied by an increase in energy consumption and use of raw materials. Is the circle being squared? No, because the potential of digital services, particularly in terms of the sustainable digital city, are very promising, in the fields of energy, transport, healthcare and education, and more.

Environmental conservation is becoming a structuring principle of the digital economy. For SFR, the challenge is two-fold. 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 to lower greenhouse gas emissions in France, by mass dissemination of Information and Communications Technologies (ICT), in the Transport, Health, Education, Construction, Energy and other sectors. In order for ICT to play its key role in fighting global warming (IT for Green), SFR will need to be particularly exemplary in implementing these technologies and managing their life-cycle, well beyond the design stage for which manufacturers are traditionally responsible (Green for IT).

SFR aims to offer continuity and support to its customers as part of its ambitious environmental policy, which has been a key part of its strategy for many years now and is structured around an environmental management system certified ISO 14001, for the eighth consecutive year. Although 2013 was a year of transition for SFR, the projects and actions put in place in previous years continued to produce their effects.

Naturally, all of the initiatives that have helped make SFR a digital operator dedicated to environmental conservation are being extended: landscape-friendly mobile phone mast planning, collection of used mobile phones in exchange for vouchers, paperless billing and contracts, eco-friendly products, including the Box, environmental information display for mobile phones, etc.

SFR is also innovating with its practical solutions for private individuals, businesses and local authorities, working towards a low-carbon society, with home automation, cloud computing, audioweb/videoconference, Machine to Machine applications etc.

In these times of energy transition, it goes without saying that SFR remains focused on helping its customers reduce their carbon footprint, all the while continuing to optimise its own impact.

OUR CHALLENGES

- FIGHTING GLOBAL WARMING
- HELPING OUR CUSTOMERS BECOME ECO-CONSUMERS
- MANAGING RESOURCES AND PROTECTING THE COUNTRYSIDE
- INNOVATING FOR THE SUSTAINABLE DIGITAL CITY
- CONTINUING THE ROLLOUT OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM

FIGHTING GLOBAL WARMING

SFR's carbon dioxide emissions (CO₂) are due primarily to **energy consumption** from its technical and tertiary infrastructures (88%) and employee **business travel** (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.

As business travel and home-to-work travel by employees is the second largest source of the Group's CO₂ emissions, two main focuses continue to be promoted:

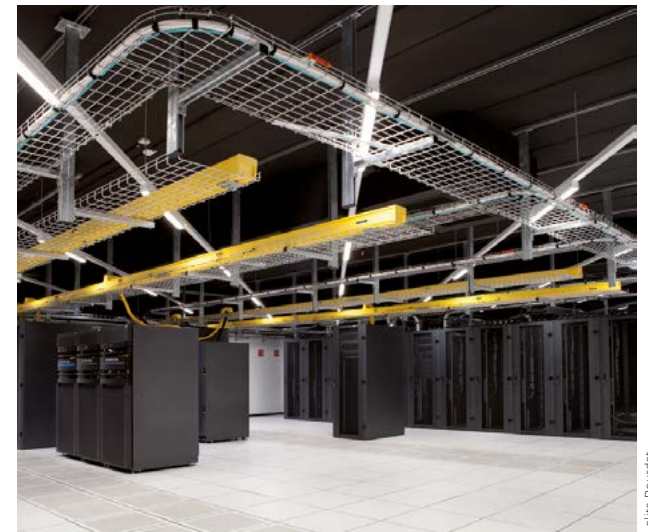
- Travel less, use teleconferencing wherever possible (video/telephone etc.);
- Travel more intelligently, using the train instead of aeroplane, and promote the use of car-sharing and car-pooling.

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.

OPTIMISING OUR ENERGY CONSUMPTION AND REDUCING OUR CO₂ EMISSIONS

Some of the most notable initiatives in 2013 were:

- In terms of tertiary sites, the SFR Campus is equipped with an automated and centralised management system which reduces the energy consumption of the lighting and heating system. The artificial lighting of floors and corridors is therefore automatically adapted to the natural light and the presence of employees.
- As for the technical sites, the Trappes data centre, which had already been optimised, is now even more energy-efficient, with adapted spaces within a new "Cloud Ready" building, which has high hosting density and high energy performance.



Trappes Data Centre

Lolita Bourdét

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Total energy consumption (MWh) (GRI: EN03) from electricity from natural gas from urban heating/cooling grid from oil fuels – fuel	635,754 622,924 2,236 9,939 655	666,641 657,100 3,190 4,943 1,408	-	662,637 653,273 3,645 3,329 2,390	<p> ■ Light network sites ■ Strategic network sites ■ Tertiary sites </p> <p>NB: the winter was warmer. For the record, the “urban network” indicator was changed in 2012. Increase in fuel consumption linked to maintenance and construction work.</p>	-
Electricity consumption from office sites (MWh)	53,079	45,356	<i>To stabilise energy consumption at office sites, compared to 2010.</i>	46,153	<p>2011 2012 2013</p>	To maintain the 2013 target.
Electricity consumption from networks (fixed and mobile) (MWh)	569,845	611,744	<i>By 2020, to stabilise energy consumption from fixed and mobile network infrastructures and data centres compared to 2009 (or 508,000 MWh).</i>	607,120	Stabilisation of consumption compared to 2012, even though usage has grown rapidly. <p>2011 2012 2013</p>	To maintain the 2013 target.
CO₂ atmospheric emissions due to energy consumption (in tonnes of CO₂) (GRI: EN16) from electricity from the urban heating/cooling grid from natural gas from fuel	65,207 63,714 770 517 206	64,715 62,761 726 769 459	-	69,127 66,548 892 878 774	19% of all emissions result from operations on La Réunion (SRR), where the energy mix is more “carbon-focused” than in mainland France.	-

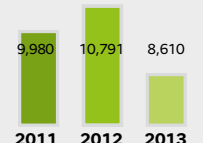
ENCOURAGING SUSTAINABLE MOBILITY

The sustainable mobility policy which SFR has been committed to for several years continues to bear fruit, even though all the indicators may have been affected by the staff reductions during the year.

Organising remote meetings has now become part of employees' working habits, despite the fact that use did not significantly increase in 2013. On the SFR Campus, the introduction of 3 teleconferencing rooms, 4 videoconferencing rooms and a large auditorium with videoconferencing equipment means that employees can reduce the number of business trips, not forgetting the general

rollout of a new integrated telecommunications tool (messaging, telephone and tele and video conference). All the employees based on the Campus also have a smartphone so that they can check the traffic situation and updates on public transport serving the headquarters, in real time.

To facilitate inter-site travel in Ile-de-France (pending the complete reorganisation by 2015), the Meudon, Rive Défense and SFR Campus sites also have a fleet of around 40 car-sharing vehicles, which will soon be completed by a dozen "Bluecar" electric cars. There has also been a significant decrease in corporate vehicle fleet emissions, from 139 to 117 g CO₂ per km, between 2009 and 2013, way beyond the targets set.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS	
CO₂ atmospheric emissions due to business travel (in tonnes of CO₂) (GRI: EN16)	9,980	10,791	<i>To stabilise CO₂ emissions due to business travel, compared to 2012 (if and only if emissions factors remain unchanged).</i>	8,610	 <p>9,980 10,791 8,610 2011 2012 2013</p> <p>General comment: the reduction in personnel has also led to a reduction in activity.</p>	To stabilise CO₂ emissions due to business travel, compared to 2013, within ISO scope (if and only if emissions factors remain unchanged).	
from atmospheric CO ₂ emissions due to air, train and short-term rental vehicle travel	3,999	4,494					4,117
from atmospheric CO ₂ due to corporate vehicle fleet	5,981	6,297					4,493
Fuel consumption (in m3)	2,015	1,987	<i>To continue promoting eco-driving among employees.</i>	1,418	-	To maintain the 2013 target.	
Company vehicle fleet (number)	1,623	1,682	-	1,695	-	Integrate 10 Bluecar electric cars within the car-sharing vehicle fleet.	
Average emissions across corporate vehicle fleet (in g CO₂/km)	129	124	<i>To bring the average emissions level of the corporate service fleet to 120 g CO₂/km by 2015.</i>	117	2015 target already exceeded.	To bring the average emissions level of the corporate service fleet to 110 g CO₂/km by 2015.	

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	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of videoconferencing/ teleconferencing/ audioweberencing hours	527,515	615,965	<i>To increase the number of hours dedicated to videoconferencing/teleconferencing by 10% compared to 2013.</i>	633,732	-	Due to the Campus reorganisa-tion, aim for 7,500 hours of video-conferencing / teleconferencing.
of which number of videoconferencing/ teleconferencing hours	9,643	10,627		9,016		
of which audio webconferencing hours	517,872	605,338		624,716		
CO₂ atmospheric emissions due to employee travel (in tonnes of CO₂) (GRI: EN16)	18,931	Not carried out as Report (Scope 3) is now done every 3 years. Carried out in 2011, next review in 2014.	<i>To continue enforcing a more environmentally-friendly home-work commuting policy:</i> - <i>To run the 3 PDEs already launched in the regions and the SRR and continue to encourage use of transport other than the individual car among employees;</i> - <i>To prepare the PDIE for the new headquarters in Saint-Denis (which will replace those already in existence at the 4 Paris region sites).</i>	-	-	To maintain the 2013 targets.

HELPING OUR CUSTOMERS BECOME ECO-CONSUMERS

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:

- 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.

- On the business side, the €cobysFR 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.

CONTINUING THE ROLLOUT OF PAPERLESS BILLING

Encouraging customers to use paperless billing is a strong focus of our environmental action. After experiencing constant growth for several years, paperless billing for mobile customers significantly increased by nearly 47% in 2013.

The whole of the Espace SFR and FNAC corner distribution network, i.e. 810 sales outlets, is now equipped with terminals that provide access to paperless mobile contracts and supporting documents. The target is to achieve over 50% of paperless contracts by the end of 2014. Paperless contracts are also to be extended to fixed line contracts.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Total number of customers on paperless billing	9,173,347	9,683,841	<i>To continue to rollout paperless online billing, in order to reach, by end-2013:</i>	12,347,073	<p>Paperless rate of the eligible field.</p> <p>Target exceeded with over 71% of the eligible field:</p> <p>i.e. over 79% of the eligible field;</p> <p>i.e. over 45% of the eligible field;</p>	-
of which mobile customers	5,022,284	5,455,000 (or 48.5% of the eligible field)	<i>6.3 million consumer mobile customers, or 60% of the eligible field;</i>	8,008,215		Reach 77% of the eligible field.
of which fixed line customers	4,095,563	4,160,000 (or 85% of the eligible field)	<i>4.16 million ADSL customers, or 86% of the eligible field;</i>	4,338,858		Reach 81% of the eligible field.
of which SRR customers	55,500	68,841 (or 38% of the eligible field)	<i>85,000 SRR customers, or 47% of the eligible field.</i>	81,515		Reach 40% of eligible consumers and 85% of ADSL customers.
Total number of paperless bills for SBT customers	-	Over 159,000 (or 40.2% of the eligible field)	<i>240,000 paperless bills by end-2013, or 58% of eligible billing.</i>	199,540	i.e. around 49% of the eligible field Target not reached due to number of ineligible lines.	Reach 64% of the eligible field.

EXPANDING THE COLLECTION OF USED MOBILE TELEPHONES

In addition to the collection system, which was initiated over a dozen years ago, the exchange system launched by SFR in 2010 continues to bear fruit, as the number of collection points considerably increased in 2013. Against all expectations, this accounts for an increase of over 18% compared to 2012. For the record, the incentive system set up by SFR has three areas of focus:

- **To reward the customer:** if the mobile phone returned to the Espace SFR store is still of value, the customer is given a purchase voucher for the value of the mobile. The phone's value varies according to the model, its condition and its age. The voucher is valid immediately, in the Espace SFR store issuing it, on all products and accessories Exchanges are also offered on sfr.fr.
- **To support associations:** for each mobile phone valued, SFR undertakes to pay €2 to associations, in particular Fondaterra, a foundation that works for the environment and for the sustainable development of the local communities, and to La Voix de l'Enfant, a federation of associations that protects abused children. Thanks to this support, the "Green TIC Campus" student challenge is able to take place every year.

- **Encouraging recycling of old mobiles:** if they are reusable, the collected mobiles are reconditioned by suppliers, either to be resold in France or in countries where mobile telephony might be an accelerator for growth, or by the Ateliers du Bocage (especially for collections by the SFR Business Team) and given to the Emmaüs France solidarity economy network. All these suppliers are signatories to the Mobile Telephone Re-use Charter, drawn up in partnership with the eco-organisation Eco-Systèmes, approved by the State. If the phones are not reusable, the mobile phones and their accessories are recycled in an environmentally-friendly manner.

SFR regularly informs its customers about these systems through different channels: brochures distributed in all Espace SFR stores, in the "citizen corner", through sales associates, SFR sites or the Fédération Française des Télécoms website: <http://rapportersonmobile.fr>.

In total, since the system was launched in 2003, nearly 1.5 million mobiles have been collected in this way.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Total number of mobile phones collected of which mobiles collected by Espace SFR stores, events, SRR, SBT, in-house (excluding after-sales/remote sales/non-sales)	351,545 205,497	359,414 201,532	- <i>To reach the target of collecting 200,000 mobile phones in the Espace SFR distribution network from SBT customers, at SFR events and on La Réunion.</i>	295,023 238,040	The incentive actions carried out in the Espace SFR at the end of the year helped us to exceed this target by some way.	- To reach the target of collecting 250,000 mobile phones in the Espace SFR distribution network from SBT customers, at SFR events and on La Réunion.
Number of ADSL boxes and decoders recovered	2,229,513	1,975,535	-	2,186,062	The number of phones collected depends on the number of renewals by customers.	-
Total weight of electrical and electronic equipment household waste (DEEE) collected (in tonnes)	1,622	2,255	-	2,498	-	-

ENCOURAGING ENVIRONMENTAL INFORMATION DISPLAY

For several years now, the environmental information display has been systematically rolled out on mobiles sold by SFR on the online store and in the Espaces SFR, on nearly all products sold by SFR (except for Apple products). For the record, SFR has relied on the expertise of a specialised design office to implement this methodology. This assessment methodology takes into account all the stages in the life cycle of a mobile telephone, from manufacture to recycling, and is now an international benchmark. The approach

was also used in 2012 for mobile terminals sold in La Réunion and Mayotte, whose figures may differ, given that the environmental impact, particularly with regards to transport, is not exactly the same as mainland France.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Percentage of terminals equipped with environmental information display for SFR	100%	100%	<i>To ensure that environmental information display is placed on 100% of mobile packs and box sets (excluding Apple products) sold in Espaces SFR and online for SFR and SBT.</i>	100%	-	Initiative completed.
Percentage of terminals equipped with environmental information display for SRR	-	67% in La Réunion and 0% in Mayotte	<i>Aim for 100% on La Réunion and 70% in Mayotte (excluding Apple products).</i>	79% in La Réunion and 0% in Mayotte	Targets not reached due to technical problems rolling out in Mayotte and the sale of specific terminals on La Réunion.	Aim for 90% on La Réunion and 90% in Mayotte (excluding Apple products).

MANAGING RESOURCES AND PROTECTING THE COUNTRYSIDE

CONTROLLING RAW MATERIALS CONSUMPTION

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 eco-friendly resources, using over 95% PEFC or FSC recycled paper. SFR has also introduced selective sorting at all of its office sites. Selective waste sorting has been particularly encouraged at the new SFR headquarters: the absence of waste paper baskets encourages employees to think before printing and to willingly recycle paper with collection points placed every 15-20 metres, at the reprographic points, where printing can only be done upon presentation of a badge or smartphone.

Recent years have seen a turning point in the area of eco-friendly design, with the release of the latest generation Box (for which the main environmental impact has been reduced by 30%) and the generalisation of small-format SIM cards. For 2 years, discussions have been focused on the design of SFR product packaging, which should bear fruit in 2014.



	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS																		
<p>Total paper consumption (in tonnes) (GRI: EN01)</p> <p>of which billing</p> <p>of which sales documentation, marketing mailing, packs and customer kits</p> <p>of which internal use</p> <p>of which other paper</p>	7,571 1,605 5,767 177 22	5,946 1,470 4,302 139 35	<p>To stabilise paper consumption for sales documentation compared to 2011</p> <p>To stabilise paper consumption for internal use compared to 2011 (SFR and SRR).</p>	<p>5,164</p> <p>1,015</p> <p>4,023</p> <p>118</p> <p>8</p>	<p>Reduction of 16% in total paper consumption mainly related to billing.</p> <p>■ Billing ■ Sales documentation ■ Internal use and other paper</p> <p>Total paper consumption (t)</p> <table border="1"> <tr> <td>2011</td> <td>2012</td> <td>2013</td> </tr> <tr> <td>7,571</td> <td>5,946</td> <td>5,054</td> </tr> </table> <p>Billing (t)</p> <table border="1"> <tr> <td>2011</td> <td>2012</td> <td>2013</td> </tr> <tr> <td>1,605</td> <td>1,470</td> <td>1,015</td> </tr> </table> <p>Sales documentation (t)</p> <table border="1"> <tr> <td>2011</td> <td>2012</td> <td>2013</td> </tr> <tr> <td>5,767</td> <td>4,302</td> <td>3,913</td> </tr> </table>	2011	2012	2013	7,571	5,946	5,054	2011	2012	2013	1,605	1,470	1,015	2011	2012	2013	5,767	4,302	3,913	<ul style="list-style-type: none"> - - <p>To stabilise paper consumption for sales documentation compared to 2013.</p> <p>To aim for 100 tonnes of paper consumption for internal use.</p>
2011	2012	2013																						
7,571	5,946	5,054																						
2011	2012	2013																						
1,605	1,470	1,015																						
2011	2012	2013																						
5,767	4,302	3,913																						
<p>% of recycled paper, PEFC or FSC used in total paper consumption (GRI: EN02)</p> <p>of which share of recycled paper</p> <p>of which share of PEFC/FSC paper</p>	96% 39% 57%	92% 32% 60%	<p>To bring the percentage of recycled, PEFC or FSC paper use to 95% of SFR's total paper consumption.</p> <p>To stabilise raw material consumption compared to 2012.</p> <p>-</p>	<p>95 %</p> <p>30 %</p> <p>65 %</p>	<p>Target achieved.</p>	<p>To maintain the 2013 target.</p>																		
<p>Raw material consumption (cardboard, plastic) from manufacturing and logistics activities (in tonnes) (GRI: EN01)</p>	2,140	1,711	-	1,682	-	<p>To maintain the 2013 target.</p>																		

MANAGE END OF LIFE ELECTRICAL AND ELECTRONIC EQUIPMENT

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.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Non-Hazardous Waste (NHW) (in tonnes) (GRI: EN22)	1,958	2,717	-	2,772	Excludes cupboard-clearing operation during the move of the three office sites in Ile-de-France.	Stabilise the quantity of NHW compared to 2012.
of which recycled NHW	1,058	1,113	-	928		
Hazardous Waste (HW) (in tonnes) (GRI: EN24)	376	386	-	198	Reduction linked to equipment replacement programme.	-
of which batteries	327	366	-	178		
Professional electrical and electronic equipment waste (DEEE) in tonnes) (GRI: EN24)	712	484	<i>To maintain the electrical and electronic equipment re-use rate in the fixed and mobile telephone networks at 20%.</i>	632	Increase due to additional work on network infrastructures.	To maintain the 2013 target.
of which network infrastructures (fixed and mobile)	640	387	-	445		
re-used equipment rate	17%	17%	-	38%		
of which tertiary infrastructure, office equipment	50	70	-	134		
re-used equipment rate	-	51%	-	17%		
of which SBT infrastructure	22	27	-	53		
re-used equipment rate	-	52%	<i>To aim for 40% re-use of SBT fixed equipment.</i>	56%	Re-use target exceeded for exceptional reasons: mass replacement of technical equipment that could be re-used.	To aim for 45% re-use of SBT fixed equipment.

CONTROLLING WATER CONSUMPTION

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.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Water consumption (in m3) (GRI: EN08)	158,826	160,951	<i>To stabilise water consumption at office sites, compared to 2012.</i>	145,214	Target exceeded.	To stabilise water consumption at office sites, compared to 2013.
of which office sites	91,413	92,866		92,982		
of which network sites	67,413	68,085		52,232		

CONTINUED INTEGRATION OF NEW MOBILE PHONE MASTS INTO THEIR ENVIRONMENTS

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.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
New mobile phone masts integrated into their environment in mainland France	99%	96.5%	<i>To aim to integrate at least 96% of new mobile phone masts into their environment (company facilities, excluding SRR, white zones and TDF sites).</i>	98%	Target exceeded.	To continue working toward the 2013 target.
New mobile phone masts integrated into their environment on La Réunion.	100%	75%	<i>To aim to integrate at least 80% of new mobile phone masts into their environment on La Réunion.</i>	25%	Target not achieved as due to the topography of La Réunion, the rule on mechanical tilt cannot be met.	Downward revision of target: integrate 35% of new mobile phone masts into the landscape.

INNOVATING FOR THE SUSTAINABLE DIGITAL CITY

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.

A few examples of the services on offer and partnerships entered into by the SFR Business division:

- To meet the challenge of reasoned, more fluid, intermodal and comfortable mobility, the SFR Business division offers several Machine to Machine applications which help to optimise travel and remote data exchange whether relating to tele-metering, vehicle fleet management, car-sharing, or even intelligent parking;
- SFR Geostatistics is a service which relies on the power of Big Data: using anonymous data from active telephones, access to information on population travel can be obtained. Analysing people flow within an area means that the local authority can optimise its public transport offer and adequately resource its infrastructures. Many other uses are also possible:
- The SFR Cloud facilitates the secure storage of network data, for administrations and companies, in high energy performance data centres, which give access to computer resources on demand;

- In the area of energy and smart grid management, SFR has also supported the EDF/ERDF Group for several years in setting up the Linky intelligent computer. SFR is also a partner to the Smart Electric Lyon consortium which has launched a large-scale experiment based on a wide range of interactive services, to control energy consumption by users and companies;
- In partnership with Lyonnaise des Eaux, SFR has developed water consumption control solutions and projects for the sustainable, intelligent city.

Finally, SFR is also keen to support a whole ecosystem of innovative start-ups in this area, through its SFR YoungTalents Start-up system.

A few examples:

- Cedexis or Fasterize, which optimise loading time to reduce energy consumption;
- Shopmium which offers paperless coupons and discount vouchers;
- Or E-loue which encourages the leasing of various equipment between individuals, as part of a functional economy approach that is more and more popular with our fellow citizens.

For more information: <http://ville-numerique.sfr.fr>

CONTINUING THE ROLLOUT OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM

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. 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.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Percentage of network sites covered by an ISO 14 001-certified EMS	79%	1.4%	<i>To maintain ISO 14 001 certification.</i>	1.6%	Certification was maintained over a reduced scope for SFR. SFR's tertiary sites are no longer part of the certification scope, with the exception of those on La Réunion, from a total number of sites that has been considerably reduced.	To maintain the 2013 target.
Percentage of tertiary sites covered by an ISO 14 001-certified EMS	60%	20%		31%		
Percentage of personnel covered by an ISO 14 001-certified EMS	86%	25%		1.9%		

EDUCATING AND TRAINING EMPLOYEES IN GOOD ENVIRONMENTAL PRACTICE

The internal awareness campaigns about good environmental practice (energy, travel, waste, water, paper) have led to a good level of involvement across the company and have reached all employees, particularly during the Sustainable Development Week, where

among other things the issue of digital services in energy transition was discussed. As there were virtually no new arrivals in 2013, no awareness raising sessions took place.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of employees and service providers made aware of environmental issues	420	321	<i>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.</i>	281	-	To maintain the 2013 target.
of which new arrivals	-	226		0		

EMPLOYEE DEVELOPMENT AND SATISFACTION

Ensuring the employability, career progression and development of 9,000 employees in a constantly changing digital sector is a challenge. Through social dialogue, training, work/life balance, employee engagement and diversity, SFR explores all areas of social innovation, offering original, appropriate solutions.



In a constantly changing telecoms sector, supporting our employees is SFR's main priority, to ensure they can develop their skills in line with the company's needs, and to increase their employability.

2013 was a year of transition marked by corporate restructuring, involving a voluntary redundancy plan. SFR made sure not only that the employees leaving settled well into their new professional lives, but also that the employees remaining at the company were happy.

The end of 2013 was also marked by the move of some of the teams from Ile-de-France to the new SFR Campus in Saint-Denis (Seine-Saint-Denis). This Campus is symbolic of the particular attention paid to providing an optimum working environment. In 2014, for the third consecutive year, SFR also received the Top Employer label, a recognition and validation of the excellence of its HR systems.

Finally, SFR remains committed to diversity and equal opportunity. This strong commitment is part

of our pro-active Human Resources policy and involves two essential aspects: non-discrimination and assessment on skills alone. In training, internal transfer, promotion or pay, equal opportunity is the number one criteria. All employees must be confident that their professional career will be built in total fairness, regardless of their origin, situation or disability. Thanks to this commitment, SFR was the first telecoms operator to receive the Diversity Label in 2010.

OUR CHALLENGES

- FOSTERING THE PERSONAL AND PROFESSIONAL DEVELOPMENT OF OUR EMPLOYEES
- ENSURING THE HEALTH AND SAFETY OF OUR EMPLOYEES
- PROMOTING SUSTAINABLE EMPLOYMENT AND YOUTH INTEGRATION
- ENCOURAGING SOCIAL DIALOGUE AND COLLECTIVE NEGOTIATION
- PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

FOSTERING THE PERSONAL AND PROFESSIONAL DEVELOPMENT OF OUR EMPLOYEES

CREATING THE CONDITIONS THAT WILL RESULT IN AN EFFICIENT COMPANY WHERE EVERYONE HAS A PLACE

A PRO-ACTIVE HR POLICY

Through its Human Resources policy, SFR devises and puts in place measures to ensure the employability of its employees and foster their professional development in line with their professional aims and the needs of the company (career appraisals, “espaces métiers” job information sessions). It also supports skills development through an ambitious training plan that takes account of job developments (GPEC agreement – over 80% of employees trained every year).

To promote discussion and dialogue within the company, SFR has put in place local management and HR teams within its organisation. The company also encourages direct discussions with employees at information meetings on strategy or company changes.

2013 was a year of transformation for SFR with the introduction of a restructuring project which involved a Voluntary Redundancy

Plan. To manage this transformation, the company put in place extra measures designed to support managers in dealing with complex human and organisational situations, and to understand the mechanisms of change. The company also put in place a flexible, adapted system to enable managers to address the subject of workload within their teams, and to be supported by coaches, work organisation experts.

The Human Resources Department also provided employees with outlets for listening and support (regular psychological sessions, external to our sites). All these measures reinforced the measures already in place as part of our psychosocial risk prevention and well-being at work policy.

Finally, SFR keeps aware of the general climate in the company, through measurement tools and indicators. Through an annual internal survey, “La voix des collaborateurs” (The employees’

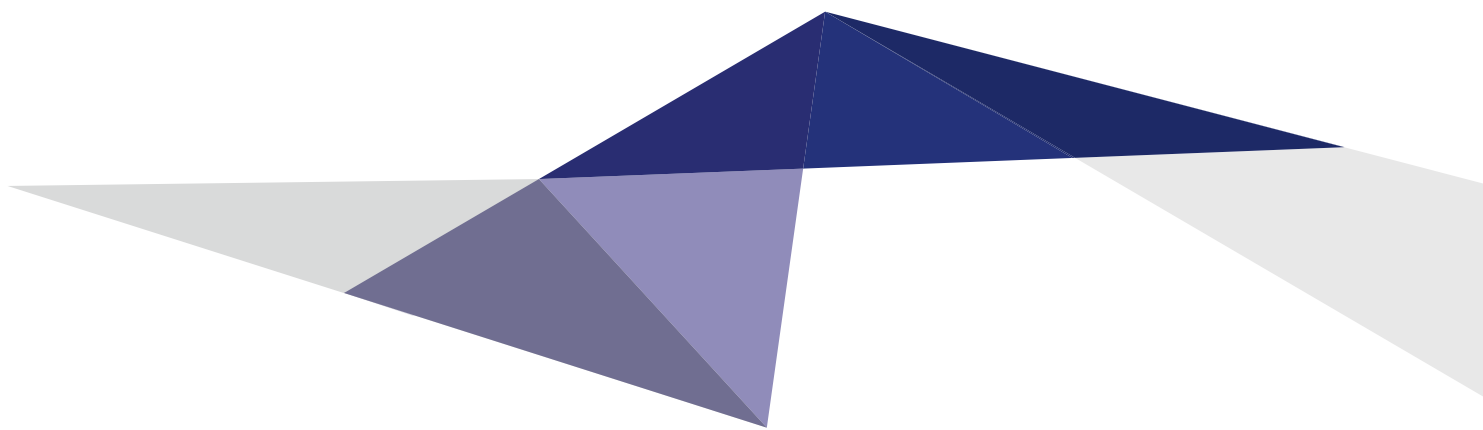
voice), every employee can give their general perception of SFR on different topics such as its working environment and atmosphere, their professional satisfaction, SFR's image etc. The results of this survey are used to set up action plans. This is complemented by a "pulse survey", which measures employees' level of engagement on a quarterly basis and helps to monitor the effectiveness of actions put in place. The company also regularly measures the number of calls to the psychological support unit (free phone number), the number of psychological sessions (held on site), CHSCT surveys or diagnoses and assessments authorised by the CHSCT, plus indicators related to the health and safety of employees (work accidents, sickness, absences).

In 2013, SFR introduced a change management policy to make managers aware of their roles and responsibilities in preventing psychosocial risks. The company also wants to make all its employees aware of quality of life at work and everyone's responsibility, in their daily lives, to be attentive to the well-being of others. In 2014, it plans to initiate an open discussion on an agreement concerning quality of life at work.

Total number of personnel and breakdown by gender and age

Total personnel at 31/12/2013: 9,432 employees, of which 3,793 women and 5,639 men. Breakdown by age:

Under 25 years	25 - 30 years	30 - 35 years	35 - 40 years	40 - 45 years	45 - 50 years	50 - 55 years	55 - 60 years	60 years and over
464	842	1,404	2,147	2,242	1,261	680	308	84



TRAINING

In 2013, the training plan focused mainly on the rollout of superfast broadband and its uses, and on support for managers and employees in the implementation and success of the new organisation.

In line with forecasts, the number of training hours fell:

- (Planned) end of the rollout of mass long-term courses in customer relations for the SFR Business division;
- Training support for transfers rolled out from the second half-year following the extra transfers in May (usually spread throughout the year) and voluntary redundancies as part of the Professional Mobility Plan (PMP).

2013 was notable for the success of evening courses, a new system rolled out by the SFR University. Nearly 400 employees received a 90-minute weekly group lesson over 16 weeks in the following subjects: English, German, Italian, Spanish, Chinese, sign language, website design, introduction to business finances and public speaking. The courses were taught on several sites in Ile-de-France and the provinces, and were very successful, as shown by the number of

enrolments between November and December 2013. 700 employees registered for the courses scheduled for 2014, to be given on 5 sites in Ile-de-France and 7 provincial sites, to a total of 72 groups. To help them attend all the sessions, employees in the Customer Relations teams have been allowed to rearrange their schedules.

The quality approach to training systems (used since 2010) has been followed, and has resulted in some very high levels of performance over 4 years, with 88% satisfied employees and a Net Promoter Score (NPS) of +61.

Finally, the cycles of conferences accessible to all employees was repeated on a bi-monthly basis, on topics such as “individual performance aimed at group performance and operational excellence” or “risk-taking for women”, to mark International Women’s Day.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Performance appraisals and professional development reviews completed (Ref GRI: LA11)	89%	90%	<i>Monitoring indicator, no target.</i>	91 %	These were review meetings carried out during the 2013 Performance Review campaign (December 2013 to January 2014), referring to 2013.	-
Number of transfers	844	732	<i>Monitoring indicator, no target.</i>	678	-	-
Number of in-house promotions	462	591	<i>Monitoring indicator, no target.</i>	558	-	-
Percentage of employees trained / Training access rate	85%	86%	80%	81 %	Following the PMP (Professional Mobility Plan), transfer support training was postponed to the end of 2013 – early 2014.	Reach a rate of 85%
Total number of training hours	288,784 hrs	297,655 hrs	<i>Monitoring indicator, no target.</i>	254,464 hrs	Fall due to PMP.	-
Percentage of payroll dedicated to training	4.10%	4.79%	4%	3.35 %	The reference payroll includes redundancy payments for employees under the Voluntary Redundancy Plan; without this context, the target would have been reached.	4 %

FOSTERING EMPLOYEE ENGAGEMENT IN CITIZENSHIP ACTIONS

The involvement of employees in civil society is a deep-rooted part of SFR culture. For many employees, social engagement contributes to their personal and professional development.

To facilitate employee engagement in citizenship actions, SFR has developed five programmes for getting involved:

- The “fonds de soutien citoyen” (citizen support fund) enables non-profit projects sponsored by employees to receive funding from Fondation SFR;
- The Socially-Supportive Employee programme (skills sponsorship) 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 as 2006);
- The charitable leave scheme makes it possible for employees to take part in an international development aid mission (education, training, etc.);
- The mentoring scheme enables employees to help and support an underprivileged or disabled young person to enter further education or to put together a career plan;
- The collective commitment enables one-off contributions to voluntary initiatives (e.g. Sidaction, Connexions Solidaires, Handisport etc.).

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Total number of employees involved in social engagement programmes	752	622	<i>To keep the percentage of employees contributing to our various programmes above 6%.</i>	551	Target achieved.	New indicators will be set in 2014.

FOSTERING A BETTER WORK/LIFE BALANCE

SFR has put in place a series of measures to encourage a good work/life balance.

TELECOMMUTING

In line with its commitments and thanks to signature of an agreement by the four trade union organisations represented in the Economic and Social Unit, SFR has initiated telecommuting during 2013. This has been done with respect for employees' private life and their health, taking into account the company's operational, technical and financial necessities (see page 70).

COMPTE ÉPARGNÉ TEMPS (TIME SAVINGS ACCOUNT)

An agreement on the introduction of a Time Savings Account (CET) was signed in July 2011 and came into force on 01/01/2012. It offers employees the opportunity to place a maximum of 7 days 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. Employees have placed days in the CET and transferred days from the CET to the SFR PERCO.

PARENTAL LEAVE

As of 1 September 2012, SFR instituted 11-day "parental leave" for employees living with a person of the same gender, in the event of childbirth or adoption. Provided they meet the minimum seniority requirement of six months, they continue to receive full pay throughout their leave period.

As part of the agreement on support measures for the move to Saint-Denis, various systems aimed at promoting work/life balance have been adopted, such as helping the employees affected by the move who want to reduce the time spent travelling or distance between their home and workplace.

SFR has also matched the amount of Universal Service Vouchers (Chèque Emploi Service Universel – CESU). 40 crèche places funded at 60% by SFR will be offered in 2014 to employees with at least one child under 3 years of age, who is part of their dependent household.

Ever-intent on helping employees achieve a better work/life balance, SFR has granted 100% of the requests to shift to part time status since 2010.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of employees taking paternity/ parental leave following the birth of a child (in %)	343 employees, or 78%	96%	-	89%	-	Monitoring indicator, no target.
Number of employees taking advantage of child-raising leave / number of employees eligible (in %)	775 employees, or 42.52%	39%	-	40%	-	Monitoring indicator, no target.

FOSTERING EMPLOYEE WELL-BEING IN THE WORKPLACE

2013: A YEAR OF ORGANISATIONAL TRANSITION FOR SFR

In 2013, SFR implemented a Voluntary Redundancy Plan, in which 869 employees left the company for jobs elsewhere, or for business start-up and training projects.

The company was keen to offer as much support as possible to employees who had decided to leave.

Through this plan, other employees found opportunities to change job within the company, by taking on new duties or by expanding their area of competence into a related position.

In complex economic times, and a turbulent, highly competitive market, the company has been especially vigilant not to leave anyone "by the wayside".

Through this plan, SFR has put in place solutions to support the transition being experienced by employees:

- Provision of an external team of consultants to support employees in building their career plans (coaching, skills assessment etc.);
- Regular follow-ups with the HR manager in charge of their career plan (work situation update, approaches to companies, necessary support via the systems in place).

In the same way, SFR Management has continued social dialogue with the IRP (employee representative bodies) and the CHSCT (Health, Safety and Working Conditions Committee) to foster a climate conducive to the exchange of ideas and the search for solutions.

It has conducted a participative approach, based on:

- Prior involvement by the employee representative bodies through the CHSCT bodies;
- Support for employees;
- Follow-up assessments of the Professional Mobility Plan;
- Monitoring implementation of the specific HR systems.

The end of 2013 was also a turning point for a large number of employees who left the La Défense district to join the new SFR complex: the Saint-Denis Campus.

The change in site was a historical landmark for SFR, which had 3,800 employees working on the Campus by the end of 2013. On the new site, particular attention has been paid to ergonomics and the layout of working areas, the design of the workspace and its sociability, to strengthen the links between teams as well as their performance.



SFR Campus, Saint-Denis

©Alban Lécuyer

PROTECTING EMPLOYEE HEALTH AND WELL-BEING AT WORK

SFR is committed to an approach which aims, firstly, to protect the health of its employees and secondly, to contribute to their well-being at work.

To foster employee well-being, SFR has identified the key factors to be put in place and the measures that will allow employees to feel at ease at work.

Key factors:

Work content (position occupied, independence). On the basis of the annual performance review, setting relevant objectives and managerial support are essential to helping employees measure their progress in the job they occupy. The performance appraisal and development review are also part of the existing systems.

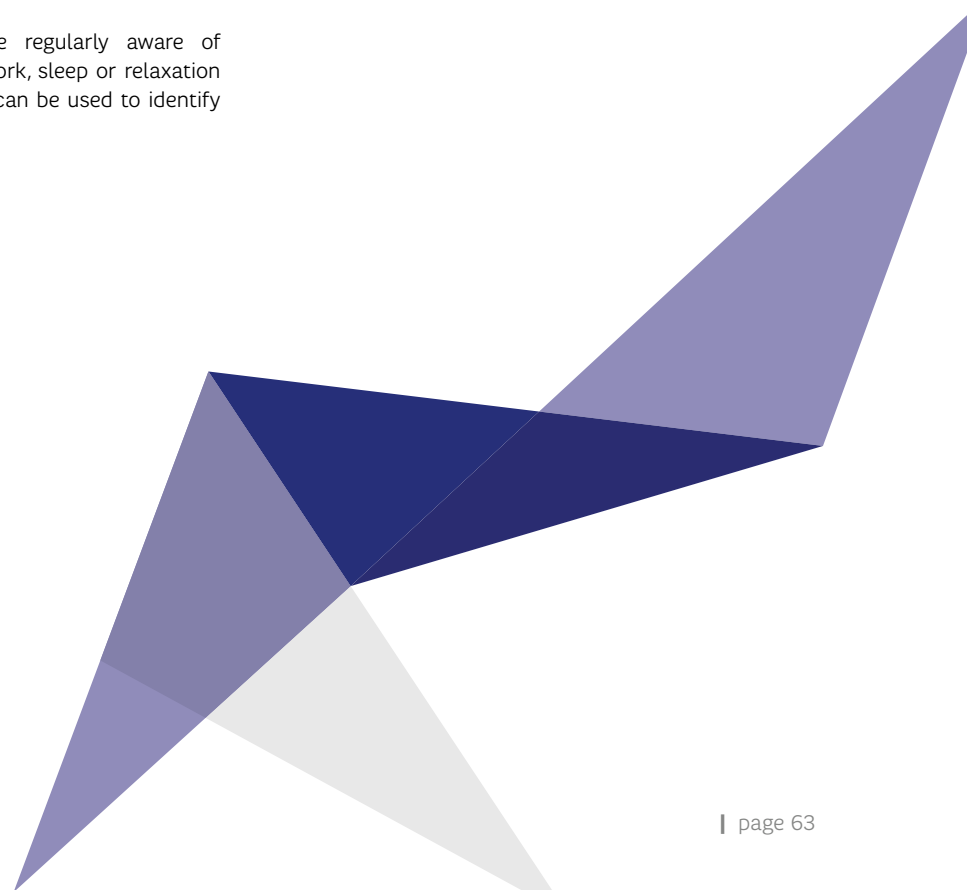
Work context. SFR has put in place workshops to help employees understand changes better. The quality of managerial relationships is encouraged through increasingly focused training for managers. The company holds a number of events which aim to strengthen links and create opportunities for meeting and sharing between employees.

Employee personal development. The company encourages as many employees as possible to receive training through modules appropriate to their needs and expectations. It has set up e-learning modules that enable employees to learn or perfect their mastery of a language, to understand marketing skills and to improve their technical skills.

Work environment. The company monitors the layout of the workplaces, introducing ergonomic workstations, dedicated rest areas, and establishing cohabitation rules in the workspace, particularly in open plan offices.

Work/life balance. This balance is a key factor in establishing a successful work environment. SFR has put in place various measures in this area: supported return after maternity leave or a long illness; rearrangement of working time etc. The company also offers tools to help employees organise their leave.

Health prevention. Employees are made regularly aware of prevention topics through conferences on work, sleep or relaxation workshops. Indicators and progress reports can be used to identify ways to improve health strategies.



Prevention of risk situations

SFR has the means to prevent, avoid or limit the occurrence of incidents or difficult situations that might leave employees in a vulnerable situation.

The company pays great importance to the management of traumatic events that might occur in the company, providing recourse to psychologists, occupational doctors and HR personnel.

It is especially vigilant in ensuring that situations of discrimination, harassment and violence do not occur, and has specific measures and procedures in place to deal with each of these risk situations.

All the company's internal staff have a duty to prevent and alert, helping to diagnose and to come up with practical solutions for dealing with such situations, in particular managers, HR and the social partners.

For example, in 2011, all the company's managers received special training in detecting risk situations and in providing "active listening" support to employees in difficult situations.

The medical services also play an active advisory and management role, as they are able to identify and direct employees to specialist support structures.

To prevent risk situations, SFR has put in place the following measures:

- An in-house support and assistance unit for employees who have difficulty coping in their work environment;
- An external specialised telephone support unit, where SFR employees under psychological duress can speak to someone anonymously, at no charge. This unit is open 24/7, to help them find a practical solution to their problem.
- The alert and response procedure in the event of harassment, through which solutions are found within two months;
- The alert procedure in the event of perceived discrimination.

The report filing process and confidential alert 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.

ENSURING THE HEALTH AND SAFETY OF OUR EMPLOYEES

SFR's "health and safety at work" policy has been designed according to the following approach: identifying and assessing professional work risks, assessing the level of risk control, setting up an action plan to reduce or eliminate the risks. Individual and collective prevention measures have also been put in place. This approach is put into practice through two annual documents:

- A single professional risk assessment document, established within the Economic and Social Unit;
- Specific risk prevention programmes for each SFR establishment.

Furthermore, training programmes on health and safety in the workplace are rolled out each year, so that each manager and employee can be familiar with the risks connected with their jobs and the applicable procedures.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of employees trained in safety (Ref. GRI: IO3)	2,596	2,542	<i>Monitoring indicator, no target.</i>	1,378	Employees left during the second half-year.	-
Occupational accident frequency rate (in %) (Ref. GRI: LA7) (number of occupational accidents entailing work stoppage x 1,000,000)/(number of employees x annual hours worked)	3.35 %	1.5 %	<i>Below 4 %.</i>	3.83 %	-	Below 4 %.
Occupational accident severity rate (in %) (Ref. GRI: LA7) (number of days lost to occupational accidents x 1,000)/(number of employees x annual hours worked)	0 %	0 %	<i>Below 0.1 %.</i>	~0 %	-	Below 0.1 %.
Absenteeism rate (Ref. GRI: LA7)	5 %	4.69 %	<i>Below 5 %.</i>	5.2 %	-	Below 5 %.
Safety audits at technical sites	1,542 7 % of all SFR sites.	-	<i>Monitoring indicator, no target.</i>	-	The changes in organisation led to a change in audit monitoring.	-

PROMOTING SUSTAINABLE EMPLOYMENT AND YOUTH INTEGRATION

As a member of the National Work-Study Development programme (Apprenticeship Charter), since 2009 SFR has been committed to significantly increasing the number of work-study interns it welcomes to the company. This commitment is further shown by the fact that 5% of all SFR employees are recruited from a work-study contract. Commitment maintained in 2013.

SFR recruits students with 2-year and 5-year degrees into all its departments: customer relations, information systems, networks, sales, marketing, support functions etc. SFR undertakes to offer students enriching roles, supervised by a dedicated mentor, which will help to further their professional careers.

As part of the work-study programmes, SFR complies strictly with its financial commitments to the partner colleges and universities.

Work-study programmes are also an opportunity to diversify sources of recruitment. In this way, SFR has become a partner to Mozaik RH, a recruitment firm which specialises in promoting diversity in business. Since 2009, SFR and Mozaik RH have organised work-study skills days which enable the company to meet with candidates from working-class neighbourhoods, which due to self-censorship or lack of access to information, would not spontaneously have approached a group like SFR. Since it was founded, this system has led to the recruitment of 70 work-study interns.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of new recruitments	-	1013	<i>Monitoring indicator, no target.</i>	824	New Grenelle II indicator.	-
Number of dismissals	-	91	<i>Monitoring indicator, no target.</i>	68	New Grenelle II indicator.	-
Number of absentee days	-	103,564	<i>Monitoring indicator, no target.</i>	105,559	In working days/ New Grenelle II indicator.	-
Percentage of total workforce employed under fixed-term contracts as at 31/12, (Ref. GRI: LA1)	92 %	93 %	<i>Monitoring indicator, no target.</i>	93.03 %	-	-
External turnover rate (Ref. GRI: LA2) = external turnover rate on open-ended contracts/permanent open-ended contract force	5 %	4 %	<i>Monitoring indicator, no target.</i>	8.5 %	-	-
Number of work-study contracts (apprenticeships + vocational training contracts) as at 31/12 (Ref. GRI: LA1) (in %)	557 (5.5 %)	476 (4.75 %)	<i>Monitoring indicator, no target.</i>	472 (5%)	-	-

ENCOURAGING SOCIAL DIALOGUE AND COLLECTIVE NEGOTIATION

For SFR, maintaining a constructive, dynamic social dialogue at all levels of the company has always been extremely important. Encouraging quality social dialogue necessarily involves the recognition of trade unions, with dialogue within the company at local and also central level, and for matters involving the Economic and Social Unit, a specific social communication network between the Management representative, the Central Trade Union Delegates and the Deputy Central Trade Union Delegates.

This commitment involves respect for exercise of trade union freedom and prohibition of all forms of discrimination when exercising the office of personnel representative.

The meetings organised with personnel representative bodies

(Central Works Councils, Works Councils, Health, Safety and Working Conditions Committees, and Employee Representatives), or collective negotiation meetings with the various trade union organisations have helped us to identify some key structural issues for the company in 2013.

There were three main stages in this:

- Central Works Council negotiations and meetings during the first quarter on dealing with the social consequences of the SFR restructuring project with a view to transitioning from "a telecoms operator to a digital operator".

A company agreement was signed on transfers and voluntary redundancy, as well as a framework agreement on method and social guarantees within SFR;

- Next, the social dialogue and collective negotiation within the SFR Economic and Social Unit led to signature of an agreement on telecommuting and an agreement on support measures for the move to the new SFR Campus in Saint-Denis;
- Finally, Management and the social partners organised a renewal of the different Health, Safety and Working Conditions Committees in the Economic and Social Unit, before signing a method agreement relating to the consultation procedure for

the Central Works Council and the Health, Safety and Working Conditions Committees on the draft agreement to share the SFR network with the Bouygues Télécom network, a strategic and organisational project that will be continued in 2014.

Furthermore, harmonisation of the by-laws was continued, in particular on matters such as working time and structuring of variable pay plans for salespeople.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of agreements signed with trade unions over the year	12	12	<i>To successfully establish the new organisation with the social partners.</i>	9	-	-
agreements on pay	5	3		3	-	-
agreements on health, safety and working conditions	3	2		0	-	-
agreements on redundancy plans	0	0		2	-	-
agreements on social dialogue	1	5		1	-	-
Other agreements	3	2	<i>Monitoring indicator, no target.</i>	3	-	-
Number of Works Council meetings (CE)	48	62	<i>Monitoring indicator, no target.</i>	18	-	-
Number of CHSCT meetings	175	258	<i>Monitoring indicator, no target.</i>	250	-	-
Number of meetings with employee representatives (DP)	229	230	<i>Monitoring indicator, no target.</i>	240	-	-

PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

In October 2010, SFR was the first telecoms operator to obtain the Diversity Label for a 3-year period, awarded by AFNOR Certification. In 2012, after an intermediate audit, AFNOR Certification decided to extend the Label, which expired in October 2013. Exceptionally, AFNOR agreed to extend the label again until October 2014. SFR will therefore be audited by AFNOR in June 2014, to obtain renewal of the Label.

During 2013, a number of measures were put in place:

- Continuation of employee training in diversity issues;
- Finalisation of the telecommuting agreement with actual implementation in January 2014;
- Continuation of the commitment to select candidates on a skills-only basis and HR training in this topic;
- Implementation of educational programmes targeting young people from underprivileged areas: hosting lower secondary school students for observation courses, raising awareness

among lower and upper secondary school students about gender stereotypes, thus helping to increase the entry of women into certain areas of study and/or jobs, with the aim of professional gender equality;

- Definition of an action plan concerning professional gender equality;
- Launch of a call for tenders to open inter-company crèches as part of measures to facilitate employees' work/life balance;
- Start of discussions leading to an agreement on seniors/generation contracts.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of managers trained in non-discrimination and diversity	735	396	<i>To train new managers who have not yet received training.</i>	17	Three-year training plan to be continued.	90% of managers trained, representing around 260 managers.

FACILITATING TELECOMMUTING: A DRIVER FOR DIVERSITY

In 2013, SFR put in place a telecommuting system.

Over 1,300 employees had their applications approved and were able to begin telecommuting from January 2014.

This innovation in work organisation will help employees balance their work and personal lives better, by carrying out some of their work from home or from one of the company's satellite sites.

Every full-time employee will have a maximum number of 65 telecommuting days during the calendar year. This number is reduced to 52 days for part-time employees, working a minimum of 80%.

All the applicants were examined by managers then by HR according to the criteria on organisation of their jobs, then according to the employee's personal situation, and in line with the quota of 40% of eligible employees on permanent contracts within one general department.

Selection criteria that promote equal opportunities

To be able to telecommute, the following priority rules were applied to the employee's personal situation criteria (in order of priority):

- Employee with a close relative or is disabled or who has a long-term illness or at the end of their life: spouse (wife/husband/civil partner/cohabiting partner) or direct child (of the employee or their partner) or parent (father or mother of the employee or their partner);
- Employee on return from maternity leave or employee on return from adoption or parental leave;
- Single father or mother with dependent child. Priority will be given according to the number of dependent children under 16;
- Employee with the longest return journey per day (during normal periods);
- Employee who is "geographically single" following a transfer or position on several sites;
- Employee over 50 years of age, with priority given to the oldest employee.

DISABILITY

SFR Management Team and three trade unions (CFDT, CFE, CGC and UNSA) signed a fourth three-year company agreement to foster employment for disabled workers, the aim of which is to increase the percentage of disabled workers in the total workforce to 4% in 2014.

In 2013, SFR's business with 20 companies from the sheltered economy amounted to nearly €3.6 million.

As at 31 December 2013, SFR employed 214 disabled employees.

In 2013, SFR's disabled workers employment rate reached 3.54% (as compared to 3.8% at 31 December 2012).

This variation is due to several factors:

- Despite an increase in turnover from the sheltered economy (€3.6m or +3%), the legal maximum and the grouping on several SFR sites during 2013 led to a fall in the overall employment rate;
- An increase in the number of disabled workers employed by the company due to a sustained effort (241 disabled workers over the whole of 2013 compared to 211 in 2012);

- A continuation in the efforts to maintain people in employment through individual support, adapting specific roles, personalised monitoring as part of the move to Saint-Denis, a new head office which is fully compliant with all accessibility standards;
- A fight against vocational exclusion by taking into account individual situations in advance, with closer collaboration between the operational teams, Human Resources and the SFR Group's Disabled mission team.

In 2014, efforts will focus more specifically on the following areas:

- Target to renew the fifth disabled workers agreement in line with the Group's diversity policy and the changes in the socio-economic environment;
- Use work-study programmes as a lever for integrating the disabled people who struggle the most to gain employment;
- Promote technological or skills transfers with the sheltered sector;
- Continue to employ directly.

SENIOR EMPLOYEES

The average age of SFR employees is 39; 4% of the workforce is aged 55 and over. To anticipate changes in the company, in 2009 SFR put in place an action plan to make experience an asset by maintaining employees over 55 in work. Practical actions were put in place around five main areas:

- Anticipate the development of senior employees' careers;
- Develop skills, qualifications and access to training;
- Promote the transfer of knowledge and skills by developing mentoring;
- Manage the end of career and the transition between working and retirement;
- Help to guarantee optimum working conditions for senior employees.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of workers aged 55 and over employed in the company as at 31 December	3.21%	3.68%	<i>Monitoring indicator, no target.</i>	392	-	-

GENDER EQUALITY

Convinced that diversity is a performance driver, SFR believes that men and women must be equally present in all functions and at all levels of the company. For this reason, SFR has long been committed to guaranteeing equal treatment between men and women, at all stages of career development, and in particular guaranteeing equal pay for men and women in the same position with the same qualifications, seniority, experience, professional practice and responsibilities.

With this in mind, SFR set up in 2012 and renewed in 2013 a special budget aimed at eliminating any disparities not ascribable to objective factors, whenever a 5% gap is identified between the median salary of men and women in the same position/job.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Male/female split in overall workforce / managers vs. non-managers	-	6,710 managers including 4,596 men and 2,114 women. 3,280 non-managers including 1,339 men and 1,941 women, i.e. 5,935 men and 4,055 women.	<i>Monitoring indicator, no target.</i>	6,281 managers including 4,331 men and 1,950 women. 3,151 non-managers including 1,308 men and 1,843 women, i.e. 5,639 men and 3,793 women.	New Grenelle II indicator.	-
Percentage of women in overall workforce (Ref. GRI: LA13)	41 %	41 %	<i>Monitoring indicator, no target.</i>	40.21 %	-	-
Percentage of women amongst those promoted (in %) (Ref. GRI: LA13)	44.20 % Women	44 %	<i>Monitoring indicator, no target.</i>	43 %	Calculation: total promotions/ population of women.	-
Percentage of men amongst those promoted (in %) (Ref. GRI: LA13)	55.80 % Men	56 %	<i>Monitoring indicator, no target.</i>	57 %	Calculation: total promotions/ population of men.	-
Percentage of women amongst those hired (Ref. GRI: LA13)	49 %	48 %	<i>Monitoring indicator, no target.</i>	57 %	-	-

There is a risk that digital services will pass some people by. However, the digital world is everywhere, transforming our daily lives. SFR is anxious to ensure that the digital revolution does not create new inequalities. How do we do this? By rolling out superfast broadband, even in less populated areas, creating services that encourage personal independence, especially for disabled people, and by enabling people on the margins of society to stay connected.

SOCIAL ENGAGEMENT



The digitalisation of society has profoundly changed our everyday lives. Jobs, leisure, social life, citizenship, learning – every area of our lives is impacted. The potential for digital services leads to new responsibilities: bridging the digital divide, enabling everyone to be independent, promoting equal opportunities and creating jobs. As a committed digital operator, SFR's mission is to support individuals, businesses and local authorities in developing their potential through digital services. The digital revolution must be accessible to everyone and beneficial to everyone. Through its Foundation in particular, SFR strives to ensure that no one is left by the wayside. The digitalisation of society must not lead to new social inequalities; on the contrary it must develop people's potential, renew and unblock access to knowledge and employment, facilitate social networking and new forms of support. The rollout of superfast broadband will energise local areas, digital platforms and social networks will accelerate social entrepreneurship, while the development of new digital services will help to create a more collaborative, charitable society.

OUR CHALLENGES

- **BRIDGING THE DIGITAL DIVIDE**
- **MANAGING THE DIGITAL ECOSYSTEM AND ENCOURAGING ENTREPRENEURSHIP**
- **PROMOTING EQUAL OPPORTUNITIES THROUGH THE FOUNDATION SFR**

BRIDGING THE DIGITAL DIVIDE

SFR knows that new technologies cannot be successfully rolled out without an innovative, high-quality network and will be keeping to its investment policy despite the complex economic times its sector is experiencing, by investing €1.6 billion in its networks in 2013.

PROVIDING BETTER DIGITAL COVERAGE TO THE WHOLE COUNTRY

DEVELOPING DIGITAL USE THROUGH EFFICIENT NETWORKS

Ultra-high Speed mobile (Dual Carrier and 4G)

By the end of 2013, SFR's significant rollout efforts meant it was able to offer superfast mobile broadband to over 75% of the population. The decision to roll out 4G at 800 MHz (gold bandwidth) enables more efficient coverage and better quality service, particularly inside buildings and homes. At the same time, the rollout of 4G at 2600 MHz bandwidth in densely populated areas means that mobile Internet customers can enjoy download speeds as high as 115 Mbit/s.

SFR was the first operator in France to experiment with LTE-Advanced technology, a development in the 4G standard which offers even higher speeds.

SFR was also the first operator to roll out 4G on line A of the Parisian suburban rail system, through its partnership with the Paris Urban Transit Authority (RATP).

To provide better coverage for mobile Ultra-high Speed, SFR has continued to expand its Dual Carrier technology (the latest 3G development), reaching over 70% of the population and doubling download speeds.

3G/3G+

At the end of 2013, SFR's GSM/GPRS (2G) network covered over 99.7% of the French population, and the UMTS network (3G/3G+) covered 99.3% of the population.

SFR continued to increase the capacity of its 3G+ network to accommodate new mobile Internet use, as 3G+ data traffic increased by 40% in 2013.

In addition to load increases, SFR wishes to make the best mobile Internet available to as many people as possible. It is therefore continuing its effort to expand its 3G+ network and is rolling out 3G+ in densely-populated areas at 900 MHz bandwidth, particularly in the cities of Lyon, Marseille and Toulouse. Thanks to this technology, it is able to offer a quality experience for voice and Internet mobile services both outside and inside buildings.

Fixed Ultra-High Speed

In 2013, efforts to ramp up Fibre to the Home (FTTH) continued, making 1.5 million households eligible for fibre. Following the strategic agreement with Orange to roll out fibre in less populated areas, at the end of 2013 SFR began to market FTTH in over 30 towns and cities and will continue to do the same in other less populated areas in 2014.

SFR was the first operator to launch a 1Gb/s pilot for fibre, and to offer this service to eligible customers.

These developments are evidence of SFR's desire to be a key player in the essential sector of Fixed Ultra-high Speed.

Fixed High-Speed

At the end of 2013, SFR had the most extensive alternative fixed network in France. It links up nearly 6,200 Subscriber Connection Units (SCU), across nearly 28 million unbundled lines (85.6% of households), the most extensive coverage of the alternative operators.

BRIDGING THE DIGITAL DIVIDE IN POORLY-SERVED ZONES

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Percentage of population covered by 3G/3G+ (Ref. GRI: PA4)	98 %	99 %	<i>Monitoring indicator, no target.</i>	99.3 %	-	-
Number of municipalities covered by the Zones Blanches (dead zones) programme (Ref. GRI: PA1)	1,026	3,086	<i>Monitoring indicator, no target.</i>	3,187	-	-
Deployment of fibre optics (number of households eligible for connection)	3.3m	3.8m	4.1m	1.5m	-	-
Number of fully unbundled ADSL lines	-	26,581,275	27.9m	27,800,000	-	-

The ZMD Programme

SFR is continuing to roll out FTTH fibre optic to cover less populated areas (Zones Moins Denses = ZMD) in France, as part of its investment intentions stated in January 2011 under the National Ultra-high Speed programme initiated by the Government.

In 2013, SFR began rollout in several less densely populated conurbations (Bastia, Versailles etc.) and made its first commercial openings in Saint-Priest, Fleury-les-Aubrais, Mérignac etc.

In this area, SFR will build or jointly finance coverage for 9.8 million housing units or office buildings, under the agreement signed with Orange.

In order to prevent overlapping, the agreement specifically designates the operator responsible for rollout in each municipality, capable of delivering the best scheduling terms and coverage to benefit consumers and local authorities.

As the terminal section of the FTTH networks is shared, all players have access to the end-customer, even if they are not rolled out there, so that their retail offers can be marketed across the board.

Services to local authorities

SFR Collectivités is a special entity dedicated to working with local authorities to support the SFR Group networks and services rollout strategy. A leader in Public Initiative Networks, with 25 to date, SFR Collectivités is now positioned as the preferred partner to local governments and as an effective player in citizen initiatives. SFR Collectivités is responsible for:

- Rolling out fixed and mobile network infrastructures. The aim is to boost appeal and coverage in the regions, whilst increasing bandwidth and network performance;
- Educating local governments about telecommunications network rollout, design, construction and operation;
- Supporting the local authorities in their plans to develop new digital uses (solidarity, education, transport, parking, etc.).

It is vital that local governments know in which fields they will – or will not – be able to count on a front-line player such as SFR. Well aware of this, the Group communicates transparently with them on the challenges it faces in rolling out services. When local governments have projects in areas that fall within the scope of Group strategy, SFR is able to support them.

This applies to extending coverage in the territories or increasing bandwidth.

TAKING ACTION TO SUPPORT SELF-SUFFICIENCY

FACILITATING ACCESS TO MOBILE TELEPHONY FOR DISABLED PEOPLE

SFR has been offering solutions for the special needs of disabled people since 1997, with support from a large number of partners and recognized associations. In its role as operator, it offers adapted services and solutions free of charge, as new technological developments emerge. Its responsibility toward the disabled has been formalised since 2005 in 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. The Charter contains four commitments, for which an annual public review will be carried out via the FFT:

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

In 2012, SFR launched introductory training programmes in iPhone use for visually-impaired persons. In addition, SRR (SFR on La Réunion) has launched a phone and SMS package "Carré bloqué Texto" for the deaf and hearing-impaired.

In 2013, the SFR Business Division was keen to highlight the mobile telephones most suited for disabled people on its online store and in the SFR Business Team stores.

Also in 2013, SFR received the *Disability Matters Award 2013* for the second year running. It rewarded SFR for jointly developing the application "Jaccede Mobile", in partnership with the association Jaccede.com, Mobile En Ville and faberNovel.

Following the bid for the government project Proxima Mobile, SFR made a commitment to make everyday life easier for people with reduced mobility. The services now offered by the Jaccede.com website are available on smartphones with the "Jaccede Mobile" app. Funded as part of the digital section of the plan to promote innovative web use, "Jaccede Mobile" is the first app to offer a collaborative guide for persons with reduced mobility and visual impairments. With a directory of over 30,000 accessible places and points of interest, the *Guide to accessible places* lists public places, shops, healthcare centres and tourist sites. Using geolocation, users can easily find the accessible places nearest to where they are. They can also add new places and make additions to the records of the places already listed. Very recently, the points of interest of the application were integrated into the SFR GPS application.

Moreover, SFR continues to carry out accessibility audits as part of its products and services design strategy.

ADDRESSING THE NEEDS OF SENIOR CITIZENS

There are now 15 million senior citizens living in France. They form a very diverse population, with distinct and varied needs and expectations, determined by many different criteria: their degree of self-sufficiency and dependency, possible impairments (hearing, visual, motor, mental), the ties they maintain with their families and friends, their experience of technologies, etc. For this reason, it is important that they are offered a wide range of products and services, capable of meeting their various expectations – things that are useful every day, at home and while out and about, easy to use, non-stigmatising and adaptable, to support them throughout their lives.

SFR offers a range of mobile telephones designed specially for senior users.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of offers and services adapted for disabled people (Ref. GRI: PA2)	13	17	<i>To extend the range of services for deaf customers from mobile to ADSL.</i>	19	Target achieved.	To extend the range of services for deaf customers from mobile/ADSL to multi-equipped customers.
Number of services designed to encourage independence for people who are not disabled, but vulnerable (Ref. GRI: PA2)	6	2	<i>To launch a call for tenders on digital offerings for seniors.</i>	2	Target achieved.	Maintain the 2 main services (Seniors and Connexions Solidaires).
Maintenance of the annual target for beneficiaries of the Connexions Solidaires programme drawn up with the association Emmaüs Connect, through donations in kind, financial sponsorship and skills	1,300	2,162	4,000	4,200	-	10,000

HELPING PEOPLE ON THE MARGINS OF SOCIETY TO STAY CONNECTED VIA CONNEXIONS SOLIDAIRES

When it comes to using a phone or anything else in life, the extremely underprivileged are doubly penalised: not only do they have to manage on extremely limited resources, but as a result of poor credit history and lack of information, they tend to pay more for the same service. In today's world, however, being connected via a mobile phone or Internet access is a necessity for finding work or a place to live, sorting out problems with officialdom or simply keeping contact with friends and family.

In 2010, Emmaüs Défi and SFR developed the Solidarity Telephony scheme, which is aimed at people in poverty who have been directed to us by Paris City Council social workers or project partner associations (SOS Familles, Cresus Ile-de-France, etc.).

Access to the scheme is offered for a period of six to nine months, which is renewable, and includes personalised support, which also involves participation by SFR employees (skills sponsorship).

In 2013, Emmaüs Défi, with SFR's support, not only rolled out the programme nationally, but also expanded its scope of Internet access. The principle, a pilot of which was tested this year, is to give Internet access to people without housing via a shared Internet Key. This Hotspot 3G+ key is a modem router which connects to the mobile network then transmits the connection via WiFi, and is rechargeable with prepaid cards.

As it works for both telecommunications and for Internet access, in 2013 the Solidarity Telephony scheme was renamed Connexions Solidaires. To drive this ambitious project forward, a new association was founded: Emmaüs Connect.

To support the national rollout of Connexions Solidaires, SFR asks its customers to support Emmaüs Connect, via the Charity Option. An optional payment of €1 per month is billed to the customer and then passed on to the organisation.

In 2013, new contact points were opened in Antony (Hauts-de-Seine), Marseille, Grenoble and Lyon. Another contact point was also opened in Saint-Denis (Seine-Saint-Denis) in early 2014 and other projects are under examination to extend the scheme to rural areas. At the end of 2013, the programme had 4,200 beneficiaries in France. The association aims to open new contact points in 2014, to reach the figure of 10,000 beneficiaries.



Connexions Solidaires contact point

MANAGING THE DIGITAL ECOSYSTEM AND ENCOURAGING ENTREPRENEURSHIP

DEVELOPING AND MANAGING THE FRENCH DIGITAL ECOSYSTEM

To encourage innovation and promote the emergence of national digital “champions”, SFR supports and manages the French digital ecosystem. Through an approach of *open innovation*, SFR relies on partnerships with major companies or start-ups to develop innovative services.

This approach is based on three complementary measures:

- An investments vehicle (*corporate venture*): SFR Développement;
- An annual support programme for innovative start-ups, linked to SFR activities: SFR Young Talents Start-up.
- A community of 60,000 volunteers testing technological and everyday innovations: the Atelier SFR.

These measures are backed up by partnerships with Cantines numériques (digital hubs) and other digital spaces in: Nantes, Rennes, Toulouse, Bordeaux, Lille, Greater Lyon and Marseille. SFR also supports innovation-related events such as the City of Paris Prize for Innovation. As a partner to the Fondation Télécom, SFR is also involved, alongside Paris Région Lab, in contributing to the creation of a new incubator for e-health.

ENCOURAGING ENTREPRENEURSHIP

Social entrepreneurship

SFR continues to work in this direction, through its support programme for young talent, “SFR Young Social Entrepreneurs”. This is a programme through which SFR shows its commitment to young, promising talent, providing them with resources to drive their ambitions. SFR has set up a professional support programme for young entrepreneurs to help them consolidate their projects, build their entrepreneurial spirit, speed up their networking and give visibility to their projects.

Eager to respond to social issues, the SFR Business Division wishes to make its know-how available to social entrepreneurs in the digital economy as well as its network of partners. A support programme for social entrepreneurs will be rolled out gradually, starting with the launch of a pilot phase in 2013.

Finally, SFR supports key events related to social entrepreneurship in Paris and the regions, such as the Social Good Week.

Other partnerships

The Fondation SFR also supports entrepreneurship through the HEC “Université du Droit d’Entreprendre”. The programme is aimed at:

- Giving young entrepreneurs access they would not normally have to the resources of HEC, the leading European business school known for its entrepreneurial programmes;
- Offering education directly connected to the participants’ projects, modular and at the cutting edge of management research;
- Bringing together entrepreneurs of different backgrounds to create a networked, mutually-supportive dynamic.

This programme is intended only for people who have not yet launched their business (or who have done so only recently), but who have a project in the making and wish to work on it. Over a two-day session, participants are able to make considerable strides in their start-up project, as the key points of participants’ projects are examined in a group setting. SFR’s employees also make contributions to this process, providing training that will be useful to future entrepreneurs in their operations (business plan, business strategy, etc.).

PROMOTING EQUAL OPPORTUNITIES THROUGH THE FONDATION SFR

THE SFR FOUNDATION

Founded in 2006, the Fondation SFR extends and expands the sponsorship initiatives undertaken by the company to promote equal opportunity. Working at the grassroots level, the Fondation SFR supports more than 120 non-profit projects each year in France, each mentored by a company employee. Support can be financial or active, through volunteering or skills sponsoring. The Fondation has been endowed with an annual budget of €1,150,000 for 2011-2015. In 2013, it supported projects from over 150 associations.

For more information: <http://fondationsfr.com>

In 2013, the Fondation SFR organised its third call for “digital solidarity” projects. Five prizes were awarded in early 2014 for innovative charity projects on the themes of education, disability, social integration and health, all based on digital services.

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of associations supported (financial and skills sponsorship)	147	151	<p><i>To repeat the “digital solidarity” call for tenders.</i></p> <p><i>To keep the number of associations funded above 100.</i></p>	167	Target achieved.	New indicators were put in place in 2014, specifically to measure the reinforcement of specific actions aimed at local areas and digital uses.

DEVELOPING EDUCATIONAL PROGRAMMES FOR YOUNG PEOPLE IN VULNERABLE SITUATIONS

SFR is committed to developing learning programmes for young people in vulnerable situations.

In 2011, SFR launched the programme “Ma caméra chez les pros” (Zooming in on the Pros) to help young people in their last year of lower secondary school in choosing a career path. 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 career integration and success for secondary school students from modest backgrounds.

However, SFR does not work only with secondary school students in the middle of their studies, but has also been committed for seven 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, 4,260 young people were able to receive support in 2013, in particular through mentoring (individual and group).

	2011 Results	2012 Results	Reminder of 2013 targets	2013 RESULTS	Comments	2014 TARGETS
Number of schools partnered through educational programmes	137	143	<i>To keep the number of schools supported above 130. To develop the “Ma caméra chez les pros” project with an additional education board.</i>	157	-	New indicators will be set in 2014.

HELPING PEOPLE ON THE MARGINS OF THE JOB MARKET

SFR’s commitment in favour of equal opportunity does not stop at educational action aimed at young people from modest backgrounds.

The company has also designed initiatives to help people in vulnerable situations, adults wishing to re-enter society and disabled workers.

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

In 2013, SFR worked within AFMD (French Association of Diversity Managers), helping to organise a “bridge building” event on a broader scale, in partnership with the City of Paris. The purpose of the day was to facilitate alliances between

reintegration companies and traditional companies and to trigger a virtuous cycle of sustainable action in favour of people endeavouring to re-enter the job market.

118 applicants were able to meet with human resources officers from 14 partner companies and a total of 170 recruitment interviews were held on the spot.

SFR also launched a *serious game* to optimise access to employment for young people struggling against employment barriers. To do this, SFR joined forces with Ecole de la 2ème chance (school of second chances) and a public agency for reintegration and rights advocacy (EPIDe). The purpose of the interactive *serious game* is to help the young people facing the most significant hurdles to find a job and become more familiar with the social codes of the workplace.

In 2013, the Écoles de la 2^e chance rolled out the *serious game* as part of their national training programme.

GLOSSARY

ADSL: Asymmetric Digital Subscriber Line

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

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

AFNOR: Association Française de Normalisation (French Standards 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 (French Food, Environment, Health and Occupational Safety Agency)

ANFR: Agence Nationale des Fréquences (National Frequencies Agency)

ARCEP: Autorité de Régulation des Communications électroniques et des Postes (Regulatory Authority on Electronic Communications and Postal Services)

ARPEJEH: Accompagner la Réalisation des Projets d'Études de Jeunes Élèves et Étudiants Handicapés (Supporting the Educational Aspirations of Disabled Students)

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

CA: Chiffre d'Affaires (turnover)

CE: Comité d'Entreprise (Works Council)

CESU: Chèque Emploi Service Universel (Universal Service Vouchers)

CET: Compte Épargné Temps (Time Savings Account)

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

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

CNIL: Commission Nationale de l'Informatique et des Libertés (French Data Protection Agency)

SAR: Specific Absorption Rate

DEEE: Déchets Équipements Électriques et Électroniques (Electrical and Electronic Equipment Waste)

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

DGCCRF: Direction Générale de la Concurrence de la Consommation et de la Répression des Fraudes (French Competition, Consumer Affairs and Fraud Prevention Department)

DP: Délégué du Personnel (Employee Representative)

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

FFT Fédération Française des Télécoms (French Telecommunications Federation)

FTTH: FTTH (*Fibre To The Home*) means bringing fibre optics as close as possible to the user, in order to improve the quality of service (in particular speed) available.

Fibre Optics: A very thin glass or plastic fibre that can function as a light conductor, used in data transmission.

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

GPEC: Forward planning of jobs and skills

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.

GRI: *Global Reporting Initiative*

GSM: GSM is the first mobile telephony standard.

GPS: *Global Positioning System* is a geolocation system that operates worldwide.

HEC: Haute École de Commerce, top-tier French business school

HQE: Haute Qualité Environnementale (High Environmental Quality)

IRP: Instances Représentatives du Personnel (employee representation organisations)

LTE: *Long-Term Evolution*

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

MtoM (or M2M): *Machine to Machine*. Term used to denote technologies where two machines/objects exchange information.

NPS (Net Promoter Score): Tool that measures the likelihood of customers recommending a brand's products or services.

NRA: Noeud 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 companies listed on the stock exchange. Under the terms of this legislation, company annual reports must address the environmental consequences of their business activity, including atmospheric greenhouse gas emissions Article 116 addresses the way in which companies account for the social and environmental consequences of their business activities."

PDE: Plan de Déplacements Entreprise (Company Travel Plan)

PERCO: Plan d'Épargne pour la Retraite Collectif (Group Pension Savings Scheme)

PMP: Professional Mobility Plan.

Phishing: Phishing is a fraud technique used by computer pirates to recover sensitive, personal and/or confidential information (bank details, identity theft etc.) belonging to Internet users, by perfectly reproducing the design of a legitimate website, Internet service provider or a bank.

HR: Human Resources

CSR: Corporate Social Responsibility

SBT: SFR Business Team

SFR: Société Française du Radiotéléphone

IS: Information Systems

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.

Light network site: Site for small-size installations, usually high up, such as mobile phone masts. Used to emit and receive radiowaves.

Strategic network site: Site for large installations i.e. data centres. Used to centralise and manage large-scale computer data.

EMS: 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, primarily sent via e-mail.

SRR: Société Réunionnaise du Radiotéléphone

TC: Telecommuting

TDF: Télédiffusion de France

ITC: Information and Communications Technologies

DW: Disabled Workers

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

SCU: Subscriber Connection Unit

WiFi: A WiFi network provides wireless connection for several computer devices (computer, router, Internet decoder etc.) within a computer network, enabling data transmission between them.

This environmentally friendly report is intended to be viewed online. Should you need to print it, however, we ask that you use a minimum amount of ink, by selecting "grayscale" from your printer properties menu.

SFR is a signatory to the Union des Annonceurs (UDA)
"Responsible Communications Commitment Charter"

July 2014

TO FIND OUT MORE ABOUT US:

The company and its governance: <http://groupe.sfr.fr/nous-connaître>

Our CSR Action: <http://www.sfr.com/nos-engagements>

Our publications: <http://www.sfr.com/nous-connaître/publications>

About Vivendi Group's CSR Policy:

<http://vivendi.com/responsabilite-societale>



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