

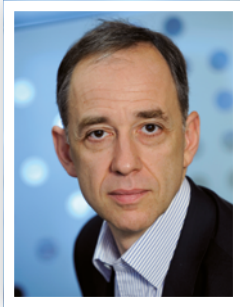
technicolor



2017 SUSTAINABILITY COMMUNICATION



2017 SUSTAINABILITY REPORT



Dear Stakeholder,

Technicolor has been at the forefront of the transition from analog to digital media communications over the past decade. 2017 was particularly challenging for the Company, which, nonetheless, showcased the underlying resilience of its operating businesses. Ensuring the sustainability of our growth and development remains a high priority for my entire leadership team.

One of the foundations of our Corporate Social Responsibility (CSR) has been our longstanding adoption since 2003 and renewed commitment every year to the ten principles of the United Nations Global Compact. More specifically, Technicolor policies prohibit the use of child labor, forced labor, human trafficking and slavery in its operations and its supply chain and require its suppliers to comply with our standards. The resulting governance processes have helped to place Corporate Social Responsibility at the heart of our business approach and ensure that commercial needs are appropriately balanced with those of local communities, the environment, our business partners and of course our employees.

Our Connected Home division joined the non-profit Responsible Business Alliance (RBA) in 2014 and became a full member in 2016. Over the past years, the business demonstrated its ability to successfully implement the RBA Code of Conduct throughout the supply chain.

For the fifth time in a row, a full external audit of our social, environmental and societal information reporting took place, involving more than 20 stakeholders within the organization across multiple countries. Accurate information is vital for the continued progress of our sustainability agenda and a key input to leaders across our business making operational decisions on a wide variety of topics.

For the third consecutive year, our commitment to align our reporting to the GRI Guidelines – Comprehensive option, relies on diligent data harvesting processes, and audits help us retain focus year after year.

Employee health and safety remains an important focus, demanding continuous vigilance and innovation to ensure we do everything possible to keep our employees safe. We have also continued our core initiatives to drive eco-design principles into all our products and manufacturing processes and move closer to carbon neutrality, bringing benefits for both customers and the environment.

All these long-term efforts were recognized in 2017, when Technicolor was granted a Gold Recognition Level based on its CSR Rating assessed by EcoVadis, an independent global organization allowing companies to assess the environmental and social performance of their suppliers. In 2017, Technicolor ranked among the TOP 3 % of suppliers assessed by EcoVadis in all categories.

*Frederic Rose,
Chief Executive Officer*

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1- COMPANY DESCRIPTION

Technicolor has been contributing to the development of video technologies, products and services for more than one hundred years. The Group is a worldwide leader operating in the Media & Entertainment (“M&E”) sector.

Our mission: developing, creating and delivering immersive augmented digital life experiences that ignite our imagination.

Technicolor operates in three leading operating businesses:

- ▶ in Production Services, Technicolor is a leading provider of services to content creators, including Visual Effects/ Animation and video and sound Postproduction Services;
- ▶ in DVD Services, Technicolor is a leader in replication, packaging and distribution of CD, DVD and Blu-ray™ discs;
- ▶ in the Connected Home segment, Technicolor is a leader in the design and supply of solutions enabling the delivery of digital video entertainment, data, voice and Smart Home services to Pay-TV operators and Network Service Providers including broadband modems and gateways, digital set top boxes, and other connected devices.

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Our three operating businesses are now regrouped in two business segments:

- ▶ the Entertainment Services segment that regroupes Production Services and DVD Services activities;
- ▶ the Connected Home segment.

In 2017, the **Entertainment Services** segment generated consolidated revenues of €1,790 million, accounting for 42% of the Group’s reported consolidated revenues.

Entertainment Services 2017 highlights include:

- ▶ #1 worldwide visual effects provider for feature films, TV/OTT and for advertising;
- ▶ 11,800 visual effects shots for feature films and 5500 shots for TV content;
- ▶ 6,100 commercials for advertising;
- ▶ 6,500 direct/creative artists;
- ▶ #1 worldwide in DVD services with 1.345 billion CD, DVD and Blu-Ray™ discs shipped to more than 40,000 locations.

In 2017, the **Connected Home** segment generated consolidated revenues of €2,419 million, accounting for 57% of the Group’s reported consolidated revenues. Connected Home shipped a total of 42.9 million products, or more than 800,000 devices per week.

Connected Home 2017 highlights include:

- ▶ #2 worldwide in value for broadband modems and gateways, with industry-recognized leadership in wireless and broadband technologies for Cable and Telecom operators;
- ▶ #2 worldwide in value for digital set top boxes, with leading positions in the Cable and Satellite segments.

On December 18, 2017, Technicolor announced its decision to sell its Patent Licensing business, and that it was in advanced negotiations with a third party. As a result, the Group reported the financial information of its Patent Licensing business, previously included in the Technology segment, under Discontinued Operations.

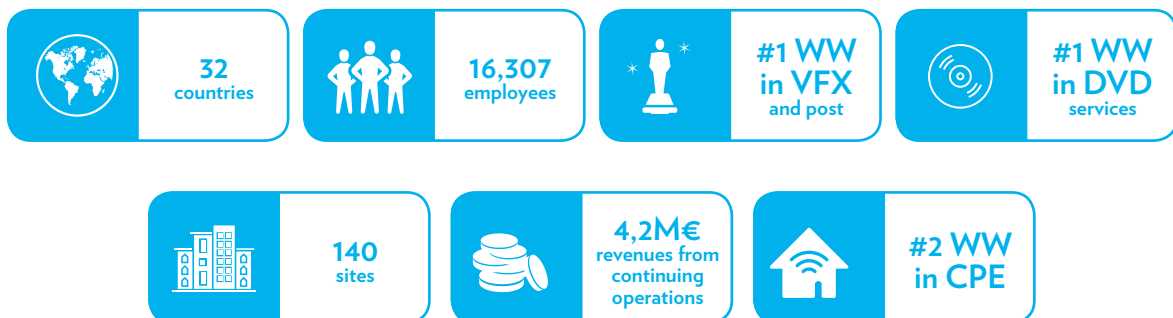
Unallocated Corporate functions and all other non-allocated activities, including Research & Innovation (“R&I”) and Trademark Licensing activities, are presented within the segment “Corporate & Other”. For more information, please refer to section 1.2 “Organization & Business overview” of our 2017 registration document.

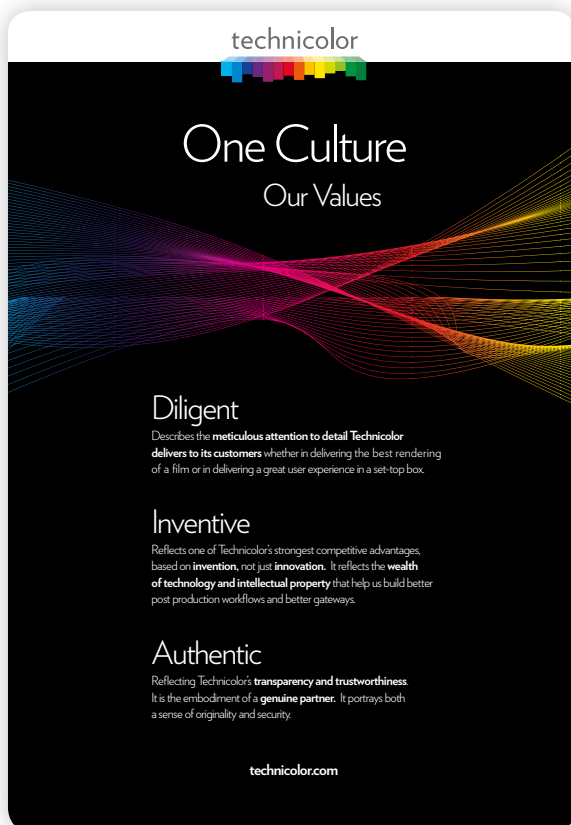
The Continuing Operations of the Group (Production Services, DVD Services, Connected Home, Corporate & Others), as well as key highlights, are described below:

Continuing Operations

Entertainment Services		Connected Home	Corporate & Others
Production Services	DVD Services		
Award-winning Visual Effects, Animation and Postproduction services for feature films, TV series, advertising, video games and other audiovisual content	Replication, packaging and distribution of video, game and music CD, DVD and Blu-ray™ discs	Complete portfolio of Broadband and Video Customer Premise Equipment to Pay-TV operators and Network Service Providers	Trademark Licensing Research & Innovation Corporate costs

Key Highlights





2- APPROACH TO SUSTAINABILITY

The Technicolor approach to sustainability is founded upon our core values. We use these to guide us to business success as well as sound environmental stewardship and to ensure that we act responsibly.

As part of our sustainability drive, we establish and nurture partnerships aimed to improve our long-term business outlook.

Three principles guide our actions as we seek to fulfill our social responsibilities:

Understand and Take into Account Stakeholders' Sustainability Expectations

We constantly seek to identify and respond to stakeholder issues. Technicolor is committed to responsible policies and practices in human resources, environmental performance, human rights and ethics as we provide quality products and services to customers. These policies and practices extend to our suppliers and subcontractors.

We adhere to the principles of the United Nations Global Compact and the International Labor Organization. Throughout the Company this translates into integrity in business principles and practices, continuous efforts to make more efficient use of resources and an ongoing drive for carbon neutrality.

We want our suppliers to adopt the same sustainability values as ours. We support our customers' sustainability efforts by developing new generations of sustainable products and services. Technicolor also plays an active role in communities where it does business by encouraging educational initiatives and by supporting local community relationships and programs.

Technicolor has been a Member of the United Nations Global Compact since 2003. For more information about the United Nations Global Compact, please visit: <http://www.unglobalcompact.org> and have access to Technicolor Communication on Progress (COP).

Technicolor's Global Compact Communication on Progress is an integral part of this Sustainability Report.

Communicate CSR Goals and Initiatives to Stakeholders

We pledge to deliver concrete, demonstrable proof of our social responsibility practices and achievements.

We provide facts and figures to give stakeholders the information they need to understand, analyze and compare our actions with those of similar organizations. Always an inspiration, we are adapting Global Reporting Initiative (GRI) reporting standards to our disclosures. We are including a GRI G4 Content Index at the end of this report to guide readers to relevant information in our Registration Document and in our Sustainability Communication Report.

For the third year in a row, we are publishing the GRI Content Index 'In Accordance' with the GRI Guidelines – Comprehensive option. We aim to keep adapting our Sustainability Communication to meet GRI Reporting Standards in the future.

Take the Future into Account in Decision-making

We are committed to progressively integrate corporate social responsibility (CSR) data and criteria into business processes across the organization, to ensure that all decisions take CSR considerations into account. In this way, sustainability becomes part of how we do business.

As part of our commitment, we link product and service lifecycle aspects and impacts to their greater societal context, constantly striving to enhance all of our stakeholder relationships.



“ Now more than ever, corporate social responsibility is a business imperative. The more successful companies are those that integrate societal, environmental and economic reflection in how they do business thus reinforcing the links with all their stakeholders. At Technicolor, we know it is in everyone’s interest to contribute to the sustainability of the communities we serve and in which we operate. ”

Didier Huck, *Vice President,
Corporate Social Responsibility and Public Affairs*

3- RECENT SOCIAL RESPONSIBILITY ACHIEVEMENTS

Ethics

The [Code of Ethics](#) governs Technicolor’s business decisions and actions, and displays the fundamental values we practice in our day-to-day activities.

In 2017, the Group revised its Code of Ethics and its Anti-Corruption & Anti-Bribery Policy to include reinforced or additional sections on inclusion, employee data protection, anti-corruption and bribery, anti-human trafficking and modern slavery in the supply chain, anti-money laundering, respect for the environment, among other topics. The Group’s Whistleblower Policy was also revised in 2017.

In November 2017, the Technicolor Data Protection Policy has been completely revised in order to prepare the Group for the EU General Data Protection Regulation to be enforced in May 2018.

A Chief Compliance Committee (CCO) has been appointed in 2017 and supports the implementation of ethics rules and policies defined in accordance with applicable regulations. The CCO is also the Secretary of the Ethics Compliance Committee (ECC).

In addition, Technicolor is a member of the Responsible Business Alliance (formerly EICC) since 2014 and

complies with its latest Code of Conduct (version 6.0 which was ratified in 2017 and went into effect Jan. 1, 2018) to ensure that working conditions in the electronics industry and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. With more than 110 members, RBA is a non-profit, recognized coalition of electronics companies that are committed to supporting the rights and well-being of workers and communities worldwide affected by the global electronics supply chain.

As part of Technicolor’s effort to ensure that employees are familiar with the Code of Ethics and related policies, such as the Whistleblower Policy, the Anti-Corruption & Anti-Bribery Policy, the Sourcing Ethics Policy, or the Data Protection Policy, numerous training programs were implemented by the legal compliance team in concertation with the Ethics Compliance Committee (ECC), including both in-person, WebEx and online courses. These training initiatives were continued through 2017, including training courses focused on the EU Competition-Dealing with Competitors, anti-corruption and anti-bribery regulations and policies, and preventing sexual harassment.

Human Rights

As part of Technicolor’s overall commitments to Corporate Social Responsibility, the Group is committed to ensure that minerals contained in its products are sourced with due respect to human rights, the need to avoid contributing to conflicts, and the desire to support developments through our supply chain practices.

The Group has implemented a due diligence process by asking its suppliers to conduct investigations in their own supply chain, so as to determine the origin of the 3 TGs conflict minerals (tin, tantalum, tungsten and

gold) provided to Technicolor, and therefore to avoid directly or indirectly any use of 3TG minerals originated from conflict-affected countries.

In 2016, our commitment was confirmed by a [Technicolor public statement on Conflict Minerals](#) available on our website. See also on the website [Technicolor statements on compliance with UK and California anti-human trafficking laws](#).

People and Diversity

The Management Academy plays an important role in the support HR provides to managers in the Group. After a pilot period in 2014, we evolved the program to a truly “bootcamp” for management capabilities at Group level in 2015 & 2016. In 2017, 3 sessions of the new program were delivered in UK, US, and India, impacting 59 managers in all divisions and functions.

Our global plan for Diversity and Inclusion was launched in 2015 and reinforced in 2016 and 2017. The four key areas of the plan are gender diversity, disability, aging, and ethnicity. The objective of the plan is to improve globally our processes to ensure that practices are not discriminatory at any stage in the Group, but also to promote a mindset of openness and inclusiveness globally.

On the gender diversity front, actions were put in place through a full range of processes in order to

better balance gender diversity and increase the ratio of women in business roles, management levels and leadership pipeline. In 2017, local initiatives to promote gender diversity were encouraged in India, France, the UK and Poland.

On the inclusion front, we strive in particular to adapt our working places, including factories, to provide equal employment opportunities with no discrimination against disabled people with regard to hiring, training, allocation of work, promotion, or reward, and seeks to eliminate employment barriers and to accommodate disabled employees. In France, agreements were signed in 2016 with labor representatives in support of Technicolor’s ‘Mission Handicap – France’ program. In 2017, several events and initiatives were proposed on the different French sites to encourage new perceptions around the theme of Handicap.

Climate Change

In 2017, Technicolor participated for the tenth consecutive year in the Carbon Disclosure Project (CDP). Technicolor’s answer to the Carbon Disclosure Project is available on the [CDP website](#). Our disclosures

have been public since 2008. The report provides an overview of Technicolor carbon footprint management - a key element in our pledge to protect the environment. For more information, please see Chapter B.6 of this report.

Product

Gateway and Set-Top-Box Life Cycle Analysis (LCA) and eco-design are areas where Technicolor has acquired a solid knowhow and practical experience over the past years.

In particular, Technicolor is actively involved in voluntary industry initiatives to improve product energy efficiency. The Company has been a key contributor to US and European energy efficiency initiatives, such as Energy Star in the United States and the European Union's

Code of Conduct (CoC) on the energy efficiency of Broadband Equipment (CoC BB) as well as the European Union's Industry Voluntary Agreement (VIA) on Complex Set-Top Boxes.

In 2017, Technicolor has participated and contributed to the revision of CoC BB V5 and VIA V3.1. The CoC BB V6 has been published in February 2017. The work on CoC BB V7 has already started. The VIA version 5 has been published in September of 2017.

Community involvement

In addition to its support to the MPC Training Academies, the Group supports other educational initiatives to give opportunities to young talent to access to studios and to develop their skills: training students in schools, Master classes, Educator's week, consulting of curriculum design, online test for potential trainees, supporting third party digital artists schools. The Group supports also the India Foundation for the Arts to help advanced projects of cinematographers with two projects currently under

progress, and partners also with other foundations in India.

It also continues to support activities in various environments relating to the world of film: launching festivals for new talent, supporting charities, and developing new experimental technologies or supporting joint initiatives with students to foster product and service innovation.

CSR Management

Corporate Social Responsibility (CSR) is managed at the highest level within Technicolor. CSR is formally represented at the Executive Committee level by the Executive Vice President for Human Resources and Corporate Social Responsibility, Fabienne Brunet, reporting directly to the CEO. Executive Committee members evaluate and authorize new company CSR initiatives, review progress and provide supervision in all related domains.

Reporting to the Executive Vice President for Human Resources and Sustainability, a Corporate Social Responsibility

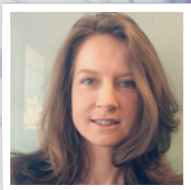
Department, headed by Didier Huck, Vice President for Public Affairs & Corporate Social Responsibility, has been in existence since 2007. The CSR Department holds broad authority to propose and coordinate CSR policy implementation and operational deployment. The department benefits from strong senior management support as well as assistance from Technicolor's Human Resources, Sourcing and Environment and Health & Safety networks.

CSR Performance

In 2017, Technicolor reached the Advanced level for its CSR engagement and received the **GOLD Label** based on its CSR Rating assessed by EcoVadis, a global collaborative platform allowing companies to assess the environmental and social performance of their suppliers.

The Group is in the TOP 6 % of suppliers assessed by EcoVadis in the category Manufacture of Communication Equipment, and in the TOP 3 % of suppliers assessed by EcoVadis in all categories.





“ Technicolor’s Code of Ethics and related policies guide and support our employees each day in accomplishing the Company’s business objectives with ethical integrity. ”

Sophie Le Ménahèze, *Ethics Compliance Committee Secretary and Chief Compliance Officer*

4- ETHICAL BUSINESS PRACTICES

Ethics Compliance Committee

The Technicolor [Code of Ethics](#), which was first introduced in 1999 and last updated in December 2017, constitutes the foundation for the Company’s core ethics values and practices. It governs Technicolor’s business decisions and actions in our day-to-day activities and has been distributed to all Technicolor employees. It is available on the Company’s intranet.

The Ethics Compliance Committee (ECC), created in 2006, is responsible for all ethical issues related to the Group’s activities. In 2018, the ECC members are: Fabienne Brunet (Executive Vice President, Human Resources and Corporate Social Responsibility), Didier Huck (Vice President Corporate Social Responsibility & Public Affairs), Guillaume Litvak (Internal Audit Director), Nathan Wappet (COO of the Production Services Division) and Sophie Le Ménahèze (General

Counsel, Financing and EMEA Corporate Legal Affairs, and Group Chief Compliance Officer). Didier Huck serves as the Chair of the Committee and Sophie Le Ménahèze as the Committee’s secretary. The ECC reports directly to the Audit Committee. In 2017, the ECC treated and followed up on a number of whistleblowing cases.

An ECC Ethics Training Subcommittee makes recommendations to the ECC concerning training on the Code of Ethics, Whistleblower Policy and related issues. Appointed by the ECC, subcommittee members can include non-ECC members. The Ethics Training Subcommittee may also take steps to implement training, as directed by the full ECC.

Financial Ethics Charter

To reinforce awareness of the ethical dimension of finance activities, Technicolor has published an Ethics Charter specific to Finance personnel and activities. It is an extension of the Company’s Code of Ethics, which applies to all employees.

The Financial Ethics Charter was first published in December 2005, is signed by the Chief Executive Officer and the Chief Financial Officer, and is distributed to key persons within the Finance organization.

Ethics Programs and Initiatives

Over the last few years, amongst other Ethics training courses, members of the finance community completed the Global Financial Fraud Prevention course. During that same time, online training courses focused on the EU Competition-Dealing with Competitors, anti-corruption and anti-bribery regulations and policies, and preventing sexual harassment. The Americas population has received training on anti-bribery, competition, anti-corruption, business communications, addressing employee concerns, and fraud prevention. In-person training and preparation meetings took place with key managers in 2017, focusing on the evolution of anti-corruption and anti-bribery

policies based on the requirements of French anti-bribery Loi Sapin II. A considerable effort was made also to prepare the Group for the EU General Data Protection Regulation to be enforced in May 2018, and online training sessions will be delivered to all employees in the course of the first semester 2018. In addition, over the past years, several in-person trainings took place in Mexico, India and China on various aspects of the Company’s Code of Ethics. Combined, these training sessions involved more than 10,000 employees for the period 2010-2017.

Whistleblower Policy

The Technicolor Whistleblower Policy, launched in 2006 and last revised in November 2017, is designed to make it easier for employees to share questions, concerns, suggestions or complaints about financial, accounting, banking or anti-bribery matters with an appropriate person. Like the Code of Ethics, the Whistleblower Policy has been widely communicated to all Technicolor employees and is available on the Company's intranet.

Pursuant to this policy, any bona fide claim that an employee does not wish to direct to his/her management or the human resources, can be made confidentially through an alternative channel, the ECC members, or via EthicsPoint's telephony and web-based hotline solution, which enables employees to easily and confidentially report alleged violations of the Code of Ethics. EthicsPoint is an independent third party that specializes in providing the tools and information necessary to receive, investigate, analyze and resolve such reports. Website and local telephone numbers are available, and today, nearly all employees throughout the world have the ability to submit a Whistleblower report through Ethicspoint.

Data Protection Policy and Governance

In 2014, The Ethics Compliance Committee published a new Corporate Policy on Data Protection, which was subsequently revised after the Safe Harbor Framework was invalidated by the European Court of Justice in October 2015. This version has been completely revised in November 2017 in order to prepare the Group for the EU General Data Protection Regulation to be enforced in May 2018. The purpose of this policy is to ensure that Technicolor, its staff, contractors, suppliers and other people working on its behalf comply with any applicable provisions of the current Data Protection EU Directive and as from May 25, 2018, the General Data Protection Regulation, where and when appropriate, as well as comply – as appropriate – with any applicable other legislation when processing personal data. The policy applies regardless of where the data is held, i.e. if it is held on Technicolor-owned equipment or outside Technicolor property (for example by a subcontractor).

In addition, an intragroup agreement based on the Standard Contractual Clauses Controller to Controller approved by the EU Commission has been signed in 2016 by all Technicolor parties in order to protect EU personal data

Anti-Corruption & Anti-Bribery Policy

The comprehensive Technicolor commitment to prevent corruption, formalized in our Anti-Corruption & Anti-Bribery Policy, seeks to not only comply with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption and anti-bribery regulations like the French Criminal Code, but to avoid even the appearance of questionable conduct in connection with Technicolor operations.

The new Anti-Corruption & Anti-Bribery Policy which was issued at the end of 2017, includes a practical guide to anti-bribery. Several specific policies (notably targeting third parties such as agents) have been reviewed and background check processes for certain third parties were put in place. The issuance of the new Anti-Corruption & Anti-Bribery Policy was followed by an all-group message from the CEO, and a campaign of e-training and physical trainings will follow in 2018.

transferred within the Technicolor Group outside of the European Union.

Furthermore, an independent "Correspondant Informatique et Liberté" (Data Privacy Officer) was named and registered with the French CNIL. An independent administrative authority, the CNIL mission is to protect personal data, preserve civil liberties and accompany innovation by helping companies integrate personal data requirements within their technological developments.

The role of the Data Privacy Officer is to independently ensure the internal application of the French national data protection legislation, to keep a register of personal data processing implemented in the French entities, and to ensure that the rights and freedoms of the data subjects are unlikely to be adversely affected by the processing operations. He will be assisted by points of contact for all the remaining entities that are not established in France. These points of contact will have for mission to identify treatments regarding their entity and to keep the register of personal data processing implemented in their entity.

A. HUMAN RESOURCES MANAGEMENT

Changes in Technicolor and its market position have brought parallel changes in the mix of our skills and talents. We endeavor to provide training and equal opportunities to Technicolor people worldwide.

The four pillars of the Technicolor approach to human resources development provide the framework for the tools that have been put into place to manage our pool of talents:

- › Talent;
- › Culture;
- › Development;
- › Retention of key people.

Human resources initiatives range from talent reviews, job grading and remuneration programs to skills mapping, employee referrals and training programs.

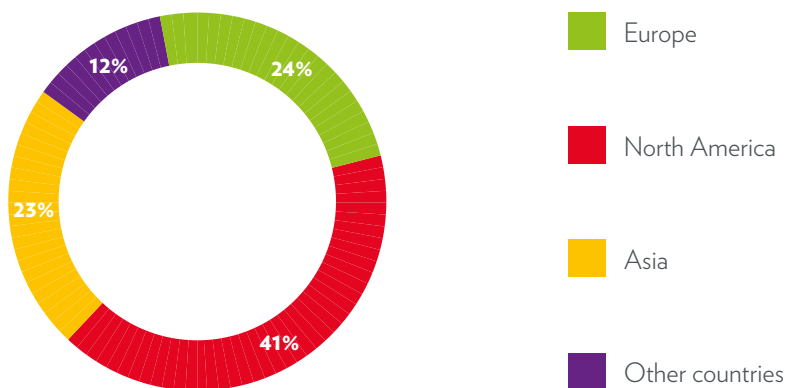
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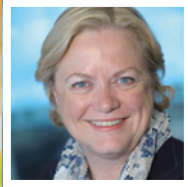
1- WORKFORCE EVOLUTION

The highly competitive and rapidly-changing Media & Entertainment sector in which the Group provides its products, technology and services requires continuing adjustment to the workforce.

As of December 31, 2017, the Group employed 16,307 employees, a decrease of 4.17% over the previous year, with a geographical split as follows:

Technicolor Active Headcount per Region 2017





“ Corporate Social Responsibility must begin at home. Human Resources plays a key role in ensuring that sustainable business practices are embedded in the organizational structure and drive all our activities. Our actions are focused on compensation, diversity, inclusion and people development, and also on environmental awareness and community involvement of our own employees. ”
*Fabienne Brunet, Executive Vice President,
 Human Resources & Corporate Social Responsibility*

Regional Distribution of Headcount over Three Years

	2017	2016	2015
Europe	3,852	3,988	4,231
North America	6,767	7,678	7,790
Asia (1)	3,722	3,387	2,510
Other Countries (2)	1,966	1,964	2,189
Total Number of Employees	16,307	17,017	16,720
<i>Number of employees in entities accounted for under the equity method</i>	46	45	352
(1) Including India	3,247	2,862	1,915
(2) Including Mexico	1,334	1,313	1,395

Total workforce figures above account for executives, non-executives and workers. Agency workers, trainees and apprentices are excluded.

French «Intermittent» contracts are not part of the above table. They represent the equivalent of 347 full time jobs over 2017 while their number grew from 388 in December 2016 to 413 in December 2017. Over the year 932 “intermittents” persons have worked for Technicolor.

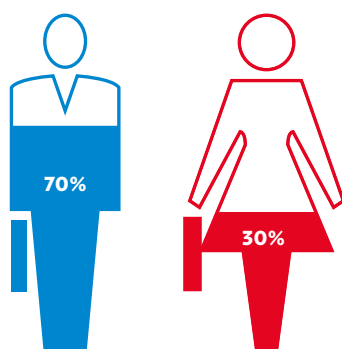
During 2017, 5,731 employees have been hired of which 2,246 permanent employees and 1,632 were made redundant.

Employees and workforce figures are extracted from the Technicolor worldwide HR repository system currently implemented in all Technicolor locations.

2- WORKFORCE COMPOSITION

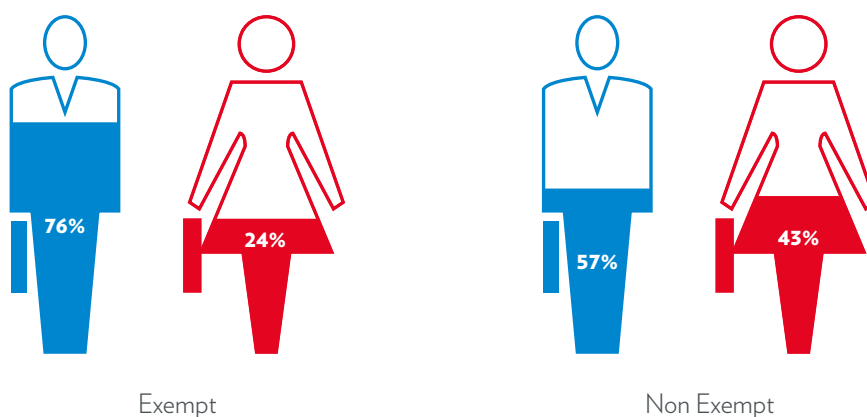
To ensure a good fit between customer needs and Technicolor human resources, the Human Resources & Corporate Social Responsibility Department constantly tracks worldwide workforce data. This global mapping covers gender and seniority as well as functional and geographical information.

Workforce Composition by Gender in 2017



As of December 31, 2017, women accounted for 30% of the total workforce, a level quite similar to that of 2015.

Gender by Job Status in 2017



Breakdown by Gender for Top Executives, ExCom Members and Members of the Board of Directors in 2017

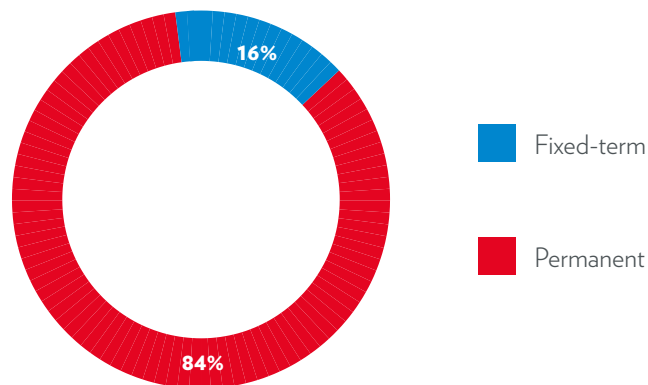
	Women	Men	Total
% Total Workforce	30%	70%	100%
Workforce	4,894	11,413	16,307
% Exempt Jobs	24%	76%	100%
Exempt Jobs	2,777	8,594	11,371
% Management Committee	32%	68%	100%
% Excom	33%	67%	100%
Excom (1) (2)	4	8	12
% Board of Directors (3)	50%	50%	100%
Board of Directors (1) (2) (3)	4	4	8

(1) Source Technicolor 2017 registration document

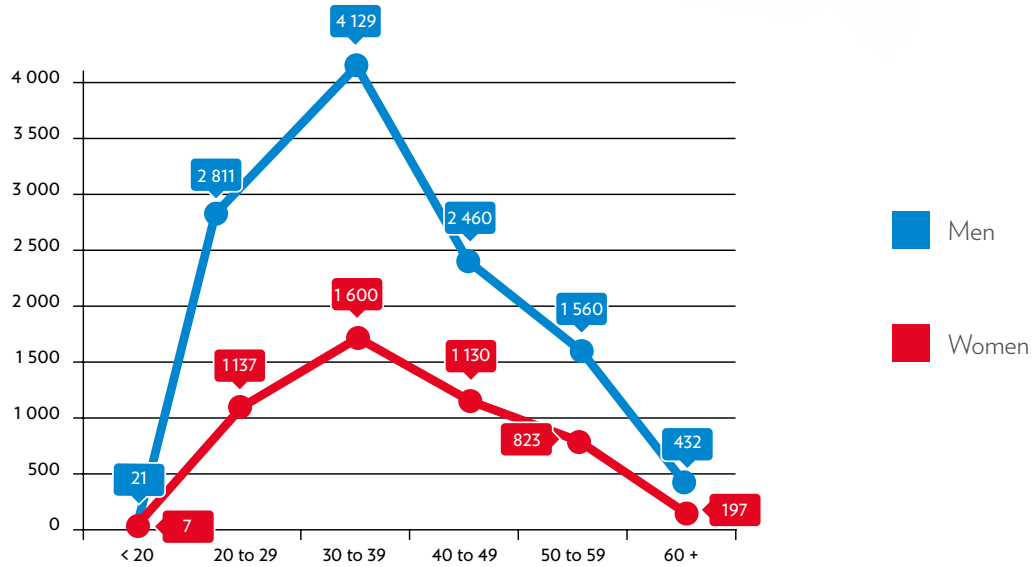
(2) Including CEO Frederic Rose

(3) Pursuant to the AFEP-MEDEF Corporate Governance Code, the Director representing employees was not included in this number

Breakdown by Type of Contract in 2017

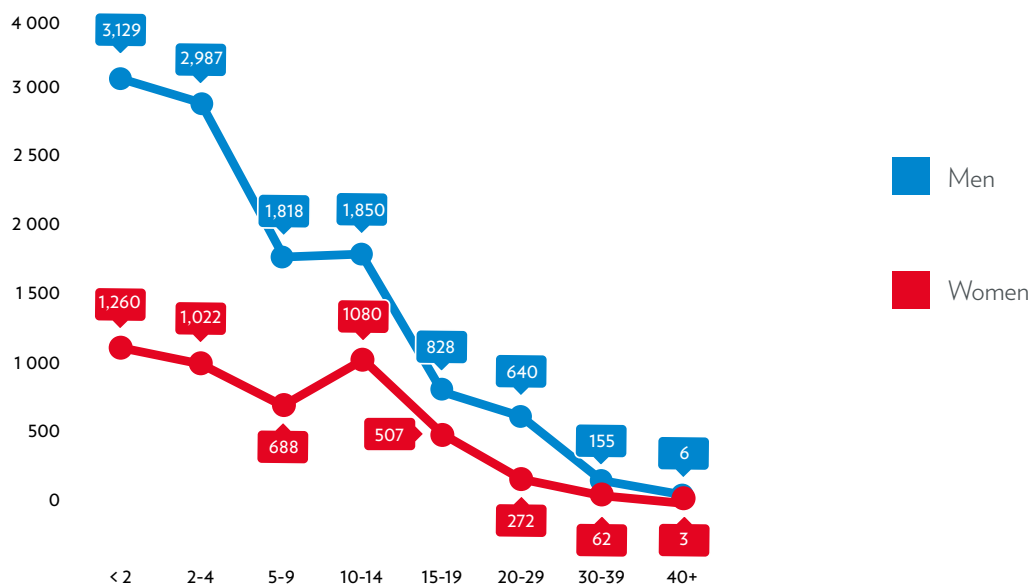


Age Distribution by Gender in 2017



59% of employees are aged under 40; 22% are aged 40-to-50, and 19% are aged over 50.

Seniority Distribution by Gender in 2017



The scale shows the total number of years of employment with Technicolor. 67% of employees have worked for the Company for fewer than 10 years. 15% have worked for the Company for 5 to 10 years.

3- PEOPLE DEVELOPMENT

Technicolor's priorities in Talent and Development focus on leadership development, innovation and excellence in execution to support the growth of our divisions and the implementation of the new Drive 2020 strategic plan.

To adapt to our new strategic focus and market context, we re-examined basic issues: what leadership skills are necessary to meet our new strategies and goals? How do we align our values with our vision and strategy to ensure that everyone is heading in the same direction? These questions provided the basis for a wide-ranging assessment of our ability to fill business-critical positions, now and in the future, including comprehensive succession planning.

In order to remain fully aligned with the needs of the Group's different businesses and to reinforce global HR leadership capability, Technicolor has adopted in 2010 a new operating model and has, during 2017, pursued its reinforcement across the Group.

This model has three dimensions:

- › Strong partnership with Business Divisions;
- › Global centers of expertise;
- › Regional Human Resources competence centers, reinforced with HR sites leaders.

We also capitalized on our approach to performance management. The ambition is to ensure that expecta-

tions are clearly established and that individual results are well managed, in terms of both measurable outcomes and behaviors. In the context of Drive 2020, we also make sure that employees are engaged in the Company's future and will develop the right skills to face coming challenges.

People development projects cover a broad range of needs and issues:

› Continuous Process Improvement for our Performance Evaluation System and Interconnection with our Talent Review:

- Address succession plans;
- Risk analysis for key positions;
- Risk identification and minimization initiatives;
- Develop human capital at all levels of the organization;
- Job architecture.

› Development of Key Capabilities through:

- Identification and development of key functional and technical skills;
- Leadership Development Program;
- Programs to reinforce people and performance management skills.

› Enhanced Cooperation between Divisions and Functions through Internal Networks:

- Management Networks;
- Management Academy.

Technicolor priorities in Talent and Development in 2017 were reviewed to support the implementation of the Drive 2020 new strategic roadmap. In addition to our leadership development and management development programs, several actions were undertaken to ensure the coherence of learning and development investments with the execution of the plan.

These actions have included a broad and deep analysis of all the training needs and investments in the Group and a comprehensive assessment of the evolution of jobs and competencies that are key for the execution of the plan, allowing to prepare specific competencies development projects. As an immediate result of these actions, a special focus was given to the topics of innovation, change management and enterprise agility through the creation of new programs and the reinforcement of these topics in existing programs.

The Human Resources Management Committee meets bi-monthly. Internal audits are conducted periodically to measure and evaluate progress for ongoing initiatives.

3.1 Major People Development Projects

Management Networks

The Group Management is organized around two principal bodies: the Executive Committee (EXCOM), and the Management Committee (MCOM).

The Executive Committee is placed under the authority of the Group's Chief Executive Officer and comprises Senior Executive Vice-Presidents and Executive Vice-Presidents in charge of Technicolor's major businesses and of the principal corporate functions (Finance, Human Resources, Communication).

The Management Committee includes the Executive Committee Members as well as leaders of Technicolor's main functions and business operations. Its responsibilities are to ensure achievement of the Group's objectives and to provide leadership across Technicolor.

Management Academy

The Management Academy plays an important role in the support HR provides to managers in the Group. After a pilot period during which sessions were delivered both internally and externally in the US, UK, France and Belgium in 2014, we evolved the program to a truly "boot-camp" for management capabilities at Group level in 2015 & 2016. In 2017, 3 sessions of the new program were delivered: 4 days of collaborative training sessions were delivered in UK, US, and India, impacting 59 managers in all divisions and functions. We also provided participants with 4 additional webex to reinforce the learnings and give them an opportunity to keep working on a couple of topics that were covered during the sessions.

A total of 13,249 hours of training were delivered to managers world-wide in order to enhance management capacities and posture for our employees.

Resource and Development Plans

After a pilot phase in 2013, all the divisions and functions now monitor their Resource & Development Plan. The ambition is to provide each division or function with a comprehensive HR roadmap that is fully consistent with the business needs and strategy evolutions. These plans that rely mainly on the existing HR processes and tools are built by Human Resources business partners hand in hand with their business leaders. They aim at identifying HR priorities for the future and detail specific HR action plans to support the business evolutions: hiring policies, evolution and mobility, learning and development priorities and training plans, and all HR-related actions that could support the business transformation.

As part of these plans, a comprehensive work has been initiated to identify the evolutions of key jobs. This work includes a review of the mission and responsibilities of jobs as well as the set of competencies that are necessary to achieve excellence in the execution of these jobs. A set of customer facings, R&D and research jobs were the first to benefit from this initiative.

One "Training and Development program" also addresses

the specific needs of four key roles identified as critical throughout the Resource and Development Plan process (ex: Producers, Customer Service, Sales, and Heads of Departments). These roles benefit from specific curricula that are defined at job level and delivered internally or externally. The objective is to improve employee engagement and develop and maintain excellence on specific skills that will drive innovation and customer engagement and support the growth of the business in the future.

The MPC Academy also supports globally the efforts to develop excellence in our skills and jobs: this program can be defined as an endeavor to bring in raw talent freshly graduated from University and provides training to prepare them to work on shots; it targets graduate level artists who are recognized as high potential but yet to show a full level of competency. Participants benefit from 6 to 12 weeks of training while being paid, followed by 12 months of employment. This program impacted 431 artists in three locations in 2017 (Bangalore, Vancouver, Montreal) – representing 176,788 hours of training. For more details on this program, please see section C.3.1 of this report.

Talent Review and Leadership Development

As we strongly believe that our talents constitute the backbone of Technicolor, a yearly Leadership Talent Review process is conducted in all divisions and corporate functions. The process involves managers at all levels of the organization as well as the members of the Executive Committee and of the Management Committee in the identification of employees with the right level of potential and performance to integrate the Group's talent pool. The members of this talent pool are eligible to benefit from dedicated leadership development trainings, activities and events during the year.

The total talent pool represents 8.6% of the permanent exempt population of the Group.

Members of the Leadership talent pool were led to assess their competencies through a 360 evaluation against the brandnew leadership profile that was collaboratively designed for the Company during the year. Individual Development Plans were drawn and executed from the conclusions of this assessment. HR professionals or coaches were assigned to each member of the talent pool to guide and support the

execution of the Individual Development Plans and the development of their leadership competencies.

The newly designed leadership model was defined based on inputs of more than 400 employees worldwide: it results in a unique set of 18 leadership competencies that are expected from Technicolor leaders to ensure the success of the Company. The related Leadership Development programs defined for 2017 included workshops on "leading with agility" where members of the talent pool reflect and learn how to take action not only on their leadership development but also on recognizing and fostering talents of others. These workshops took place in Paris and Los Angeles and gathered participants from all geographic regions.

Our support to our employees who have been identified as able and willing to take some Group level leadership positions (Group High Potential) has been updated again in 2017 to stick to the needs of the Drive 2020 strategic plan. To do so, we have designed and implemented a dedicated workshop that aimed at developing their strategic skills and their ability to inspire and lead teams.

HR Development

Based on the new leadership competencies model, a training course was developed to reinforce the people development capabilities of HR Team Members so that they can support the development of skills aligned with Technicolor vision, values and strategy. This initiative resulted in a pool of 36 HR people fully trained and who can operate as internal coaches for High Potentials.



Cooperative Programs in R&D

In the field of research, emphasis is put on cooperation with educational institutions, public research bodies and other companies to keep the Technology pace. During 2017, 7 cooperative programs involving academics were running, with European as well as overseas educational institutions and public research bodies.

In addition, Technicolor contributes actively to several Technology clusters, including at the governance level, where R&D activities are located. Technicolor has established longstanding relationships with neighboring educational institutions in close proximity to Technicolor research locations such as Stanford University and Berkeley University (California) and Inria (France) with cooperations managed on an ad hoc basis.

3.2 Training

The objective of Technicolor training policy is to ensure the development of competencies and capabilities are aligned with the Group's strategy and, simultaneously, support employee's growth and development.

Training priorities are set based on the evolution of existing jobs and technologies, on the identification of new capabilities to develop and on the individual needs of employees in terms of job performance and/or of professional evolution. The creation of specific learning tracks per job has been encouraged in each division, resulting in an optimization of training resources and in an increased number of training opportunities. In order to ensure the same quality level as well as alignment and consistency, development programs regarding Leadership, Management and Technical or Functional skills are coordinated at corporate level.

To do so, Talent & Development Center of Expertise supports business heads and HR Business Partners in all aspects regarding Learning and Development. HR Business Partners coordinate the building and monitoring of the Development plans at division or function.

Training is implemented locally by the HR Competency Centers who are in charge of ensuring training actions are optimized between the divisions and that training complies with all local regulations.

The Technicolor training policy is implemented at three levels:

› Company-wide

Technicolor provides development programs for the Company's talent pools in order to develop leadership capabilities, reinforce management implication, consolidate management skills and meet cultural integration challenges.

Talent pools include executives, high potential employees and other employees with key identified experience and skillsets;

› Divisions or Fonctions

When updating their Resource and Development Plan, divisions and functions define training objectives for the year to come, that will be implemented by local Human Resources managers on site;

› Sites

Local HR managers are responsible for training plans that address individual needs as expressed during Objectives/ Performance assessment reviews. As part of this process, each employee discusses and defines specific development plans with his or her manager, including training. They are also in charge of ensuring training initiatives comply with local regulations. Local management tracks consolidation and follow-up.

Overall training initiatives offered in 2017 encompass 292,534 hours of training for both employees and external persons working under the Group supervision, of which 278,304 delivered to 11,791 Technicolor employees. It does represent 23.6 hours per employee trained. Additional training hours of informal on the job training activities and discussion groups having taken place in 2017 are not reported.

3.3 Remuneration Policy

Technicolor wants to be an employer of choice and strives to ensure that our compensation and benefits attract, motivate and retain employees in our ambition to further reinforce our position as a worldwide technology leader in the media and entertainment sector.

Total remuneration is considered a key pillar of Technicolor's Human Resources policy. The remuneration policy is tailored to acknowledge and fairly recognize an employee's contribution to the short and longer-term success of the Group.

Technicolor continues to incorporate a classification structure based upon Towers Watson methodology, with grades and bands that ultimately emphasizes and reinforces the strong

link between contribution and remuneration. Technicolor is steadily reviewing its job definitions and levels and reflects the evolutions of the Group. Such classification allows the Group to ensure the internal equity of remuneration packages; moreover, Technicolor participates to relevant salary surveys to assess the competitiveness of remuneration in the proper marketplaces. This provides Technicolor with sustainable, objective and equitable means of remunerating employees while closely controlling its wage bill.

The total remuneration policy is structured around flexible and competitive fixed and variable compensation elements driven by market best practices and the Group's objectives for long-term value creation appropriate to circumstances and goals:

› Competitiveness

Appropriate market benchmarks of total compensation against comparable companies allow Technicolor to offer competitive compensation packages to employees in accordance with competitive pressures in the marketplace. This ensures that Technicolor continues to attract, motivate and retain high potentials and key contributors for which Technicolor competes in an international market place while controlling cost structures;

› Equitable Approach

Technicolor believes that it remunerates its employees on an equitable basis in each of its geographical locations both in line with local standards and proposed corporate programs. The remuneration policy is set according to the Group's "broadbanding policy" which allows consistent assessment of responsibility, contribution and levels of expertise on an international business basis across all businesses and functions. In addition, the remuneration policy of top executives is managed by Corporate Human Resources to facilitate consistency of various remuneration components and ease international and cross-business mobility;

› Business and Skills Focus

The remuneration of professionals, engineers and managers is a sound, market-driven policy and ultimately administered to stimulate business performance. A substantial part of the total remuneration package is composed of variable elements which drive a performance culture and support the Company's strategy. These variable elements are meant to stimulate, recognize and reward not only individual contribution, especially innovation and risk-taking, but also and in particular, solid and consistent Group and divisions performances.

In accordance with the principles and rules established by the Group, each Group entity is entitled to recognize the potential and encourage the development of its employees by means of various remuneration factors defined by the Group.

At constant currency rate exchange (end 2017) and at constant population of employees (all employees present both in 2016 and in 2017), the evolution of the base salary payroll mass (without variable elements and social contributions paid by the employer) between 2016 and 2017 increased by 4.12%.

3.4 Collaborative Tools

Following a demand for increased online collaboration expressed in employee surveys, Technicolor's Intranet, my.technicolor, was designed to enhance the way our employees work together around the world. My.technicolor offers an enhanced user experience, thanks to:

- › A personalized homepage with widgets;
- › An optimized search engine;
- › An intuitive navigation;
- › Collaborative tools including Lync;
- › The possibility for anyone at Technicolor to contribute to wikis according to their domain of expertise;
- › Communities of interest (mini sites) pertaining to locations, business activities, projects or any other topic.

3.5 Working Time Management & Absenteeism

Working time is managed according to the needs of Technicolor's various business activities in both the parent company and its subsidiaries. The Group complies with regulatory obligations and contractual commitments in terms of working time in each country in which it operates. Through various working time management tools, the Group ensures employees do not exceed legal thresholds and are appropriately compensated for any overtime according to their employment agreement. However, a large part of Technicolor's workforce is exempt and paid a flat rate for a number of days worked per year: worked days are then monitored.

Part time and remote working are authorized on a case-by-case basis according to the Group policies and depending on the occupational requirements. During 2017, Technicolor had in average 285 employees working less than 5 days per week. Over the year, part time employees working at least half time represent 97% of part time employees and part time employees working at least the equivalent of 4 days per week (80% of a full time worker's time) represent 57% of part time employees. French "intermittent" contracts are not considered as part time employees.

Some activities of Technicolor experience seasonal peak workloads (such as DVD Services) and require significant interim and temporary (fixed-term) workers to support client requirements, mainly in the distribution and warehouse sites, in addition to overtime. These seasonal workers are typically directly hired over a period of a few months (temporary) or contracted through a third party labor services Company (interim), while overtime for long-term employees is more achievement-related and is used to complete very time-limited peak activity (manufacturing or project development achievement). Interim workers are not included in the year end Group headcount figures as they are not employees of

the Group. The main countries employing seasonal workers are the United States, Mexico, Poland and to a lesser extent Canada and Australia.

Production Services activities such as visual effects, animation and post-production are mainly project based driven activities and rely for a significant part on fixed-term contracts (including "Intermittents" contracts) to be able to adapt team skills mix, experience and size to the requirement and the timeline of the productions, as this is the common rule in this industry.

Overall, seasonal interim workers represent about the equivalent of 5,960 full time jobs while at the peak they may more than double the number of workers present on the relevant sites.

Fixed-term contracts and "Intermittents" represent the equivalent of about 2,890 full time jobs across the Group activities.

Across Technicolor, total overtime represents about the equivalent of 580 full time jobs.

Working time is managed in the Group's various sites via software such as ADP, Punchout, Kronos, Sisnom and Casnet. There are also some additional manufacturing related tools that track working time such as ScheduAll, Laserbase and CETA. Absences are generally defined on an annual basis in terms of holidays, vacations, personal and family medical leave or other possible unplanned absence such as jury duty, as described by bargaining unit contract, employment contract, or regulation. Throughout the year, each employee categorizes any absence according to its definition, and all absences are subsequently reviewed and approved inside the applicable working time tracking software solution.

The average rate of employee absenteeism for sickness and unauthorized absence at the Group level in 2017 was 2.8%.

4- DIVERSITY SUPPORTS SUSTAINABLE GROWTH



As the face of Technicolor has evolved, diversity has become one of its most valuable assets and a business imperative in its competitive environment.

With a workforce distributed across Asia/Pacific, Europe and the Americas, business activities in more than 30 countries, and acquisitions of companies with diverse business cultures, Technicolor must be able to recruit and retain the most talented candidates from a broad range of disciplines and experiences, while fully respecting all individuals. Technicolor's policy is to provide equal employment opportunity without regard to race, gender, religion, national origin, age, or disability status.

End of 2015, a global plan for Diversity and Inclusion was launched. The objective of this plan is to improve globally our processes to ensure that practices are not discriminatory at any stage in the Group, but also to promote a mindset of openness and inclusiveness globally and a willingness to bring support and assistance to persons or groups who may be under-represented compared to their regional demographics. The 4 key areas of the plan are gender diversity, disability, aging, and ethnicity.

Early in 2016, additional awareness sessions were held in-person with the senior leadership team and also with the HR leadership team. After that, a learning experience focused on reducing and mitigating unconscious bias was offered to the HR leadership team on a pilot program basis with a duration of about four months. The majority of the participants completing the learning experience achieved long term reduction in unconscious bias partnered with decision-making tools that

assist to combat unconscious bias during critical decisions, as with recruitment and hiring.

During 2017, at the Group level, work focused on action planning and internal communication and awareness building, while several business units launched programs and networks related to diversity and inclusion in alignment with their workforce requirements.

Principle of Non-discrimination

Non-discrimination and equal employment opportunity policies, based upon the Ethics Charter and locally augmented according to specific legal requirements if needed, including the anti-harassment policy, are implemented at all Technicolor sites. In several countries, managers and supervisors are provided Legal awareness training sessions about anti-harassment and non-discrimination. Several initiatives continued or were launched in 2016, and continued to develop during 2017:

- ▶ In France, the "generation contract" initiative to enhance employment of juniors and maintain employment of seniors continued;
- ▶ In the UK, equal opportunities policy is part of the employee handbook and induction for all new starters. MPC held a week of activities focused on ethnicity during National Inclusion Week, and also launched a social club at each location named MPC Pride, open to everyone, focusing on being a welcoming space for all LGBTQ workers at MPC;
- ▶ In India, practice was developed to make provision for mutually agreeable extension of employment for senior workers, past the national retirement age of 58. The Bangalore operation also provides a written document concerning local community conditions and advice for new workers moving in from other areas. Partnering with Oxfam India, the Technicolor team supported 24 local teams in the 2017 Trailwalker "Walk for Equality" event, with walks of 50 and 100 km over three days, while also staging a checkpoint along the route for support and hospitality during the 3-day event.

In addition to the role of the management, detection of discrimination cases also relies on the whistleblower policy allowing any employee to confidentially disclose their situation or the situation of a co-worker, without fear of publicity or adverse reaction. Such cases are reported to the Ethics Committee and investigated. Some countries implement in addition an official trust person or advocate for employees if there is a discrimination issue. Overall, about less than twenty-six cases of discrimination and harassment were reported in 2017.

Gender Diversity

A first program was launched in 2014 under the sponsorship of the EXCOM, in order to better balance gender diversity and increase the ratio of women in business roles, management levels and leadership pipeline. Actions were put in place through a full range of processes and progress continued during 2017:

- ▶ Four women are members of the EXCOM, representing 33% of the total number of members. At Management Committee level, four women are members, reaching 32% of the total number of members including Excom members;
- ▶ A recruitment policy was adopted to encourage gender diversity in senior management positions: Technicolor requires recruitment and personnel search professionals worldwide to ensure that the curriculum vitae of at least one qualified woman is included in every list of finalists submitted for open senior management positions within the Company;
- ▶ Leadership talent criteria are adapted to secure equity between men and women in leadership positions; gender diversity is integrated in divisions Talent review, which outcomes are presented to EXCOM, including dedicated action plans as needed.

In addition, initiatives to promote gender diversity are encouraged locally as in India, France, the UK and Poland:

- ▶ In India, the local Women's Network continued to build momentum and several specific events were held during the year 2017 such as one week of Women's Day celebration, with communication

about and from inspirational women, 2 Women's Discussion Circle sessions, awareness sessions on sexual harassment and on prevention of sexual harassment at work place, others on healthy diets, competitions, and brainstorming about attracting more women to work at Technicolor India. Technicolor India also developed outreach information and activity at other entity locations such as JAIN school of Animation, ICAT Design and Media College, the Asian Institute of Gaming and Animation, Yellow Tree Academy, and the Maya Academy of Advanced Cinema, all with the idea to attract more women to join Technicolor. Also, women were actively encouraged to participate and to present their papers to the Grace Hopper celebration of women in computing that is India's largest Gathering of Women Technologists;

- ▶ In France, an agreement has been reached early 2016 about "Gender Equity". It includes compensation alignment between men and women, with a dedicated budget, training for managers to appreciate gender diversity, training to support women in developing their leadership and promoting their career. During 2017, about 42 changes in compensation for women were introduced as part of the Gender Equity program actions. Technicolor ranked 4 in 2017 in the yearly ranking for gender diversity in the governance bodies of French Companies (SBF120);
- ▶ In the UK, the MPC Balance program was launched, a global initiative focusing on improving gender diversity within MPC operations. Currently at MPC, at least half of the senior management team in each location is female, and slightly more in the overall leadership team. All MPC locations launched local women steering committees during 2017, and a hiring target for MPC academy was



Women's network and women's day celebration at Technicolor in India

set at 40 percent women. Technicolor continued its engagement with Women in Film & Television Network by continuing to sponsor the Creative Technology Award Category for the 2017 Women in Film and Television Awards. Technicolor continued to attract and retain female talent: with the focus on work-life balance and the engagement with our flexible working policy, we had a 57% increase in flexible working request from 2016 to 2017;

- ▶ In Poland, women candidates make up at least 50% of the short list for any open permanent position, and the industrial operation actively manages lifestyle expectation concerning shift duration, physical capability, on-site restaurant offerings, and social events. Women are represented in the same proportion as employment for the site's stakeholder representatives Committee, which reviews operational changes and provides input to management.

Employment and Integration of Disabled People

Depending on national legislations, legal requirements to integrate disabled persons or to hire a specified number or percentage of disabled employees, and thus the definition of a disabled employee, may strongly vary, or may not even exist. Also, labeling, categorizing, or making a record of an employee as disabled may be legally prevented in certain countries or subject to the individual authorization by each concerned employee who may refuse. Therefore, statistics cannot reflect the reality with accuracy.

However, beyond the legal requirements when they exist, Technicolor strives to adapt our working places, including factories, to provide equal employment opportunities with no discrimination against disabled people with regard to hiring, training, allocation of work, promotion, or reward, and seeks to eliminate employment barriers and to accommodate disabled employees. In that regard, employment of disabled is part of our non-discrimination policy, and Technicolor has been and continues to be willing to integrate different needs including modified duties, adapted hours, and adapted workspaces.

- ▶ In France, agreements were signed with labor representatives in support of Technicolor's 'Mission Handicap – France' program, which was launched in 2016 and focuses on four critical aspects: increase

recruitment of persons with disabilities, provided their competence is in line with the position requirements; encourage job retention and career development of employees with disabilities; develop knowledge and expertise on disability within Technicolor through training and coaching; and increase the use of disabled people from service providers. In 2017, several events and initiatives were proposed on the different French sites to encourage new perceptions around the theme of Handicap such as welcoming a guide dog for the blind in Boulogne Post production and VFX site, and the presentation of a play in Issy les Moulineaux;



- ▶ In Canada, Technicolor policy recognizes and promotes the hiring of persons with disability;
- ▶ In Australia, Technicolor partnered with a disability employment agency to hire employees with disabilities, and initial placements were made, progress is on-going;
- ▶ In the UK, a joint industry network was announced under the name of Access:VFX, with the guiding principle of promoting diversity and inclusion in the VFX industry. The MILL and MPC are both key correspondents in the Access:VFX launch, including hosting seminars and workshops on-site for small groups of targeted individuals. MPC held three events as part of National Inclusion Week: See with your ears, Hear with your eyes; Notes on blindness; and Channel 4: We're the superhumans – all targeting awareness building;
- ▶ In Poland, Technicolor extended effort into families of workers who care for children with disability, providing increased benefits to the family via the worker in these cases.



“ At Technicolor, relations with labor unions and employee representatives are conducted on the basis of constructive dialog and mutual respect. Discussions and negotiations take place at European level with the Technicolor European Works Council and at national level with national or site Works Councils. Fostering such relations is critical to the development of an inclusive working environment and the overall success of the Company ”

Aude Goulon, Human Resources Competence Center for Europe, India & Asia Pacific

5- DIALOGUE WITH LABOR UNIONS

Labor relations with Technicolor employees are the responsibility of Site managers in each country with the support of Human Resources.

With respect to its European operations, Technicolor entered into a labor agreement with a European council of employee representatives (the “European Council”) confirming the Group’s labor practices. This council comprises union representatives or Members of local works councils in European countries.

The European Works Council is composed of:

Country	Number of European Works Council Seats
Belgium	1
France	2
Poland	1
UK	2

Technicolor’s European Works Council is a supranational body, the purpose of which is to address topics of a transnational nature. The European Works Council is informed of Technicolor’s European operations in respect of personnel, finance, production, sales, and research and development, and their impacts upon employment and working conditions. It is also informed of major structural, industrial and commercial changes as well as organizational transformations within the Group. It met one time in 2017.

In accordance with applicable law in the European Union, Technicolor’s managers of each European country meet annually with labor organizations to discuss remuneration and working conditions.

In 2017, Technicolor entered into 31 collective bargaining agreements: 1 in Australia, 1 in Belgium, 7 in Brazil, 1 in Spain, 16 in France, 2 in Italy, 3 in Mexico.

In several countries, collective bargaining agreements are negotiated on a pluriannual basis (three years or more), and therefore agreement may not have to be renewed in 2017 in certain countries, such as Canada and the U.S., due to this calendar.

Unionization Rate per Country where available *

Country	Headcount	Unionization Rate	Number of Collective Agreements signed in the Year
USA	Over 3,000	2.9%	0
India	Over 3000	0%	0
Canada	Between 1000 and 3000	3.7%	0
UK	Between 1,000 and 3,000	0%	0
Mexico	Between 1,000 and 3,000	53%	3
France	Approximately 1000	N/A	16
Poland	Approximately 1000	3.7%	0
China	Under 1,000	100 %	0
Brazil	Under 1,000		7
Australia	Under 1,000	57%	1
Belgium	Under 1,000		1

*In accordance with domestic laws, data regarding the level of unionization is not available in most of European countries (the laws in these countries do not allow this type of statistics to be published).

6- HEALTH & SAFETY MANAGEMENT

The Technicolor Environment, Health and Safety (EH&S) Charter affirms our commitment to conduct business in a safe and responsible manner and to protect employees in their daily work. An effective occupational health and safety program, as defined by Technicolor, looks beyond specific requirements of law to address all hazards.

Our health and safety programs aim to identify potential risks and take appropriate prevention and severity reduction measures. Accident and injury prevention programs focus on local, site-specific health and safety work groups.

Work group members help ensure workplace safety analysis, improvement of written programs and procedures, and training. They also help prevent mishaps stemming from potential physical, chemical, biological and ergonomic risks through inspections and audits, systematic analysis of accidents and incidents, and implementation of corrective measures as needed.

6.1 Managing Health & Safety

Corporate EH&S policies and guidelines establish requirements and provide guidance for working safely. They are periodically revised, and augmented when deemed necessary (recent additions provide First Aid or Working Alone guidance). At local sites, programs and initiatives have been implemented to ensure that Technicolor meets its legal responsibilities and operates in

a responsible manner by identifying risks and taking action to eliminate or at least minimize health and safety hazards.

Translated into six languages, the EH&S Charter is available on the Group's Intranet, and is displayed at each industrial site. Employee health and safety initiatives were undertaken at many Technicolor sites in 2017, including:

- › Medical examinations;
- › Ergonomic assessments;
- › Vaccination campaigns;
- › First-aid training;
- › Wellness programs.

In 2017, Technicolor experienced a 19 % increase in work-related injury and illness incident rate (number of recordable injuries and occupational illnesses per 200,000 hours worked) from 0.96 in 2016 to 1.14 in 2017.

The work-related lost workday incident rate (number of recordable lost workday injuries and occupational illnesses per 200,000 hours worked) increased similarly to 0.53 in 2017.

Technicolor records all days lost due to work-related injuries or illnesses as calendar days, beginning on the day after the injury or illness occurs. Severity is viewed using a variety of definitions, from French regulatory definition which equals average number of days lost per 1,000 hours worked (0.042), to average lost days per incident (7.5), to average lost days per equivalent full-time worker (0.083).

We are committed to achieve annual reductions in the injury rate at our worldwide operations. More information on our approach to tracking annual progress can be found in section B.3 “EH&S Goals and Progress” of this report.

6.2 Training People to Enhance Safety

Technicolor understands that, because each employee can impact EH&S efforts and performance, it is critical that each employee be provided with appropriate tools, resources and knowledge.

EH&S training programs develop awareness and skills that enable employees and contractors to perform their jobs in compliance with applicable laws, regulations and policies and to prevent accidents and reduce risks.

Training programs, evaluated during the corporate EH&S audit process, are a core ingredient in the EH&S performance measurement process. In 2017, about 36,552 hours of documented training on a wide variety of environmental and safety compliance and protection, injury prevention, emergency preparation and response, and occupational health topics were provided to employees and contractors throughout Technicolor.

6.3 Health & Safety Performance and Progress Assessment

Launched more than a decade ago, the Technicolor Environment, Health & Safety (EH&S) corporate audit program helps ensure that industrial locations comply with corporate EH&S policies and guidelines as well as applicable EH&S laws and regulations. The audit program has also proved a valuable tool for increasing EH&S awareness throughout the organization, identifying best practices, sharing successful initiatives, creating opportunities for diverse approaches to problem solving, and connecting our EH&S personnel to broader aspects of our multi-faceted business.

As part of our objective of auditing each industrial location at least every three years, four locations were audited in 2017. As a result of these audits, potential improvement items were identified and evaluated, and more importantly, appropriate action plans were developed.

6.4 On-site Health & Safety Initiatives

There were many notable H&S achievements during 2017, highlights of which are given below.

In industrial locations, the prevention of physical injury remains the focal point when reducing hazards around the operational areas and warehouses. At non-industrial sites, many initiatives and programs were implemented to improve working conditions, to address specific risks, and to develop well-being while ensuring the safety of the workplace:

- ▶ An Health and Safety Management System helps reduce risks in a sustainable manner and maintain focus year after year. The Melbourne DVD Services safety practices include monthly safety meetings, risks assessments are conducted periodically, hearing loss is prevented by providing hearing tests and hearing protection in noisy areas, posters are displayed in walkways to alert employees on higher risk work practices. These efforts are rewarded by a low injuries incident rate for three years in a row, with zero reportable injuries in 2017.
- ▶ Pooling with others on the road to increased safety is the way to go in Canada where the Toronto DVD Services site joined the site Employee Insurance provider safety scheme whereby the site is given five goals to achieve each year and meets with peers and shares best practices.
- ▶ Occupational safety addresses physical risks as a priority. In Piaseczno, the circulation of vehicles was reorganized in the warehouse to prevent collision with pedestrians and in Huntsville, metal railing was also installed to similarly separate employee walkways from forklift operations.
- ▶ In Los Angeles at The MILL, a wellness month was proposed to promote healthier living. Some sites are experimenting with multi-position desks allowing sitting or standing, such as in Edegem or Boulogne.
- ▶ In Chennai site proposed to workers some health-related workshops such as Yoga, eye and dental camp, general medical check-ups, Friday fitness sessions. The New York MPC site proposed a healthier selection of snacks for the Studio and has organized a one-day Health Fair with local service providers including massages, nutritionists, chiropractors, fitness instructors. Health screenings are also part of the benefits enrollment.
- ▶ In Issy les Moulineaux, one-hour ergonomic training sessions were proposed to groups of employees after which individual visits were made on demand by the trainers.
- ▶ In Mexico, Guadalajara, Tultitlan and Mexicali sites propose employee vaccination programs and annual health campaigns to detect chronic diseases such as diabetes, cholesterol an overweight with the support of local health authorities.

Ergonomics and fitness

- ▶ In non-industrial sites, where occupational risks include health risks associated to sedentary lifestyles, ergo-

onomic and fitness awareness campaigns or office ergonomics training sessions were proposed.

- ▶ The Chennai site proposed to workers some health-related workshops such as Yoga, eye and dental camp, general medical check-ups, Friday fitness sessions. The New York MPC site proposed a healthier selection of snacks for the Studio and has organized a one-day Health Fair with local service providers including massages, nutritionists, chiropractors, fitness instructors. Health screenings are also part of the benefits enrollment.

- ▶ In Issy les Moulineaux, one-hour ergonomic training sessions were proposed to groups of employees after which individual visits were made on demand by the trainers.

- ▶ In Los Angeles at The MILL, a wellness month was proposed to promote healthier living. Some sites are experimenting with multi-position desks allowing sitting or standing, such as in Edegem or Boulogne.

General health prevention

- ▶ In Mexico, Guadalajara, Tultitlan and Mexicali sites propose employee vaccination programs and annual health campaigns to detect chronic diseases such as diabetes, cholesterol an overweight with the support of local health authorities.



“While concrete progress in all aspects of EH&S has been made, we continue to strive for health and safety excellence and the conservation of the earth’s natural resources through sustainable business practices. Regular reviews of our global operational policies and standards support this commitment to continuous improvement.”

Tom Sipher, Vice President, Environment, Health & Safety

B. ENVIRONMENTAL MANAGEMENT

1- COMMITMENT TO PROTECT THE ENVIRONMENT

Climate change remains one of the world’s most pressing sustainability challenges and Technicolor is committed to environmentally responsible business practices.

Technicolor understands that consistent, universally applied standards help each site meet local requirements. Standards also provide a base to encourage people at each location to go beyond local regulatory requirements. This approach has been formalized in the Technicolor Corporate Environment, Health & Safety (EH&S) Charter, which provides a framework to manage and foresee environmental risks.

We track a wide range of environmental data at 50 worldwide sites, including waste management (total waste generated, landfilled and recycled), energy consumption (electricity and fossil fuels), water consumption, air emissions (greenhouse gas emissions), main materials used and process wastewater effluents.

A table showing the 50 sites and a description of our tracking methodology is featured in the “Our Performance” section included at the end of this report.

2- REDUCING ENVIRONMENTAL IMPACT

EH&S principles and concerns affect all Technicolor activities. Corporate EH&S managers and EH&S site managers are responsible for EH&S management.

A Corporate EH&S group, established in 1993, develops global policies, guidelines, programs and initiatives, helping each business meet the principles and commitments outlined in the EH&S Charter.

The Corporate EH&S organization reports to Human Resources, headed by the EVP Human Resources and Corporate Social Responsibility, who is a Member of Technicolor’s Executive Committee.

A corporate manager oversees the EH&S network. Links between the EH&S group and various business units ensure that transferable local initiatives are shared quickly among sites wherever appropriate.

Local personnel, supported by local EH&S Committees, are responsible for reviewing and adapting corporate policies and guidelines as well as applicable laws and regulations at each site. They also supervise implementation of site-specific programs and procedures to ensure conformance and minimize health and environmental risks.

Environmental Management Systems (EMS) subject to certification according to the international ISO 14001 standard have been in place at all Technicolor industrial sites with chemical risks above a defined threshold since the end of 2004.

During 2017, a total of 6 sites held ISO 14001 certifications.

Newly acquired industrial sites are expected to achieve EMS certification within two years where it is determined that certification is required.

Technicolor locations with ISO 14001-certified EMS

Site	Segment	Original certification date
Guadalajara	Entertainment Services	October 2004
Manaus	Connected Home	February 2004
Melbourne	Entertainment Services	December 2005
Piaseczno	Entertainment Services	December 2004
Rugby	Entertainment Services	November 2004
Sydney	Entertainment Services	December 2005

3- EH&S GOALS AND PROGRESS

Technicolor has been tracking annual progress toward environmental and resource conservation improvement goals since 1997.

The tracking includes:

- › Reduction of environmental impact on air, water and land;
- › Reduction of consumption of water, energy or raw materials;
- › Corrective actions related to internal EH&S audits and inspections;
- › Development of emergency preparation and response plans and associated training and drills;
- › Development of EH&S committees;
- › EH&S-related employee training.

4- CONTINUOUS IMPROVEMENTS IN ENVIRONMENTAL PERFORMANCE

4.1 Audits

EH&S audits play a vital role in Technicolor's ongoing efforts to improve EH&S management and performance and prevent accidents.

In addition to internal audits within each manufacturing, packaging, or distribution site, a comprehensive corporate internal audit program has been implemented since 1996. Audits are conducted by trained, experienced Technicolor auditors. The audit program helps ensure conformance with corporate EH&S policies and guidelines.

The program has also proved to be a valuable tool for increasing EH&S awareness, identifying best practice opportunities, communicating successful initiatives between plants, creating new approaches to problem solving, and sensitizing EH&S personnel to various other issues.

As the result of environmental audits - four of which were carried out in 2017 - improvement items were identified and evaluated, and more importantly, action plans were developed.

4.2 2015-2018 Goals and Performance

Technicolor established the below EH&S goals and objectives for the Group, to be met by its worldwide industrial operations by the end of 2018:

- ▶ 5% annual reduction of injury rate;
- ▶ 20% minimum proportion of energy coming from renewable resources;
- ▶ 75% minimum waste recycling rate;
- ▶ Reporting to satisfy the GRI G4 Guidelines – Comprehensive option (the corresponding GRI Content Index can be consulted at the end of this report).

5- ENVIRONMENTAL INITIATIVES AT TECHNICOLOR SITES

There were many notable EH&S achievements in 2017 a selection of which are given here:

Energy Highlights

- ▶ Many programs were put in place to reduce energy consumption or more generally reduce site carbon footprint. Among these, the following initiatives have been selected as representing a characteristic sample.
- ▶ Lighting fixtures are increasingly supplied with new energy efficient LED lights (Manaus, Mumbai, Culver City MPC, Boulogne, Piaseczno) in replacement of fluorescent light bulbs or older LED lights. This paired with sensors allows for energy savings such as in Rugby or Sydney DVD facilities.
- ▶ In Manaus, the site installed additional external solar powered lighting as part of its Green Factory program to improve consumption of energy from renewable sources.
- ▶ The energy demand of servers at Creative Services sites is carefully monitored and systems may be conditionally adapted to reduce consumption when possible. Some sites raise the minimum temperature in the server rooms by up to three degrees when load permits (London MPC) or even shut down servers when they are not needed (Chennai).
- ▶ Similarly, in the Chicago the MILL offices, central air conditioning shuts down during the nights to conserve energy.
- ▶ Through its participation in the 2017 Green Certification Program of the city of Culver City, California, MPC switched to third-party-certified 100% non-toxic green cleaning supplies, performed an office-wide LED lighting retrofit that saves 13,700 kWh of electricity annually, had their toilets and faucets retrofitted with a savings of 76,262 gallons of water annually, and posted signs to encourage their staff to conserve resources. Through this program and green building improvements, MPC achieved "Certified Innovator" status.
- ▶ In London MPC alone, many initiatives were taken which reflect all the different aspects of an energy saving program such as installing more efficient UPS equipment, changing lights to LED, increasing data center set temperature, installing a building management system to control building temperature, installing video conferencing to reduce travel, including a systematic review of the energy performance of any new equipment purchased and also training security staff to turn lights off after hours.

- › Some initiatives to reduce carbon emissions due to commuting or to develop offset credits are in place or are being established at non-industrial sites. The MILL operation in London has committed to 100% of its electricity coming from renewable sources. MPC in Los Angeles has planted trees in their park, the Technicolor Hollywood site participates in a program to compensate vehicle emissions by purchasing CO2 emissions offset credits. The Edegem site participated in a “national car free day” with alternative transport promoted to come to work, offering breakfast to all employees arriving by bicycle, or on foot. The Rennes site in France has a complete plan including financial incentives to use public transportation, training sessions on bike safety in an urban environment, bike repair shops, and dedicated parking spots for carpoolers.

Water Highlights

- › Regardless of site geographical location, in drought affected areas or in more temperate climates, sites endeavor to reduce their water footprint as well.
- › Initiatives range from small adjustments to regulate pressure and consumption such as introducing tap aerators and optic sensors, to leak detection and repair (Rennes

rainwater harvesting tank tightness works), improving the efficiency of cooling towers, or reducing water used for cooling render farms by externalizing those (Montreal MPC).

- › On the non-technical side, campaigns to remind staff to make a conservative use of water are in place, as is water-conscious gardening by planting drought resistant species in California, and re-use of condensate water from the air conditioning systems to irrigate an organic garden at Manaus.

Waste Highlights

- › In DVD manufacturing facilities, waste programs included recycling purge material into DVD lines, internal recycling and repairing of wooden pallets, and improved collection and recycling of cardboard packaging waste.
- › In non-industrial sites, paperless is growing and recycling programs are increasing to include more aluminum cans, more paper and other recyclables. In Bangalore a paper recycling scheme has been put in place. In Mumbai the organic waste is being collected by an NGO for composting.

6- TECHNICOLOR CARBON FOOTPRINT AND CLIMATE CHANGE MITIGATION INITIATIVES

As part of its pledge to conduct business safely and responsibly, Technicolor has always measured environmental impact and sought to reduce it through monitoring programs and projects focused on its industrial activities.

Our focus has evolved in recent years, the Company undergoing significant changes, resulting in a growing emphasis on business to business partnerships with Media & Entertainment professionals. Technicolor is now at the forefront of digital innovation and a low carbon intensity company. However, to deliver its products and services to its customers across its different businesses, Technicolor relies on infrastructures and resources that contribute to increase anthropic carbon emissions, and thus participates to global warming and climate change.

Technicolor is a Global Compact member and strives to operate as a responsible citizen in all locations across the globe. As the world summons the best of its science

to reduce Carbon emissions, the Group is committed to expand the knowledge and reinforce the control of its impacts to new domains and programs, explore new paths to energy efficiency through dialogue with its business and institutional partners, within the bounds of its expertise and means.



Air Emission

Upon evaluation of its operations, Technicolor determined the most significant but limited air emission contaminant resulting from the Group's operations (Scope 1) to be carbon dioxide associated with on-site combustion of fuels for heating, back-up power generation, or fire-suppression equipment.

In 2017, a total of 7,087 metric tons of CO₂ were emitted from combustion sources within Technicolor's industrial plants and larger non-industrial locations. This figure was calculated using the 1996 Intergovernmental Panel on Climate Change (IPCC) Emission factors.

Indirect emissions from consumption of electricity (Scope 2) were 199,036 metric tons CO₂ and were estimated using guidance and tools from the GHG Protocol (World Resources Institute (2014) GHG Protocol tool version 4.5 for stationary combustion).

Air emission (metric tons)	
Scope 1 emissions	CO ₂
2015	8,160
2016	10,557
2017	7,087

Air emission (metric tons)	
Scope 2 emissions	CO ₂
2015	140,515
2016	218,386
2017	199,036

Beyond scope 1 and scope 2 greenhouse gas emissions, the most significant contributions to scope 3 greenhouse gas emissions are shown below, in decreasing significance. Where quantitative estimates are shown, the values are approximate due to assumptions required and potential absence of exact knowledge for specific type of transportation equipment and fuel. Necessary assumptions are based on industry standards or surveys for collective vehicle performance or consumer behavior:

- ▶ electricity consumption during the use of Connected Home devices (set-top boxes and gateways) in their targeted markets during their estimated product lifetime of 7 years. The total impact of all Connected Home devices produced during 2017 is estimated to be an equivalent 2.1 million tons of CO₂ during each full year of product operation. The assumed product operation, that may be controlled in part by the network operator and the consumer, includes active hours during use, standby hours when not actively in use, and switched-off hours, aligned primarily with the customer habits for using their television at home. For any individual piece of equipment, the true equivalent emission will depend on the country and region of operation as emission factors vary significantly depending on electricity generation methods and sources in each country;
- ▶ raw materials, manufacturing, distribution, and dismantling (cradle-to-cradle) of Connected Home devices (set-top boxes and gateways). The estimated impact of all outbound traffic controlled by Technicolor during 2017 for Connected Home devices was 12,049 tons CO₂;
- ▶ raw materials and distribution of DVD and Blu-ray™ discs. The estimated impact of all outbound traffic controlled by Technicolor during 2017 for DVD products was 41,314 tons CO₂;
- ▶ employee commuting;
- ▶ business travel.

Climate Change

In 2017, Technicolor participated for the tenth consecutive year in the Carbon Disclosure Project (CDP). The Carbon Disclosure Project is a non-profit organization which promotes the exchanges of best practices, fosters dialogue around climate change issues including carbon emissions, water shortage, forest conservation, from corporate, governmental or non-governmental bodies, and is targeting collaboration between large international firms and investors related to global warming. Technicolor's answer to the Carbon Disclosure Project is available on the [CDP website](#). Our disclosures have been public since 2008. The report provides an overview of Technicolor carbon footprint management - a key element in our pledge to protect the environment.

Climate change is integrated into Technicolor's business strategy along two primary axes: development of eco-friendly products and services and infrastructure improvements to reduce emissions or to maintain performance when faced with climate impacts. The development strategy has Technicolor joining or leading various industry groups, regulatory Committees, or trade collaborations as a way to find or to create improvements

and manage them in to the product or service offerings. The infrastructure strategy is to seek out improved efficiencies in technology or human process/behavior.

Examples are upgrades of existing lighting installations, building management systems, Research & Innovation programs linked to integration of smartgrid software in Set-Top Box, energy efficiency improvements from eco-design of products or packaging, anticipation on upcoming legislation, increase use of energy from renewable resources.

Locally other initiatives exist such as a "green car" policy for leased vehicles or a CO₂ emissions compensation program implemented at the Set-Top Box manufacturing facility in Manaus, Brazil.

Finally, Technicolor is preparing its facilities to mitigate the material effects of climate change (principally severe weather episodes such as heavy rainfalls and flooding or draughts or storms) by putting in place the needed prevention programs and adapting emergency action and contingency plans where needed.

Local Highlight, Brazil

In Brazil, the Technicolor Manaus manufacturing plant dedicated to the production of Set-Top Boxes for the Americas has a long-term plan to improve its carbon footprint. From reverse logistics schemes, to recycling waste, or tree planting carbon compensation initiatives, it has recently built a solar panel electricity generating plant, which production covers 10% of the electricity consumed by the site. An organic plant project is unfolding in parallel, featuring a composting plant, a nursery of fruit, vegetable and ornamental plants, a vegetable garden, all contributing to a decrease of carbon emissions generated by the activity (Manaus already compensates 100% of its emissions), while proposing a more favorable social environment for the employees.

For all these accomplishments, and the year's project to collect water from the air conditioning units and reuse it for gardening, the site was awarded in 2017 the Chico Mendes Selo Verde green certificate, which recognizes continuous improvement in socio-environmental performance. By generating savings, and yielding environmental benefits, the project contributes to making Technicolor's plant in Brazil environmentally friendly, economically viable, and socially fair.





“ The implementation of Eco-design and sustainable product development methodologies is a key factor in reducing negative environmental impacts associated with production processes. Over the past years, Technicolor has placed sustainable engineering and production processes at the forefront of its agenda which not only benefits the environment but also serves to drive innovation and quality improvement. ”

Geneviève Pinvidic, *Connected Home, Head of Engineering*

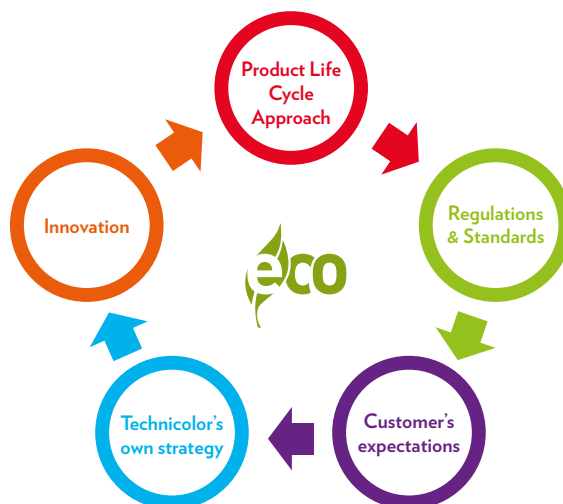
7- ECO-DESIGN AND LIFE CYCLE ASSESSMENT

7.1 Connected Home: A Longstanding Commitment to Eco-design

Technicolor started to implement Eco-design guidelines in 2008 and has long taken a positive stance towards environmental issues in the development, manufacture, use and ultimate disposal of its products. As long ago as 1992, we established our own EH&S charter, committing to conduct our business in a safe and environmentally responsible manner everywhere we operate. Our Business Units rigorously observe international standards, such as the ISO 14000 series and especially ISO 14062, which integrates environmental considerations into design and product development.

As part of its own principles when integrating environmental considerations, the Connected Home division commits the organization to:

- › Comply with all the laws, regulations and industry guidelines endorsed by Technicolor. These include the European Union Code of Conduct on Energy Efficiency of Digital TV Service and Energy Consumption of Broadband Equipment, the European Union's Industry Voluntary Agreement to improve energy consumption of Complex Set-Top Boxes (CSTB), and more recently in 2015 the US Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Set-Top Boxes (STB), and the US Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Small Network Equipment (SNE);
- › Seeks continuous improvement of its environmental management through regular audits;
- › Work with its vendors and suppliers to further drive environmental improvements and impacts, particularly through the management and control of hazardous substances and through waste reduction;
- › Improve the environmental performance of its operations by better managing the entire lifecycle of electrical and electronic equipment including energy consumption during the use phase.



7.2 Eco-design as a Business Advantage

Customer environmental awareness (both that of businesses and end-consumers) is growing and many purchasers take environmental criteria into account when making buying decisions. Responsible consumers also want to be reassured that vendors are taking all steps possible to ensure that the best environmental practices are applied at every stage of manufacturing and delivery processes.

Increasingly, Technicolor's direct customers are making good environmental practice a part of their contract terms - or at least are engaging in a dialogue on the subject. A Connected Home customer satisfaction survey conducted by Technicolor showed that 79% of customers take environmental performance into account when selecting suppliers and business partners. More and more customers require access to environmental criteria via dedicated on-line collaborative platforms, such as the EcoVadis platform used by Technicolor, to be able to better monitor and evaluate the environmental and sustainability performance of their suppliers.

Clearly, good "green" design is important to everyone.

Inevitably, meeting market expectations of good environmental stewardship involves some changes, in particular as far as design and manufacturing are concerned. For example, to be able to guarantee that a specific electronic design is as energy efficient as possible, developers have to prioritize energy efficiency when evaluating other design options and criteria.

Furthermore, eco-design considerations may also have an impact on costs, product functionality, user habits, and service implementation while some green efforts have clear cost-savings, as is the case with most energy efficiency projects. It is only when a win-win situation can be demonstrated that all parties - end-users, manufacturers and service providers - will buy into best design practices. Understanding and identifying sustainability benefits requires accurate data and sound analysis about the true environmental performance across the product life cycle. This calls for reliable methodologies and tools.

7.3 Eco-design Methodology

Eco-design is an activity that integrates environmental considerations into product design and development - without compromising quality and performance - over the entire lifecycle of the product.

It therefore includes all environmental regulations and specific environmental product requirements including customer expectations.

International Standard ISO/TR 14062 covers practices and methodologies relating to the integration of environmental considerations into the product design and development process. It describes examples of inputs and outputs for each phase and the tools that need to be applied accordingly from conception through to market launch.

For each product lifecycle state (planning, conceptual and detailed design, testing and prototyping, product market launch, product review, etc.), the actions to be performed to design a product have to be compliant with the product's target environmental specifications. This eco-design methodology has been merged with ETM (Early-to-Market) process methodology, which is the Technicolor-specific product development process deployed across the Connected Home division's development sites and which is compliant with above ISO/TR 14062 international Standard.

7.4 Eco-design Principles and Tools

To support the eco-design process, Life Cycle Assessment (LCA) tools are needed to identify and measure the environmental impacts of a product over its entire life (i.e. from the cradle to the grave).

LCA is standardized in international standard ISO14040 (Environmental Management, Analysis of Life Cycle). Technicolor's Connected Home activity has selected the Environmental Information and Management Explorer (EIME) tool which is considered to be the reference LCA evaluation tool for electronic and electrical equipment.

It measures environmental impact indicators such as global warming (i.e. CO² footprint), water eutrophication, resource material depletion, etc., which allow Technicolor to evaluate, compare, improve and communicate product design and environmental performance more effectively.

The table below shows the environmental impacts of a set-top box across its entire lifecycle.

Breakdown of Environmental Impacts over Lifecycle of a Technicolor IP/terrestrial high-end Set-Top Box

Indicator	Unit	Total	Manufacturing	Distribution	Installation	Use	End of life
Air Acidification (AA)	Kg H+ eq	1.70E-02	17%	2%	0%	81%	0%
Air toxicity (AT)	m ³	2.11E+07	19%	2%	0%	79%	0%
Energy Depletion (ED)	MJ	1.55E+03	19%	0%	0%	80%	0%
Global Warming Potential (GWP)	Kg CO ₂ eq.	98	16%	1%	0%	83%	0%
Hazardous Waste Production	Kg	1.44E+00	62%	0%	0%	38%	0%
Ozone Depletion Potential (ODP)	Kg CFC-11 eq.	1.60E-05	16%	1%	0%	83%	1%
Photochemical Ozone Creation Potential (POPCP)	Kg C ₂ H ₄ eq.	3.77E-02	15%	1%	0%	83%	0%
Raw Material Depletion	Y-1	2.98E-13	99%	0%	0%	1%	0%
Water Depletion (WD)	dm ³	1.86E+02	74%	0%	0%	25%	0%
Water Eutrophication (WE)	Kg PO ₄ eq.	1.72E-03	83%	0%	0%	15%	2%
Water Toxicity (WT)	m ³	2.07E+01	23%	1%	0%	53%	23%

The following graph shows the distribution of each environmental impact over the different phases in the lifecycle:

Breakdown of Environmental Impacts over Lifecycle of a Technicolor IP/terrestrial high-end Set-Top Box



It shows that for a Set-Top-Box type of product:

- ▶ The Use phase is the largest contributor to 7 indicators out of 11 - This represents around 80% of all other environmental indicators, including the GW (Global Warming) indicator which defines the product's carbon footprint. The last generation of IP Set-Top Box has now a power consumption below 7 Watts when a channel is displayed, and below 2 Watts in standby mode;
- ▶ The Manufacturing phase represents 99% of RMD (Resource Material Depletion) which calculates the depletion of natural resources;
- ▶ The Distribution phase has a very small impact

due to ship transportation - except for WE (Water Eutrophication) caused by cardboard packaging;

- ▶ End-of-life treatments are not responsible for any significant environmental impact. The main impact of this phase is on Water Toxicity (WT) and Water Eutrophication (WE).

This type of impact distribution - where the main environmental impact is generated by the use phase - is generic to all set-top boxes and home gateways and, more generally, to ICT devices powered by mains electricity.

The table below shows the impact of a VDSL (Very-high-bit-rate Digital Subscriber Line) home gateway and the distribution of the various environmental impacts over the different phases of the product lifecycle.

Example of a Technicolor DSL Home Gateway

Indicator	Unit	Total	Manufacturing	Distribution	Installation	Use	End of life
Air Acidification (AA)	Kg H+ eq	1.53E-02	8%	2%	0%	90%	0%
Air toxicity (AT)	m ³	1.85E+07	9%	2%	0%	89%	0%
Energy Depletion (ED)	MJ	1.95E+03	6%	2%	0%	92%	0%
Global Warming Potential (GWP)	Kg CO ₂ eq.	111	6%	1%	0%	93%	0%
Hazardous Waste Production (HWP)	Kg	1.78E+00	12%	4%	0%	84%	0%
Ozone Depletion Potential (ODP)	Kg CFC-11 eq.	2.98E-06	37%	6%	0%	56%	1%
Photochemical Ozone Creation Potential (POPCP)	Kg C ₂ H ₄ eq.	2.76E-02	11%	2%	0%	87%	0%
Raw Material Depletion (RMD)	Y-1	9.54E-14	97%	0%	0%	3%	0%
Water Depletion (WD)	dm ³	2.10E+02	21%	9%	0%	70%	0%
Water Eutrophication (WE)	Kg PO ₄ eq.	1.51E-03	36%	049%	0%	12%	3%
Water Toxicity (WT)	m ³	1.65E+01	15%	4%	0%	70%	11%

7.5 Involvement in Energy Efficiency related to Regulation, Standards, and Voluntary Agreements

One of Technicolor's corporate values is a commitment to globally agreed standards and voluntary agreements. Technicolor maintains representation in international environmental and safety standards-setting bodies, just as it does in the relevant engineering committees.

Connected Home engineers have served on several international boards focusing on energy consumption standards, endeavoring to draw together the work carried out in this respect in Europe, the U.S., Canada, China and Australia.

Within Digital Europe (DE) industry association, Technicolor participates actively to working groups related to energy efficiency in relation with Technicolor products. The role of DE is to provide inputs when a new environmental EU regulation is elaborated. In energy efficiency regulatory

matter, the first objective of DE is to check that regulation pre-study reflects the real situation regarding energy and non-energy related aspects, and to ensure the consistency and the completion of the pre-study. The second objective is to verify that the new regulation provides a real energy saving. The third is to avoid negative impact considering a larger context than energy aspects such as technology, manufacturing, functionalities, price, and all other direct and indirect environmental impacts. To this end, DE provides technical and non-technical inputs, position papers, and proposition, at each stage of the EU regulation elaboration.

Technicolor is also actively involved in voluntary initiatives, to improve product energy efficiency and to push forward energy targets in accordance with Best Available Technology (BAT).

Externally, there has been an increased drive towards good practice through voluntary codes such as Energy Star in the United States and the European Union's Code of Conduct (CoC) on the energy efficiency of Broadband Equipment (CoC BB) as well as the European Union's Industry Voluntary Agreement (VIA) on Complex Set-Top Boxes.

Technicolor was an early signatory of the latter Code of Conduct with the Company putting its name to it in May 2008, which commits Technicolor to developing and bringing to market products that comply with stringent energy efficiency levels.

In 2017, Technicolor has participated and contributed to the revision of CoC BB V5 and VIA V3.1. The CoC BB V6 has been published in February 2017. The work on CoC BB V7 has already started. The VIA version 5 has been published in September of 2017. The intent is now to add in the VIA some non-energy requirements related e.g. to Repair, Reuse and Recycling (RRR), to BB equipment durability, to restriction of some flame retardants in plastic parts in addition to RoHS, restriction of Short Chain Chlorinated Paraffins (SCCP), and the full recyclability of packaging.

As it relates to Customer Premises Equipment (CPE), Technicolor was the first CPE vendor to sign the Code of Conduct for Broadband Equipment, putting itself in a leading role for low energy consumption residential gateways.

This recurrent issue demonstrates that the power or energy consumption model of Code of Conduct for Broadband Equipment (CoC BB) and all other Voluntary Agreements should permanently be reviewed in order to reflect the change of hardware and software functionalities of Home Gateways:

- ▶ The CoC BB power model needs to be relevant also for High End Gateways model;
- ▶ The CoC BB should evolve from a power consumption model to an energy consumption model to reflect the real carbon footprint of a Home Gateway during its use phase.

The traffic condition used for on mode power measurement should follow the increased bandwidth needed by new TV services such as Multi-room TV, UHD definition, Over-The-Top TV.

By designing devices compliant with regulations as well as various Voluntary Agreements, Technicolor is committing to improve energy efficiency and to reduce the carbon footprint of Gateways and Set-top-boxes. By participating to the revision of Voluntary Agreement release and to the elaboration of the European energy efficiency regulation, Technicolor acts for the improvement of energy efficiency of Gateways and Set-top-boxes.

For a number of years, most of Connected Home's complex set-top-box models marketed in the US have been compliant with the Energy Star program. Technicolor test laboratory in Indianapolis was accredited by the US Environmental Protection Agency (EPA) to perform Energy Star testing on complex set-top-boxes.

In Australia, Technicolor is an Associate Member of the Subscription Television Industry Voluntary Code for improving the energy efficiency of conditional access set-top boxes.

In Europe, Company reporting for 2017 demonstrates that Technicolor achieved the power consumption targets respectively set by the Code of Conduct for Broadband Equipment, and the Voluntary Industry Agreement on Complex Set-Top Boxes. 2017 reporting demonstrated that:

- ▶ 92% of our set-top box units put on the market are compliant with the Voluntary Agreement;
- ▶ 100% of our Home Gateways new models introduced on the market for the first time are compliant with the on state power target of the Code of Conduct for Broadband Equipment and 60% are compliant with the idle state power target;
- ▶ it remains difficult to reach tier 2016 idle state power targets for high end Gateways (GWs) because current power allowance model is not adapted to this type of product, this being true for Technicolor and competitors as well.

7.6 Supplier Involvement

As part of its [Code of Ethics](#) and its procurement policy, the Connected Home division has a comprehensive set of guidelines which cover every aspect of the environmental, health, and safety policies of every factory that contributes to its products - whether it is a Technicolor plant or that of a supplier. These policies are designed to ensure that everything within the finished product is produced according to best practice and is fully compliant with Technicolor's Code of Ethics.

Complementing this, we have statements of work in place with our suppliers to ensure that they are also compliant with the Company's Code of Ethics. Supplier ethics audits have been regularly performed by the Connected Home division and are now covered under the [Responsible Business Alliance](#) (formerly EICC) supplier audits.

The products themselves are made in accordance with all applicable laws and without the use of selected, restricted and controlled hazardous materials, and comply precisely with their aim of being energy efficient in use. Concerning the monitoring of Conflict Minerals, which is now also a requirement under the Responsible Business Alliance (RBA), the Connected Home division within Technicolor has made a formal

policy statement and requires Conflict Minerals data from its critical suppliers.

Connected Home has incorporated environmental audit elements inside of supplier quality audits, RBA supplier audits and day to day product qualifications. Every manufacturing plant is subject to these audits. These audits validate the plant's own compliance assurance system by spot-checking the plant, the manufacturing cycle, and the components and materials used.

The above-mentioned Eco-design initiatives are not limited to Technicolor, but also ultimately extend to OEM (Original Equipment Manufacturer) and ODM (Original Design Manufacturer) suppliers.

One of the key objectives is to work with our suppliers to ensure we meet environmental regulatory requirements so that energy consumption (ErP directive), hazardous substances (RoHS, REACH), Conflict Minerals, waste electronic and electrical equipment as well as voluntary initiatives (Code of Conduct Digital TV, Code of Conduct Broadband Equipment and Industry Voluntary Agreement for Complex STBs) are managed appropriately.

7.7 Communicating Environmental Information

To facilitate transparency on environmental information, Technicolor's Connected Home division has voluntarily put in place a system whereby the so-called Product Environmental Profile (PEP) of any given product may be obtained on request.

A PEP contains environmental data for any given product including its carbon footprint and summarizes the benefits of an environmentally conscious design. It provides information required to assess the environmental impact of products over their entire lifecycle and thus allows the identification of efficient eco-design options.

A PEP is standardized according to international standard ISO14025: 2006 which governs Type III Environmental Declarations and IEC PAS 62545 relative to environmental information on electrical and electronic products.

7.8 Eco-design Achievements

Gateway and Set-Top-Box Life Cycle Analysis (LCA) and eco-design are areas where Technicolor has acquired a solid knowhow and practical experience over the past years. Technicolor implemented eco-design for all newly developed product families as early as 2008. Based on Technicolor knowhow, current objectives relating to gateway and set-top box are set to provide contributions to European and US energy efficiency initiatives such as the EU Code of Conduct for Digital TV, EU Code of Conduct for Broadband Equipment, EU Voluntary Agreement for Complex Set-top Boxes, US Voluntary Agreements for STBs and Small Network Equipment. Technicolor also provides key contributions to product energy related regulations.

Technicolor continued to actively participate to the revision of the European Commission (EC) Regulations N° 278/2009 on External Power Supply (EPS), and N° 1275/2008 on Standby and Network Standby through Digital Europe.

7.8.1 Deployment of 801/2013 across Technicolor Products

Technicolor has actively contributed to the completion of the European 801/2013 regulation on the associated guidance document providing practical guidance on the implementation of the regulation in networked products and in 2016 to its revision. 801/2013 regulation establishes eco-design requirements related to standby and off mode, and networked standby, electric power consumption for the placing on the market of electrical and electronic household and office equipment. The requirements in the amended regulation take effect in 5 steps from 2010 to 2019 including tier 2015 (as from January 1st, 2015) and tier 2017 (as from January 1st, 2017).

In 2015, all Set-Top Boxes (STBs) and Gateways (GWs) have been made compliant with the 801/2013 tier 2015. In 2016, the challenge was to make all products compliant with the 2017 targets. Even if Technicolor has a deep understanding of the regulation and is able to identify, for each product, the relevant solution to make the product compliant, those targets were really challenging to meet. Compliancy with those 2017 targets has in fact implied deep changes of the software and sometime of the hardware. All opportunities to save energy have been kept to make the product compliant. The main issue came from the regulation which has established power target which does not take into account the provided functionality, and also from some inconsistencies of the regulation which have to be corrected in on-going revision of 801/2013.

However, compliancy with tier 2017 was a good opportunity to identify and deploy, when needed, various and innovative solutions. It was also a good opportunity to identify what should be corrected in the future revision and also the change in hardware and software product design to reach the compliancy at minimum cost and workload.

7.8.2 Technicolor Product Eco-design Main Trends

Year after year, it became apparent that the best approach to reduce energy and non-energy impacts of products was to propose more compact devices by:

- › Selecting last generation chipsets having a higher level of integration, characterized by a lower power consumption, using less natural resources, in particular critical metal;
- › Using smaller electronic cards – thanks to improved integration characteristics of chipsets. The use of smaller electronic cards appears to be the most efficient way to reduce the environmental impact of manufacturing, distribution and End of Life (EOL) phase: smaller electronic cards mean less plastic material for product and power supply, mean smaller packaging with less material, mean less weight to transport, and mean less material to process in EOL treatments.

But this approach also might have some environmental drawbacks. As the enclosure becomes smaller, the temperature of the box increases and demands larger cooler to evacuate the heat.

To this day, eco-design options exist to further reduce the environmental impacts of products, but their implementation may be refrained from current business context as illustrated below:

- › Use of recycled material or less impacting material is limited due to customer requirements in terms of material type, aspect, and color;
- › Ban of substances that are known to have a negative impact on health or the environment such as phthalates, halogenated flame retardants, PVC material, and their replacement by better alternatives is virtually impossible in a highly competitive market environment where price remains a key differentiator along with functionalities and box aspects;
- › This issue can only be solved by an amendment of existing regulation requesting the partial or total banishment of these substances. If substance banishment is easy to implement, it takes years to validate that alternative solutions have really less impact or no additional impacts than the existing ones;
- › The use of standardized External Power Supply (EPS), as CE certification requests that products having an EPS must be put on the market only with the EPS model(s) which has been used for the Certification, which means that the use of a standardized EPS will not bring any environmental benefits as long as device and EPS cannot be sold independently.

Only new regulation and/or revision of existing regulation (see below) may solve these particular issues. In the meantime, improvements on device compactness and energy efficiency are the best options to reduce the environmental impacts of Technicolor Gateways and Set-top-boxes.

7.9 Technicolor Eco-design Challenges

As a leading supplier of Set Top Boxes (STBs) Technicolor has many years of experience incorporating Eco-design principles and methodology into our products.

Energy consumption remains a key priority across the industry as well as regulatory bodies and voluntary agreements organizations.

Making all Technicolor Gateway and Consumer STB models compliant with Regulation 801/2013 tier 2017 was among the main energy efficiency challenge of 2016. Because networked devices such as GWs or

STBs are in idle mode more than 75% of the time, and because bandwidth needs are increasing continuously, all types of WAN (Wide Area Network) and LAN (Local Area Network) network interface, including on the network infrastructure side, should provide a low power mode.

To this day, a very small number of network technologies provides an efficient low power mode when connected, making problematic the compliance with the 801/2013 targets, or worse, making the compliance not feasible for a number of complex

devices even when Best Available Technology (BAT) is used.

As already mentioned, an additional difficulty lies in the “one size fits all” target which does not take into consideration the product functionalities context, making makeshift solutions not energy efficient in real life.

Building on Technicolor methods and resulting success in meeting tier 2017 targets, the Group is confident nevertheless that its GWs and STBs will overcome these challenges and comply with tier 2019 on schedule.

7.10 Other Regulatory Challenges

External Power Supplies (EPS)

The finalization of the European 278/2009 regulation revision on External Power Supplies (EPS) is still pending. The aim of this revision is to improve the energy efficiency of EPS. Industry is currently debating with the European Commission to promote alignment of 278/2009 revision with the already published US Department of Energy (DOE) Level VI rulemaking since February 2014, in order to be able to use the same EPS in the EU and in the USA, reducing the cost and workload attached to multiple EPS certification. The European Commission has updated the draft revision on April 2015, while the US DOE (US Department of Energy) already finalized EPS energy efficiency.

Standby and Network Standby

In 2016, the revision of 1275/2008 and 801/2013 regulation on Standby and Network Standby has started. Technicolor is advocating for no change of targets, as those set are already difficult to meet, but will work so that some of the legislation inconsistencies and constraints are removed as they cannot bring any energy saving gain in real life. Technicolor is also defending a more vertical approach of the targets.

Radio Equipment Directive (RED)

As part of the radio safety regulation, the Radio Equipment Directive (2014/53/EU) establishes a regulatory framework for placing radio equipment on the market. It ensures a Single Market for radio equipment by setting essential requirements for safety and health, electromagnetic compatibility, and the efficient use of the radio spectrum. It applies to all products using the radio frequency spectrum. It has been applicable since 13 June 2016. A 1-year transitional period between this Directive and the now-repealed Radio and Telecommunication Terminal Equipment (R&TTE) Directive (1999/5/EC) ended on 12 June 2017. As of 13 June 2017, only the new RED is applicable. During the transitional phase, manufacturers were allowed to place on the market radio equipment compliant with either the new RED rules or the old applicable R&TTE legislation.

Technicolor is applying the new RED guide that is available, and a new list of harmonized standards that has been published in July 2017. On 20 July 2017, the Commission Implementing Regulation (EU) 2017/1354 was adopted. This specifies how to present the information provided for in Article 10(10) of Directive 2014/53/EU.

Restricted Use of Substances and Materials

Regarding materials and substances used in GWs and CSTBs, a significant environmental benefit will come with the phasing out of vinyl plasticizers (phthalates group), halogenated flame retardants, especially in PVC material, for EEE applications.

Some manufacturers have already restricted use of certain of these substances and materials from high end products. We anticipate the EU playing a leading role in organizing a step-by-step revolution within a reasonable timeframe across Europe. We intend to pre-empt the regulations and study alternative solutions to these substances and materials, in order to be able to propose solutions adapted to Home GWs and CSTBs for customers already demanding improved environmental performance.

Conflict Minerals

Monitoring of Conflict Minerals began subsequent to requirements emanating from the US Dodd-Frank Act (see section 8.7) and is now a requirement under the Responsible Business Alliance (RBA), formerly EICC.

In response to US law, the European Commission proposed a regulation that governs supply chain due diligence for importers of tin, tantalum and tungsten and gold (“3TGs”) originating in conflict-affected and high-risk areas. EU “Supply Chain Due Diligence” standards will be based on the OECD Due Diligence Guidance

recommendations. In 2016, a political understanding on the core elements and final shape of a EU regulation on conflict minerals was reached.

As the result of these discussions, a new “Conflict Minerals Regulation” was set to ensure sustainable sourcing for more than 95% of all EU imports of 3TGs. This regulation entered into force on June 8, 2017 across the EU and will apply to EU importers covered by due diligence provisions as of January 1st, 2021. Main elements of this regulation are (I) mandatory due diligence set out in OECD Due Diligence Guidance for EU importers of 3TGs and metals where annual import volumes exceed thresholds, and (II) global geographical scope, i.e. due diligence irrespective of origin.

As part of Technicolor’s overall commitments to corporate social responsibility, the Group is committed to ensure that minerals contained in its products are sourced with due respect to human rights, the need to avoid contributing to conflicts, and the desire to support developments through our supply chain practices. In 2016, this commitment was confirmed by a [Technicolor public statement on Conflict Minerals](#) available on our website.

It is also noticeable that the Republic of China published in 2016, for the first time, due diligence guidelines for responsible mineral supply chain. This will apply, on a voluntary basis at first stage, to all Chinese companies which are extracting and/or using mineral resources.

8- KEY ENVIRONMENTAL REQUIREMENTS COMPLIANCE

Manufacturers of electronic products face growing sustainability requirements and increasing regulations concerning Eco-design and energy efficiency.

The variety and proliferation of environmental regulations as well as norms, standards and frameworks, influenced both by stakeholders and in-process regulations, has

reinforced the need for better environmental management.

Technicolor operates in a worldwide market and thus has to deal with a wide variety of national and regional initiatives governing the environmental performance and risk management associated with its products.

The Group has put into place the necessary processes and initiatives to comply with laws restricting the use of hazardous substances, such as the European Restriction of Hazardous Substances (RoHS) directive and the Restriction, Evaluation and Authorization of Chemical substances (REACH) regulation.

The Group is also working for better end-of-life handling of Waste Electrical and Electronic Equipment (WEEE). Technicolor's various product categories are also affected by energy efficiency requirements with the Company actively working to improve the energy efficiency and climate-related impact of its products.

Recognizing similar needs, other regions such as Asia, North America and Latin America have already implemented or are starting to adopt similar sets of regulations.

Even if some non-EU customers are less concerned by the environmental performance of products, we have noticed that more

and more customers outside Europe request CE marking of product, when there is no local regulation, demonstrating that environmental and non-environmental CE marking is considered as a worldwide reference.

8.1 RoHS - European Restriction of Hazardous Substances

The new RoHS Directive 2011/65/EU (RoHS2) on the restrictions of the use of certain hazardous substances in Electrical and Electronic Equipment (EEE) replaces Directive 2002/95/EC (RoHS1). It aims at adapting its provisions to the technical and scientific progresses made concerning the use of hazardous substances in EEE and the development of substitutes and thus is expected to improve the environmental protection of human health and the environment. Compared to RoHS1, RoHS2 expanded the scope of products covered but also imposed new obligations on EEE manufacturers to prepare EU Declaration of Conformity and affix CE markings on finished products. The original six restricted substances [lead, mercury, cadmium, hexavalent chromium and the flame retardants Polybrominated Biphenyls (PBB) and Polybrominated Diphenyl Ethers (PBDE)] and their maximum concentration values remain the same. RoHS2 contains a list of exemptions similar to the original RoHS1 Directive and subsequent Decisions. Several changes with regard to the requirements for exemptions in RoHS2 have been introduced.

On 31 March 2015 under the Commission delegated directive 2015/863, the following four phthalates were added to Annex II of RoHS2 with an effective date on July 22, 2019 for EEE: BBP (Butyl Benzyl Phthalate - a PVC plasticizer), DBP (Dibutylphthalate - a plasticizer, used in some adhesives and inks), DEHP [bis (2-ethylhexyl) Phthalate - PVC plasticizer and a dielectric in some capacitors] and DIBP (Diisobutyl Phthalate - another phthalate plasticizer). As a result, ten

hazardous substances are now restricted in EEE under RoHS2.

In January 2017, the Commission adopted a legislative proposal to introduce adjustments in the scope of the Directive concerning the application scope and the exemption validity period, supported by the impact assessment. The respective legislative act (2017/2102/EU) amending RoHS 2, adopted by the European Parliament and the Council, has been published in the EU Official Journal on November 21 2017. It states that, provided that reuse takes place in auditable closed-loop business-to-business return systems, and that the reuse of spare parts is notified to the consumer, the requirements of restricted substances in Annex II shall not apply to reused spare parts in some particular cases. These exceptions cover 1) spare parts recovered from EEE (Electrical and Electronic Equipment) placed on the market before July 1 2006 and reused in EEE placed on the market before July 1 2016, and 2) spare parts recovered from all other EEE that was outside the scope of Directive 2002/95/EC and which is placed on the market before July 22 2019, and reused in EEE placed on the market before July 22 2029.

To ensure that Technicolor products sold in the European Union comply with RoHS and other relevant requirements:

- ▶ Technicolor ensures that all components and product parts are RoHS compliant via a combination of supplier declarations, supplier audits and random finished product RoHS testing as additional verification. This includes close collaboration and constant dialogue with suppliers in order to gradually gather relevant information;

- Technicolor has already voluntarily expanded its list of controlled or banned substances by adding the additional four phthalates to the six already included in RoHS1.

RoHS compliance requires all homogeneous materials in products placed on the market to not contain RoHS substances unless they are exempted. The approach to adjudicating on the case of exemptions is different under RoHS2 regime as compared to that of RoHS1. Exemptions are now granted for a maximum validity period and may be renewed only upon request (application for renewal) after a case by case assessment. Under RoHS2, exemptions remain in effect until a decision is made on renewal applications that have been submitted.

Several requests to renew existing exemptions as well as requests for new exemptions were submitted to the European Commission in the period October 2014 to January 2018. Existing exemptions for which a renewal request has been submitted remain valid until a decision on the renewal request

is taken by the Commission. The Commission decision on renewal request(s) for an exemption will either indicate the new expiry date in case of renewal, or, in case of rejection, grant a transition before the exemption expires, i.e. a period of minimum 12 months, maximum 18 months following the decision date. In contrast, exemptions for which no application for renewal was submitted in due time will expire on the date specified in RoHS 2 Article 5 or in RoHS 2 Annexes. A table providing an overview of Annex III and IV exemptions, including their validity status and submitted exemption requests, is available here:

http://ec.europa.eu/environment/waste/rohs_eee/pdf/Exemptions%20list%20-%20validity%20and%20rolling%20plan_5Feb%2018_public.xlsx

As a member of industry groups such as Digital Europe, Technicolor is committed to contribute to ongoing discussions and to intensively pursue implementation of the updated regulation including exemption with suppliers.

8.2 WEEE (Waste Electrical and Electronic Equipment Directive) Implementation

In summary, the European Union WEEE Directive 2002/96/EC (“former WEEE Directive”) introduced obligations on manufacturers/brand owners and importers/distributors with respect to (1) product design, (2) separate collection, (3) treatment, (4) recovery, (5) financing and (6) product marking, information, and reporting.

It also required them to register in each European Union country to implement local WEEE legislation and to support the recycling of discarded electronic products. Technicolor is committed to respect WEEE implementation laws and regulations in each E.U. member state. As required by law the Connected Home activity of Technicolor attaches WEEE labels (a mark symbolizing a cross-out dustbin) to its products and provides appropriate instructions to end-users so that the equipment will not be discarded with general waste. Technicolor is registered as a producer and has joined collective compliance schemes in countries and for products we bear the producer WEEE responsibility. As of today, this is the case in France, Germany, Italy, Spain and the U.K.

The former WEEE Directive has been in force since February 2003. After practical experiences with this former WEEE Directive, the Commission published a recasting Directive 2012/19/EU (“new WEEE Directive”) that entered into force on August 13, 2012. This new WEEE Directive focuses on clarification of the scope and definition of the directive, waste collection, recovery and recycling targets with ambitious new collection rates, treatment requirements, the harmonization of national registration stipulations, a change of referenced WEEE categories (from 10 to 6) and a range of producer responsibility provisions including reporting. Starting August 15, 2018, the classification system will be updated and the ten WEEE categories will be replaced by six new categories listed in Annex III of the new WEEE Directive.

Technicolor took all necessary steps to meet provisions of the WEEE Directive.

8.3 Battery Treatment and Recycling Processes

The E.U. Battery Directive (2006/66/EC) and its subsequent amendments require manufacturers to design products so that batteries (primary cells) and accumulators (rechargeable cells) are easily removable and to provide instructions for end-users.

The directive also requires producers and importers of batteries and appliances incorporating batteries to finance the cost of collection, treatment and recycling of waste batteries and accumulators.

Mercury, lead and cadmium substances in batteries are also restricted. All batteries are required to be marked with the separate collection symbol and those containing mercury, cadmium or lead are required to be marked with their chemical symbol(s) when their content exceeds specific values. Batteries must be readily removable by the end user or a qualified professional and accompanied by instructions which explain how they can be removed safely. Portable secondary (rechargeable) batteries are required to be marked with their capacity.

In 2017, the European Union started an evaluation intended to assess whether Battery Directive 2006/66/EC meets its objectives and contributes to the general objectives of the EU environmental policy in terms of effectiveness, efficiency, relevance and coherence. The results of this evaluation will be used to identify measures to improve the Directive or may feed into an impact assessment of possible amendments to the Battery Directive. A report, to be published in 2018, will set out the conclusions from the public consultation.

Technicolor supports the aims of the Battery Directive and is compliant with the battery legislation of each country where we are obligated as a producer.

In support of the E.U. Battery Directive, Technicolor has undertaken the necessary registrations to collective compliance schemes in France, Germany, Italy and Spain.

8.4 Packaging Waste Regulation

The E.U. Packaging Directive (94/62/EC) and its subsequent amendments provide for measures aimed at limiting the production of packaging waste and promoting recycling, re-use and other forms of waste recovery.

The Directive imposes “essential requirements” for packaging waste which can be summarized as follows: (1) packaging weight and volume shall be reduced to the minimum necessary for safety and consumer acceptance of the packed product; (2) hazardous substances and materials shall be minimized as constituents of the packaging with regard to emissions from incineration or landfill (as well as specific concentration limits on named heavy metals); (3) if reuse is claimed, packaging shall be suitable for that purpose.

It also requires member states to (1) adopt packaging waste prevention measures; (2) meet specific recovery and recycling targets; (3) set-up collection and recovery systems; (4) set-up information systems on packaging and packaging waste; and (5) ensure that consumers are informed on packaging take back.

Technicolor is aware that packaging is an increasingly important recycling issue and is engaged in actions to optimize the amount and type of packaging we use. By way of example, one of Technicolor’s goals is to propose carefully sized packaging to ensure that, while providing adequate protection for the product itself, this packaging is kept to an absolute minimum whilst at the same time perfectly fitting stacking dimensions of standard pallets and containers. Thus, in addition to reducing the total volume of packaging waste, such measures will also help lower the



environmental impact and costs associated with product transportation.

Technicolor has joined a packaging compliance scheme in countries where we have obligations as a producer and has undertaken the necessary registrations for the recovery and recycling of used packaging in Austria, Belgium, France, Germany, Italy, Luxembourg and Spain.

The latest revision of the Packaging Directive occurred in April 2015 with the adoption of Directive (EU) 2015/720 of the European Parliament and of the Council as regards the consumption of lightweight plastic carrier bags.

8.5 REACH - Registration, Evaluation and Authorization of Chemicals

8.5.1 REACH Training

Over the past years, Technicolor has conducted REACH training sessions at most of its European sites in R&D, Sourcing, Quality, EH&S, Supply Chain and Manufacturing. REACH requirements are now embedded in our procedures and policies and the Group ensures that relevant personnel at all sites worldwide receive regular updates on REACH developments where appropriate.

The topics covered by REACH training sessions have included: REACH information to involve suppliers in the data collection, information on chemicals used to provide to suppliers (manufacturers and importers of chemicals), the authorization process linked to annex XIV, the restriction conditions laid out in annex XVII and the Classification, Labeling & Packaging directive (Dir. 2008/1272/EC).

8.5.2 REACH Initiatives

Substances and preparations used, contained and embedded in our products (both purchased products and finished goods marketed in Europe) are closely monitored through our Supply Chain. This monitoring includes the identification of SVHC (Substances of Very High Concern) pursuant to the Candidate List, banned substances as listed since May 2009, restricted substances (Annex XVII) as well as substances subject to authorization (annex XIV).

Some of our products may contain more than traces (i.e. more than 0.1%) of some of the 181 hazardous chemicals categorized as Substances of Very High Concern (SVHC) by REACH. When necessary, we communicate to our direct clients so as to comply with this REACH obligation pursuant to article 33.

Internally, a REACH governance program was set up in 2009.

In line with our corporate policy, REACH program management, through REACH network members, are implementing processes to comply with requirements directly applicable by the Business Divisions, such as:

- › Customer communication process;
- › Safety data sheets management process;
- › Controls management process;
- › Supplier data collection and management;
- › Uses information for suppliers;
- › Classification, labeling and packaging of substances (pursuant to Dir. CLP n° 1272/2008).

Additional processes have been set up in the Sourcing Department, such as the creation/qualification of new components as well as supplier selection and follow up.

8.5.3 REACH Judgment of the European Court of Justice

The REACH Regulation provides that, where a chemical substance ‘of very high concern’ for health or the environment because, in particular, of its carcinogenic, mutagenic or toxic properties is present in a concentration above 0.1% of the mass of an article, the producer or importer must, in principle, notify the European Chemicals Agency (ECHA). Similarly, the supplier must inform the recipient thereof and, on request, the consumer of the article.

In 2011, a note sent by the Commission to the Member States and a guide published by ECHA specified how the regulation is to be applied as regards substances of very high concern included in articles. In essence, with regard to articles incorporated in goods, those documents provide that the duties to notify and provide information laid down in the regulation apply only if

the substance of very high concern exceeds 0.1% in the entire article.

By its judgment delivered on September 10, 2015, the Court of Justice of the European Union recalls, firstly, that the regulation defines the concept of ‘article’ as ‘an object which during production is given a special shape, surface or design which determines its function to a greater degree than does its chemical composition’. However, it does not contain any provisions specifically governing the situation of a complex product containing several “simple” articles. Consequently, there is no need to draw a distinction between the situation of articles incorporated as a component of a complex product and that of articles present in an isolated manner.

In those circumstances, the Court rules that each “simple

article” incorporated as a component of a complex product is covered by the relevant duties to notify and provide information when a substance of very high concern is present in a concentration above 0.1% by weight in each such “simple article”.

The Court rules disagree with the interpretation of an ‘article’ as described in the guidance documents produced by the ECHA in 2011.

Following the judgement, ECHA initiated a fast-track update procedure and published an updated Version 3.0 of this Guidance document in December 2015, correcting the key parts of the Guidance that were no longer consistent with the conclusions of the Court’s judgement, and in particular removing examples.

In June 2017, ECHA published a new Guidance (version 4.0) on how to report substances in articles to recipients or notify to ECHA. The Version 4.0 is a more comprehensive update of the Guidance, following a normal three-step Guidance consultation process, including a consultation of the Partner Expert Group (PEG) selected from ECHA’s accredited stakeholders. This version aims primarily at aligning further the text of the Guidance and introducing new examples that are consistent with the conclusions of the Court’s judgement. However, explanations proposed in this latest Version 4.0 does not provide sufficient guidance when complex assemblies, comprising a lot of component articles, are to be reported. Therefore, industry sectoral specific guidelines under REACH would be necessary to be developed to complement this ECHA Guidance Version 4.0, since by nature this Guidance cannot cover all existing product types and their specificities.

8.6 Energy-related Products - ErP (previously EuP) Directive

The European Union’s Energy-related Products (ErP) directive (2009/125/EC) aims to improve the energy efficiency and environmental performance of products throughout their life cycle. ErP is a framework directive meaning that products are not subject to eco-design or energy efficiency requirements until “Implementing Measures” (E.U. Commission regulations) have been issued setting specific standards for priority products.

Implementing Measures include designing products with both eco-design and power consumption/energy efficiency requirements for products placed on the market, with conformity verified through application of the CE label. In December 2012, the European Commission published its Eco-design 2012-2014 working plan setting out an indicative list of energy-using products

which will be considered in priority for the adoption of implementing measures (as an indicative list, twelve broad product groups will be considered with no major direct impact on the Technicolor current business activities).

To date, products marketed by Technicolor Connected Home are not subject to the Energy Labeling Directive.

The ErP directive stipulates that self-regulation may be an alternative to an Implementing Measure for setting eco-design requirements if self-regulation achieves policy objectives more quickly or at lesser expense. It is within this framework that a group consisting of service providers, equipment manufacturers, software providers, conditional access providers and component manufacturers has tabled a Voluntary Industry Agreement

(VIA) to address the environmental impact and energy consumption of complex set-top boxes (set-top boxes with conditional access).

In 2017, Technicolor has actively participated and contributed to the revision of VIA V3.1. VIA version 5 has been finalized and published in September 2017. STB compliance to VIA V5 is significantly more demanding than the previous version.

Companies that join this VIA must ensure that 90% of their products comply with set energy consumption limits. Technicolor is actively engaged in this initiative and became a member and signatory in 2011. The 2017 period of reporting (from July 1, 2016 to June 30, 2017) revealed that 92% of Technicolor sales of products put on the European market were compliant with these energy

consumption limits of VIA V5.

In December 2008, the European Commission adopted Eco-design Regulation n° 1275/2008 to reduce the energy consumption of all household and office products in standby and off mode (the “Standby Regulation”). Under the regulation, eco-design requirements took effect in two tiers: in January 2010 and January 2013. This second tier introduced a power management feature in addition to eco-design requirements relating to power consumption in “off mode”, power consumption in “standby mode”, availability of off mode and/or standby mode with more stringent energy performance requirements.

Other EC regulations impacting Technicolor business activities include eco-design requirements for no-load condition electric power consumption, average active efficiency of external power supplies (278/2009/EC), and eco-design requirements for simple set-top boxes (107/2009/EC).

Technicolor continues to develop eco-design assessment tools and systems to effectively deal with ErP regulations, including new and future features and builds a comprehensive strategy in this regard.

Furthermore, as European Union regulations continue to evolve, Technicolor constantly tracks developments directly via Digital Europe, a European industry association, and other industry organizations.

In this way, Technicolor contributes to preparatory studies that will feed into drafting of the Implementing Measures for the ErP framework directive and shares its knowledge accordingly.

This was notably the case for the preparatory study on Networked Equipment (known as Lot 26), now Commission Regulation 801/2013/EU, amending the existing Standby Regulation. Changes include the addition of new definitions of networked standby electric power consumption levels, power management of

networked equipment, information to be provided by manufacturers, transition periods, new measurement requirements & verification procedure.

It was also the case for the comments ahead of the publication of the Commission’s draft proposal for ErP External Power Supplies (EPS, known as Lot 7), and impact study related documents. Industry is recommending that ErP Lot 7 and its energy efficiency requirements should be fully aligned with the US regulation on EPS from the US Department of Energy (DoE), which came into force in 2016.

In 2017 Technicolor also actively contributed to discussions on the revision of the regulation on external power supplies 278/2009, and on standby and network standby 1275/2008.

Acutely aware of the contribution of energy efficiencies to environmental improvements, Technicolor is continually innovating to achieve optimal energy efficiency targets.

8.7 Other Regions - Brief Overview

Asia-Pacific

Efforts to deal with waste electronic products and substances management are also being stepped up in Asia-Pacific.

In 2016, The Chinese Ministry of Industry and Information Technology (MIIT) promulgated the “Management Methods for the Restriction of the Use of Hazardous Substances in Electronic and Electrical Products” (known as China RoHS2). China

RoHS2 establishes key requirements for manufacturers and importers of in-scope electrical and electronic products, parts and components: hazardous-substances content limits for substances similar to E.U. RoHS3 and labeling and information-disclosure requirements as specified in a separate labeling standard (SJ/T 11364-2014). Companies will have to consult the Catalogue of Management Standards for Electrical and Electronic Products for a list of products subject to China-RoHS2.

China RoHS2 is currently in “Phase 1”: there are no materials restrictions but disclosure requirements.

Singapore’s Ministry of the Environment and Water Resources published the Environmental Protection and Management Act order in 2016. This Act incorporates RoHS-like requirements into the existing chemical regulatory framework in Singapore, with provisions taking effect on June 1, 2017.

Similar “RoHS-like” regulations have also



been proposed in the Customs Union (Russian Federation, Kazakhstan and Belarus), Malaysia, Taiwan, Ukraine and the United Arab Emirates.

South Korea introduced in 2015 the Act on the Registration and Evaluation of Chemicals “K-REACH” with a list of Priority Existing Chemicals (PEC) subject to registration. It is regarded as the first REACH-style chemical regulation adopted in an Asian country.

Measures regulating energy performance standards and energy efficiency labels are still in progress most notably in Australia and New Zealand. In addition, standards governing the eco-efficiency of products related to Technicolor’s Connected Home activity are also being implemented.

United States

In the United States, regulations discouraging industry’s use of certain heavy metals are being proposed with many States also considering legislation that would establish a variety of collection schemes for waste electronics.

Compliance with the US Californian Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly called “California Prop 65”) is required for all products which are or may be sold to and/or distributed by Technicolor under its Connected Home division, or by third parties on behalf of Technicolor, in the State of California. In-scope products shall not emit chemicals during normal use conditions which exceed the threshold values or requirements listed in the California Prop 65. In addition, a product that is available for sale in California might require Prop65 warning information, unless companies

can ensure that the exposure of a listed chemical poses “no significant risk level” for cancer causing chemicals or “no observable effect level” for chemicals causing birth defects or reproductive harm. As a precautionary approach and preemptively, Technicolor provided the Proposition 65 warning for the products targeted by this Law in California. By August 30, 2018, this Proposition 65 on-product label will be adapted to reflect the new format of warnings and language with a shorter warning to comply with the “Clear and Reasonable Warning” under Proposition 65, as amended and adopted in August 2016.

Final rules of the Dodd-Frank Wall Street Reform and Consumer Protection Act, in its Section 1502 Requirements, were published and approved mid-2012. Section 1502 covers the reporting of specific conflict minerals (columbite-tantalite-coltan, cassiterite, gold, wolframite, or their derivatives) used by companies governed by the Securities and Exchange Commission (SEC); i.e. companies publicly traded in the US. Final rules restricted these minerals to the following metals: tantalum, tungsten, tin and gold (3TGs). On May 17, 2017, inspired in large part by this US Dodd-Frank Act, the European Union adopted new import regulations on conflict minerals under regulation (EU) 2017/821 (see Section 7.10 for more details). This EU Conflict Minerals regulations will apply throughout the EU as from January 1, 2021.

In 2014, companies in scope of US Law were first required to check and report on the use of conflict minerals in their products. Technicolor is not directly under scope but as part of its

overall commitment to corporate social responsibility, we started to conduct Reasonable Country of Origin Inquiry (RCOI) targeting at first suppliers of products shipped to the US market.

Our approach is to rely on the Responsible Business Alliance (RBA), formerly Electronics Industry Citizenship Coalition, and Global e-Sustainability Initiative (GeSI) Conflict Minerals Due Diligence reporting template and dashboard as a standard questionnaire for conducting inquiries into our suppliers database. The Responsible Minerals Initiative (RMI), formerly Conflict-Free Sourcing Initiative (CFSI), a combined initiative of RBA and GeSI, defined a common industry approach to support the due diligence information requirements. They develop a reporting template for downstream suppliers called the Conflict Mineral Reporting Template (CMRT), and the Conflict-Free Smelter Program (CFSP), that enable companies to work with their supply chains through a common interface: the CMRT is the standard for Conflict Minerals reporting between customers and suppliers. The CFSP is the industry standard for audited smelter conflict-free status. RMI calls on more smelters and refiners to join the efforts to become conflict-free by undergoing the RMI’s independent third-party conflict minerals audit.

We extended supplier’s Conflict Mineral surveys to the European market during 2015 through 2017. As such, Technicolor is exercising a due diligence approach by asking its suppliers to conduct investigations in their own supply chain, so as to determine the origin of the 3 TGs provided to Technicolor. The

suppliers are to share the list of their smelters' names with Technicolor. Note that based on current suppliers surveyed in 2017, 100% of the smelters identified in the Connected Home supply chain are classified under the RMI. Some are still engaged in the CFSP. The majority of smelters are located in South East Asia and China.

The Energy Star program relating to energy consumption for Small Network Equipment, following US customer requests, potentially impacting Technicolor models in the United States, entered into force in September 2013. As a whole, proposed Energy Star programs and specifications now gradually require that products meet certain other design for environment provisions such as substances restrictions and appropriate design for recyclability.

The Environmental Protection Agency (EPA) as well as the Department of Energy (DOE) regularly issue environmental regulations including technical, operational and legal details for the purpose of implementing associated legislation. Technicolor most notably follows the DOE amendment on external power supplies.

In 2015, Technicolor also endorsed the US Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Set-Top Boxes (STB), and the US Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Small Network Equipment (SNE).

Other regions

Environmental laws in key Latin American countries, including Brazil, Chile, Colombia and Mexico, are

evolving at a rapid pace.

Chile and Mexico have introduced mandatory Energy Consumption labelling for most electronics, including devices marketed by Technicolor in these countries (respectively Set-Top Boxes and Complex Set-Top Boxes, external power supplies, routers).

Regulations in Africa are also increasing, both those developed by African countries and those imposed by international treaties (such as Basel, Rotterdam and Stockholm). Technicolor's Connected Home activity is constantly monitoring and tracking environmental regulations and standards to ensure that the products we market across the globe are compliant with such legislation and satisfy our customer requirements and expectations.

9- FULFILLING ENVIRONMENTAL RESPONSIBILITIES

9.1 Acquisitions

To identify and understand potential environmental contamination, Technicolor reviews sites prior to acquisition and upon closure. This process not only helps limit financial liability, but also enables us to understand the type and level of support required to ensure that our corporate policies

and guidelines are effectively implemented.

Once acquired, sites are expected to comply with Technicolor EH&S policies and guidelines, including, for example, development of sound management practices for chemicals and waste.

9.2 Environmental Clean-up

Spending on environmental remediation clean-up projects totaled approximately € 1.55 million in 2017.

Soil and groundwater contamination was detected at TCETVT, a former manufacturing facility in Taoyuan, Taiwan, that was acquired from General Electric in 1987. In 1992, the facility was sold to a local developer. Soil remediation was completed in 1998. In 2002, the

Taoyuan County Environmental Protection Bureau ("EPB") ordered remediation of the groundwater underneath the former facility. The groundwater remediation process is underway. EPB and TCETVT continue to negotiate over the scope of that work. Technicolor has reached an agreement with General Electric with respect to allocation of responsibility related to the soil and groundwater remediation.



“ Sustainable supply chain management is integral to robust corporate citizenship. To ensure that our guidelines and policies are well understood and respected, Technicolor proactively engages with key electronics manufacturing partners and conducts regular audits to assess compliance with environmental and social regulations and practices on a worldwide basis. ”

Brook Carter, Vice President, Manufacturing and Supplier Quality Assurance

C. EXTERNAL STAKEHOLDERS

1- RESPONSIBILITIES TO SUPPLIERS AND SUB-CONTRACTORS

Delivering products and services to our customers involves numerous external supply chain partners. We aim to fulfill our social responsibilities and ensure that our values are respected throughout.

Beyond raw material and component purchasing, the main areas where Technicolor subcontracts production and services are the manufacturing of set of boxes and gateways (91.5%), and part of the logistics of the DVD services in Europe (33%). In addition, to manage seasonal peak workloads within DVD services, Technicolor uses contracted labor services to provide additional workforce on packaging and distribution sites in America, where site headcount may double during the peak season.

To ensure supply chain CSR compliance, we audit our suppliers, promoting progressive labor and social standards, environmental protection and fair business practices.

The Technicolor Supplier Ethics Program:

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

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

- › Tolerate no discrimination and encourage diversity;
- › Promote best working conditions;
- › Use no child or forced labor;
- › Protect peoples' health, safety and the environment;
- › Support employee development;
- › Respect fair market competition;
- › Strive to be a good corporate citizen;
- › Respect consumer and personal privacy;
- › Avoid potential conflicts of interests.

To ensure that suppliers respect established principles, Technicolor:

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

GRI

[G4-12; G4-15; G4-EN33; G4-LA15; G4-HR1; G4-HR4; G4-HR5; G4-HR6; G4-HR11; G4-SO10]
[G4-DMA procurement practices] [G4-DMA Supplier environmental assessment] [G4-DMA Supplier assessment for labor practices]
[G4-DMA Supplier human rights assessment] [G4-DMA Supplier assessment for impacts on society]

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

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

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

Technicolor performed 22 supplier audits in 2017 aligned with the SA8000 standards. These audits revealed “unacceptable” or “unsatisfactory” violations at 23 % of audited suppliers in 2017.

Technicolor monitors key performance indicators according to SA8000 criteria for key active electronics manufacturing service (EMS) partners to ensure they comply with CSR regulations and practices. Since 2009, monitoring has been carried out as part of the Company’s quarterly business reviews.

KPIs are weighted 40% on CSR focus at top management level, to ensure that supplier management is sufficiently engaged and adopts a proactive CSR approach. Ten percent of KPIs focus respectively on young workers performing hazardous work, monthly employment turnover rate, average overtime, one day-off per week rate, EH&S (Environmental, Health and Safety) training for operators and injury trends.

Technicolor gives preference to suppliers who have achieved ISO 9001 certification and who are certified to meet such EH&S standards such as ISO 14001 and OHSAS 18001.

The Supplier Ethics Program applies to all new and current suppliers. To ensure effective supplier assessments, Technicolor has defined a specific audit scope and focus for suppliers categorized as “high risk,” defined as suppliers in countries with a relatively high potential for adverse human rights issues.

During 2016, Technicolor completed the implementation of the Electronics Industry Citizenship Coalition Code of Conduct under its Applicant Member status and achieved the status of Full Member.

In 2017, the name was changed from Electronics Industry Citizenship Coalition (EICC) to Responsible Business Alliance (RBA).

For more information on Technicolor’s engagement in the Responsible Business Alliance and on the [RBA Code of Conduct](#), please refer to Chapter C.2.4.1 of this report.



“ Satisfied customers are the lifeblood of any successful company. For this reason, customer satisfaction and quality practices, processes and tools lie at the heart of the Connected Home activity. To fulfill our commitment to customers, we not only listen carefully to our customer needs but also observe end-user environments and habits to identify opportunities for continued product and service improvements as well as stronger stakeholder engagement ”

Sam Lim,
Connected Home, Head of Customer Experience & Quality

2- RESPONSIBILITIES TO CUSTOMERS

2.1 Customer Satisfaction

Continuous improvement of the quality of our products and services ranks among Technicolor’s top priorities.

Sustainable success as a business depends on our ability to gain and maintain customer confidence over the long term.

To help ensure that all our people at every level of the organization remain fully committed to build sustained customer satisfaction and loyalty, all employees who work in the quality field are required to engage in our quality management system.

2.2 Customer Privacy

Technicolor designs products, services, software, which enable the optimal transfer of customer data – video content – to be displayed via multiple channels on the devices of millions of end-users via the networks of broadcasters or telecom operators. Technicolor has a life-long expertise in data and content protection and is training its workforce worldwide and at all levels to prevent breaches of customer privacy or customer losses.

Aware of rising risks in cybercrime, the Technicolor Security Office has issued a Security Policy to address Risks such as content leaks affecting

customers (film), suppliers (source code) or employee personal data, as well as to defend its products and systems against cyberattacks, or theft of otherwise valuable intellectual property.

For all employees, security-conscious behavior is key. In 2015 and 2016, a security campaign was launched to bring knowledge and awareness to all employees through a series of accessible in-house animation films tackling physical security, password protection practices, and content leaks prevention. Training sessions and exams are also scheduled on a wide scale. These programs are regularly reviewed as part of external audits conducted by customers.

In 2017 a Company-wide email phishing awareness program was deployed using an industry-leading service.

A formal Data Protection Policy was also issued by the Technicolor Ethics Compliance Committee to govern legal compliance aspects and has been completely revised in November 2017 in order to prepare the Group for the EU General Data Protection Regulation to be enforced in May 2018.

2.3 Quality Approach

Our quality management system extends to our business units, including the creation, management

and delivery of products and services.

It establishes a good balance between flexibility and the compulsory guidelines needed to adequately control processes.

Designed to guide and challenge business unit management, the guidelines help us avoid procedures that might hinder new initiatives or innovation.

To achieve continuous quality improvement, we:

- › Conduct internal audits and customer feedback surveys to track progress;
- › Track quality KPI’s, including environmental impact, throughout product life cycle assessment.

Action plans are defined at business unit level and according to geographical regions to ensure that customer needs are taken into account across our broad range of products and services.

Technicolor corporate management supports the business units’ dedicated quality teams and guarantees their independence. In keeping with our long-standing management approach, middle management is empowered to take responsibility for business objectives, which include quality management goals.

2.4 Case Studies

2.4.1 Connected Home

To date, Connected Home delivered more than 500 million CPE products to its customers worldwide, since it entered the market in 1994. With a total shipment of 42.9 million products in 2017, or more than 800,000 devices per week, Connected Home requires a state-of-the-art quality management system.

As part of the Connected Home's quality policy, the Division has decided to focus its quality management for the maximization of customer satisfaction on the deployment of quality practices, processes and tools across all activities of the Division: from R&D through Customer Program Management through to Operations and beyond.

The Connected Home Customer Experience and Quality function plays a significant transformative role in ensuring process and performance improvements are achieved across all aspects of the Division while further reducing non-quality costs.

The Connected Home Customer Experience and Quality Department is reporting directly to the President of the Division. To achieve its customer satisfaction mission, the department is structured around three primary services:

- › The Quality Systems and Assurance, including Quality Management System and Product Quality Assurance initiatives, are essential elements of the Division's commitment to quality;
- › R&D processes and tools including software quality tools for the definition of the complete tool chain required by developers and testers to deliver quality software and thus wholly satisfy customer expectations in this regard;
- › Division Transformation initiatives include software and hardware transformation and project & program management transformation with a view to ensuring best-in-class HW and SW design, boosting productivity, and evangelizing best practices across the Division.

In our commitment to provide the best-possible quality and service to our customers, the details of the Customer Experience and Quality missions have evolved further and include the following highlights as it relates to service assurance and product quality measures:

- › Issues resolution loop whereby feedback from the field facilitates the more effective deployment of corrective measures if required;
- › Issues prevention loop whereby quality policies are consistently enforced;
- › A Quality Management System has been established to provide a framework to measure and continuously improve our processes and our Customer's experience;
- › Change in culture and mindset of each engineer as supported by persons assigned as 'evangelists' in their respective areas of responsibility and expertise;
- › Quality engineers specifically assigned the task of ensuring that best-in-class processes and suite of associated quality tools are applied and continually enforced within each core team and at each stage of product development and rollout.

The Connected Home activity is also committed to environmental aspects of products and services through the definition of a product's environmental policy to support our eco-design strategy in a clear and consistent manner. More information on this can be found in section B.7 on Eco-design and Life Cycle Assessment in this report.

Connected Home Quality Management System

With an emphasis on continual improvement, the Connected Home Quality Management System encompasses both pro-active and reactive quality control. At its core lies the objective of enabling employees to achieve the highest possible levels of quality in their work, ensuring that customer quality assurance is always under control, any necessary improvements identified and implemented, and customer satisfaction thus continually strengthened.

Quality also helps reduce costs: high-quality products and services have lower warranty repair costs. That explains why we include quality as a key element in our product development and maintenance policy and guidelines, which outline the entire design and manufacturing process. We track progress through a combination of internal and external assessments and measurements, which ensure best practices are shared across the Division, areas needing improvement highlighted and non-conformities solved. Internal audits make it possible to continuously improve business processes and product development while minimizing problems and risk.

Various quality certifications from independent third parties boost quality management efficiency and effectiveness and help ensure that Technicolor meets stringent internationally recognized standards. Conformity to the ISO 9001: 2015 and TL 9000 R 6.0 standard helps foster a culture of continuous improvement while increasing customer confidence in our products and services.

ISO 9001

Thanks to the deployment of our quality management system, most of our Connected Home sites are certified, including those in Issy-les-Moulineaux and Rennes (France), Edegem (Belgium), Hong Kong, and Beijing (China), Indianapolis and Lawrenceville (USA), Manaus (Brazil), Chennai (India) and Sydney (Australia).

TL 9000

TL 9000 is a quality management system, based on ISO 9001, designed specifically for the telecommunications industry. It includes performance and cost-based metrics that measure reliability and quality performance of products and services. Six Connected Home sites - Issy-les-Moulineaux, Edegem, Indianapolis, Hong Kong, Shenzhen and Beijing - have been certified to conform to the TL 9000 R 6.0 standard for supply chain quality.

RBA (formerly EICC) membership

As a Member of the Responsible Business Alliance (RBA), Technicolor fully supports the vision and mission of the RBA by adopting its Code of Conduct ([currently RBA Code of Conduct version 6.0](#)) within its global operations for Electronics and Information and Communications Technology (ICT):

- › Vision: Through the application of high standards we can create better social, economic, and environmental outcomes for all those involved in the

Electronics and ICT supply chains. This includes increased efficiency and productivity for customers and suppliers, improved conditions for workers, economic development, and a cleaner environment for local communities;

- › Mission: To deliver these benefits through a shared approach to implementing the RBA Code of Conduct. This approach will reduce duplication, focus efforts on positive social and environmental change, build supply chain capability in social responsibility, and employ a process that solicits feedback from stakeholders.

The adoption of the RBA Code and its principles reflects Technicolor's continuing commitment to recognize transparent and external codes of conduct as an element in Technicolor's long-term plan to manage and improve its sustainability regarding operations, supply chain, and sub-contracting in the Electronics manufacturing and ICT sector.

Wherever commercially possible, Technicolor will seek to internally adopt the RBA approach and tools in practical ways, in the spirit of the industry's common goals. Externally, we will encourage and support our suppliers to do the same.

We look forward to working together with other RBA industry members and promoting continuous improvement and implementation of the RBA Code in the global electronics supply chain.

Customer Satisfaction Survey

One of the most important ways of identifying possible improvements to our products and services portfolio is the customer satisfaction survey which covers the entire Technicolor worldwide customer base. The goals of this survey are to measure customer satisfaction with the Group's products and services, better understand customer expectations and their perception of the Company and take any remedial measures identified as being necessary. The program-based survey enables customers to provide rapid feedback on program deployment (Early-To-Market) and product quality including meeting customer specifications and timing.

The detailed survey tracks the key areas below including comparisons with competition on:

- › Products/services in general;
- › Business operations and supply chain;
- › Customer care and after-sales;
- › Sales/Account management;
- › Project management/Engineering;
- › Information and administration;
- › Innovation;
- › Environmental awareness;
- › Customer care and after-sales;
- › Complaint handling;
- › Price;
- › Image and loyalty.

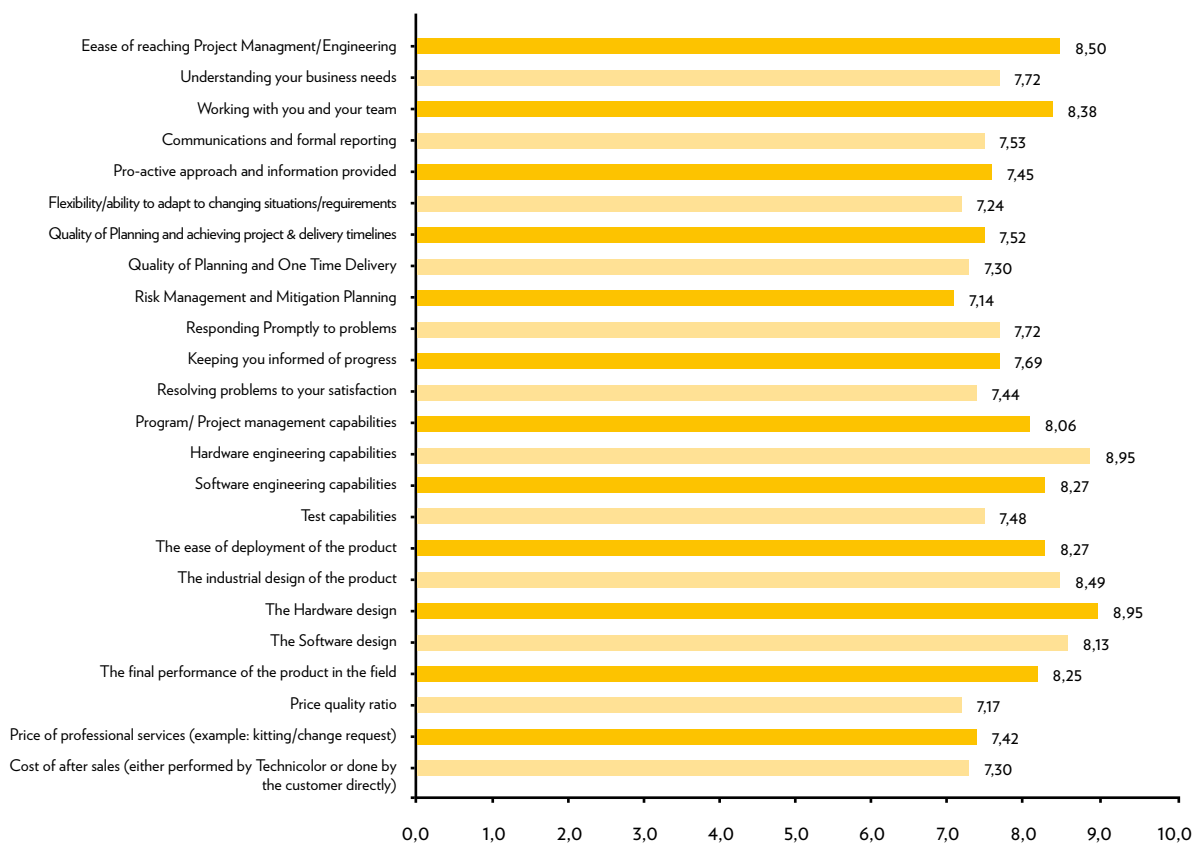
Customer Satisfaction Survey Results

The Connected Home customer satisfaction survey was conducted over a period of one year from mid-2016 until mid-2017. The table below shows the response analysis of the survey over this period and per geographical region:

	In file	Response	Response %
Total	274	81	30 %
Per Quarter			
2016 - Q3	108	42	39 %
2016 - Q4	127	32	25 %
2017 - Q1	11	3	27 %
2017 - Q2	28	4	14 %
Per region			
APAC	73	19	26 %
EMEA	51	24	47 %
LATAM	137	36	26 %
NAM	13	2	15 %

The graph below illustrates the customer survey results across the respective parameters measured (scale 0 to 10):

Satisfaction per question per segment: 2016



The system structure and attention to customer expectations - as highlighted in the customer satisfaction survey - enable Technicolor quality management to embed awareness of quality in all organizational and operational processes at all levels of the Company with a view to achieving the highest possible quality in both products and services.



“ Continuous Process Improvement (CPI) at Technicolor DVD Services is a constant effort to improve how we can do our work better. Its importance is based on the fundamental belief that the vast majority of operational problems are process-based rather than people-based. Technicolor’s approach is to rigorously determine root causes of issues and design and implement process improvements that are proven to address problems via evaluation of results. A structured approach to CPI based on prior year experience, allows DVD Services to materially improve its quality and associated environmental, health and safety standards on an annual basis. ”

John Town, DVD Services, Head of Technology & Quality

2.4.2 DVD Services

As the world’s leading optical disc manufacturer, Technicolor places the highest priority on the quality of its products and services. The DVD Services division, which specializes in high-volume production and full turn-key services, provides complete supply chain management services for Hollywood studios, software publishers, game publishers and independent rights holders. In 2017, Technicolor sold a total of 1,345 billion DVD, Blu-ray™ and CD discs and has annual capacity to produce in excess of 3 billion discs, allowing the flexibility to respond to the seasonal demand for packaged media. Operations are supported by approximately 10 million square feet of dedicated replication and distribution space, with unique capability for the timely delivery of discs to more than 40,000 locations.

Global Network

A global network of quality experts manages the division’s quality policies and practices, including supply chain challenges. Quality network members consist of experts located at each site, supervised by regional U.S. and international personnel and a worldwide coordinator reporting directly to the head of the division.

The members of an independent Continuous Improvement Program team help ensure constant improvement in quality processes.

Improving Quality and After-sales Service Customer Satisfaction Surveys

The DVD Services division maintains an ongoing dialogue with major customers through:

- › Regular face-to-face meetings on overall performance;
- › Weekly/monthly/quarterly KPI reporting;
- › Quarterly performance scorecards;
- › Service level agreements with measurement criteria for most customer contracts.

DVD Services ISO 9001 Certification Locations

ISO 9001 Certification	2012	2013	2014	2015	2016	2017
Memphis Packaging & Distribution - USA	✓	✓	✓	✓	✓	✓
Michigan Packaging & Distribution - USA	✓	✓	✓	✓	✓	✓
Brampton Packaging & Distribution - Canada	✓	✓	✓	✓	✓	✓
Guadalajara Replication - Mexico	✓	✓	✓	✓	✓	✓
Piaceszno Replication & Packaging - Poland	✓	✓	✓	✓	✓	✓
Melbourne replication - Australia	✓	✓	✓	✓	✓	✓
Sydney Packaging & Distribution - Australia	✓	✓	✓	✓	✓	✓
Rugby Distribution - UK	✓	✓	✓	✓	✓	✓
Huntsville Replication, Packaging & Distribution - USA					✓	✓
Olyphant Replication, Packaging & Distribution - USA		Newly acquired in 2015			✓	✓
Nashville Packaging & Distribution - USA					✓	✓

Aiming for Continuous Improvement

The Technicolor Continuous Improvement Plan provides a standardized platform for achieving continuous improvement and sharing best practices across all sites. It includes rules that structure activity and clearly connect each customer and supplier to a specific flow path. The 5S Visual Shop Floor Management system helps simplify the work environment, reduce waste, improve quality and enhance safety.

CPI and Best Practice Sharing

Best practices, identified through Best Practice Sharing Workshops, ISO internal / external process audits, are shared within the Technicolor Continuous Improvement Program.

Throughout 2015-17, major focus was placed on significant footprint/re-structuring changes in packaging and distribution centered around the addition of new clients/business and the ongoing consolidation of US-based activities. Numerous 'Continuous Improvement' projects were implemented that were derived from structured review of DVD Services Quality including identifying a list of opportunities to improve customer experience via process improvements. Weekly discussion and collaboration sessions are conducted between WW site-based QA Leadership under the guidance of SVP Quality.

The CPI approach adopted is to identify areas of opportunity and target specific problems. Solutions are generated through brainstorming among the QA Leadership team and formulating procedures that can be deployed at all locations. Further weekly meetings are used to discuss execution and measurements of success.

3- COMMUNITY INVOLVEMENT


3.1 Educational Initiatives

Technicolor focuses its involvement in community initiatives on digital artists' education.



MPC Academy is a global initiative of the Group to help bring new talent into the visual effects business. It is an in-house finishing school. We hire candidates with some education in a specialty within our field, and train them up to the level where they are ready to work on feature film visual effects.

Growth in the Montreal, Vancouver, and Bangalore studios comes with a large demand for talent. The educational institutions in these areas do not graduate talent with the necessary skill sets in the quantity demanded by the industry. In response, MPC decided to be proactive, and started this initiative to develop our own talent. We created in-house training space with industry standard equipment in Montreal, Vancouver and Bangalore. We offer paid employment where individuals will spend from 6-12 weeks in full time training. Those who graduate transition into their department where they work on feature films.



Our first Academy run in our Canadian studios was in the autumn of 2014 and in our Indian studio, mid 2015. The departments we have trained for are compositing, lighting, FX, Digital Matte Painting (DMP), animation, roto prep, Assets, Software and match-move. Since this project began, MPC has trained over 1,000 artists and developers globally. The project has been a success and continues to be a central part of our talent strategy especially as we explore new territories.

It represents an excellent opportunity for young people in the communities in which we operate to break into the film visual effects business. It is challenging to get a chance to work in visual effects and the MPC Academy opens the door and provides this opportunity. It is an investment not only in our own future talent, but in the communities where we operate. Access is not limited to the national citizens, but open to talent around the world, wherever they come from. We have welcomed Academy students from Mexico, Brazil, Thailand, Columbia, Indonesia, China, Japan, Korea, together with India, North America and Europe. Hundreds of young people, who may not have otherwise been given a chance, have been provided an opportunity to join our creative community. They have the support of a full time trainer in the department they are preparing for, and they are given detailed feedback along the way so they understand what they need to do to succeed.

A big proportion of those hired into the Academy have graduated and continued on to employment within MPC, with many having received subsequent contracts from MPC, and others have gone on to work for our competitors; we see that as a validation of the success of the Academy. As visual effects is a show based cyclical business, artists tend to be contract based and move between a variety of companies on different projects. We believe that since we took a risk and invested on emergent talent and created an excellent experience for their entry to the business, that they are likely to return to MPC because of the loyalty inspired. Overall, this program allows us to contribute to local economies and employment, and can help grow a larger available talent pool for the industry cluster.

We aim to source a significant proportion of our future junior talent in compositing, lighting, FX and DMP, Assets, Animation and Roto Prep from Academy graduates. Our

heads of department have expressed satisfaction with their performance and we have many cases of Academy graduates performing well above expectations.

We see this as a partnership between the Group and local education establishments make the countries we work in attractive to creative talent. To this end, further steps are being taken to better prepare students while they are still in school. We are formulating a robust University/School engagement strategy to work with the local colleges and universities to build an affiliation basis and offer our help to better prepare their students to work in visual effects. Subsequent events have been held in Montreal and Vancouver such as “Educator week”, consulting in Curriculum design, and Master classes.

MPC Academy represents both a central strategic talent initiative and a way for the Group to give back to the community. It helps bring social and economic benefits to the cities we work in as every Academy student will need to live, travel, eat and play in their communities. As these communities become recognized as great places for creative talent, it will attract new work and companies as well as stimulate other spin-off businesses. It is a great example of a win-win situation where doing the right thing is also good business.

In addition to its support to the MPC Training Academies, the Group supports other educational initiatives to give opportunities to young talent to access to studios and to develop their skills: training students in schools, Master classes, Educator’s week, consulting of curriculum design, online test for potential trainees, supporting third party digital artists schools. The Group supports also the India Foundation for the Arts to help advanced projects of cinematographers with two projects currently under progress. It does also partner in India with the Attakkalari Foundation to co-create a conference on ‘Poetics of Technology in Performance’. In partnership with Oxfam India, Technicolor supports schools’ engagement initiatives about recycling and painting activities.

It also continues to support activities in various environments relating to the world of film: launching festivals for new talent, supporting charities, and developing new experimental technologies or supporting joint initiatives with students to foster product and service innovation.

3.2 Other Local Initiatives and Impacts on Local Communities

Manaus, Brazil

Over the past years, Technicolor's reforestation program in Manaus involved the planting of acai berry trees - renowned for their ability to absorb greenhouse gases - in deforested areas of the Amazon. In this way, program participants not only contribute to tackling deforestation which is responsible for 15% of the world's greenhouse gas emissions but also help raise the awareness of fellow employees and residents as regards the importance of preserving natural resources and how we all play an important part in the fight against global warming.



The Manaus site also led campaigns to prevent Dengue fever, reduce traffic accidents, promote breast cancer early detection, and led awareness campaigns in public schools on the environment. The site is also harvesting rainwater and is sharing the part that it does not use with the community via redirection pipes the site paid for.



Team members from Technicolor's reforestation program in Manaus





Other Sites

In many locations, donations in time or resources were made vis-a-vis local communities. Of note, to cite a few among many others, Bangalore teams participated in an Oxfam trail walk event to fund rural development projects. Chennai employee held stands at the local market to sell their products to collect funds for buying new fans for an old age home as well as offered gifts for children in need. In the US, Camarillo employees participated in coastal or inland waterway clean-up actions. The Memphis site collected money to donate to the victims of Hurricane Harvey.

OUR RESULTS AND PERFORMANCE

A. KEY SUSTAINABILITY DATA

Three - year Performance Data, Trends and Explanation

ENVIRONMENT	2015	2016	2017
Energy Consumption (Terajoules or TJ/M€) (1)			
Electricity	975	1,446	1,314
o/w renewable Energy Sources	13.3%	16.8%	16.8%
Fuel Sources	145	183	124
Total	1,124	1,633	1,452
Total / Revenue	0.326	0.334	0.333
Total Water Withdrawal Consumption by Source (Thousand Cubic Meters or m³/M€) (2)			
Total Consumption	455	709	668
City Water consumed	301	568	512
Well Water consumed	154	134	137
Rainwater harvested	0.3	7.0	21
Surface Water	0	0	0
Total per Revenue	132	144	153
Water Recycled Internally	36	44	31
Waste Generation and Management (Metric Tons or M-Ton/M€)			
Total Waste generated	28,525	40,342	37,773
% treated hazardous (3)	2.9%	1.97%	2.0%
% recycled	77.2%	77.9%	74.5%
Total per Revenue	8.27	8.25	8.66
Greenhouse Gas Emissions (Metric Tons CO₂e)			
Fuel Combustion Sources (Direct Sources)	8,160	10,557	7,087
Total Indirect Greenhouse Emissions by Weight (Scope 2 from electricity)	140,515	218,386	199,036
Total CO ₂ emitted (Scope 1 and 2)	148,675	228,943	206,123
Industrials Effluents (in Million Cubic Meters)			
Industrials Effluents (in Thousand Cubic Meters) (4)	96	115	70
Priority Pollutants (in Kilograms)	46	126	80
Biological Oxygen Demand (in Tons)	0.639	3.3	1.7
Chemical Oxygen Demand (in Tons)	-	1.1	0.7
Main Raw Materials Usage (in Metric Tons)*			
Polycarbonate Molding Plastic	26,137	25,911	23,084
Cardboard and Paper Packaging	11,352	13,590	12,291
Wood Packaging	3,446	7,791	8,043
Bonding Resin for DVD	1,427	1,401	1,269
Plastic Packaging	1,141	1,173	1,296

*In 2015, wood packaging was included in the list of the top five raw materials consumed by the Group businesses. The Group sources all raw materials externally.

GRI [G4-EN1; G4-EN3; G4-EN5; G4-EN8; G4-EN10; G4-EN15; G4-EN16; G4-EN22; G4-EN23]

Three - year Performance Data, Trends and Explanation

SOCIAL AND HUMAN RESOURCES	2015	2016	2017
Health and Safety (Work-related Incident Rates per 200,000 hours worked)			
Incidents	159	215	243
Incident Rate	0.91	0.96	1.14
Lost Workday Incidents	77	102	114
Lost Workday Incident Rate	0.44	0.46	0.53
External Stakeholders			
Suppliers			
Number of Supplier Audits	29	20	22
Records per Category			
Excellent	5	0	0
Acceptable	22	17	17
Unsatisfactory	2	3	5
Unacceptable	0	0	0
Customer Satisfaction Survey Results (5)			
Total Sample Contacts	N/A		274
Number of Customers surveyed	N/A		81
Response Rate	N/A		30%

(1) Non-industrial sites reported energy consumption for the first time in 2010. Their consumption represented approximately 15% of total usage. It represents 22% in 2017. In 2017, worldwide energy use was approximately 1,452 tera joules, a decrease of about 11% compared with 2016. Of the total energy consumed, 90,5% was in the form of electricity (of which 16.8% was from renewable sources), 8.5% was in the form of fossil fuels, and 1% was in the form of purchased steam or chilled water. When compared to total revenue, average energy intensity was 0.333 TJ/M€ across the business in 2017.

(2) Non-industrial sites reported water consumption for the first time in 2010. Their usage represented approximately 15% of total 2012 consumption. It represented 22% in 2017. In 2017, water consumption at the Technicolor reporting locations decreased by about 5.8% versus 2016 to 668 thousand cubic meters. When compared to revenues, average water consumption rate was 153 m³ /M€ across the business in 2017.

Where raw water is developed on-site from local wells, all consumption and pre-treatment is in accordance with granted permissions and approved processes. All water consumption, other than that related to building and facilities, is linked to DVD replication or Set-Top Box manufacturing. Locations experiencing periodic water shortages, such as DVD replication in Australia, invest in rainwater harvesting, while other manufacturing locations in Brazil, Mexico, and Poland may invest in process water recycling so that overall source consumption is reduced. Including laboratory operations in Rennes, France, total rainwater harvested and consumed during 2017 was about 20,800 m³.

(3) Hazardous waste is defined at each site using guidance from local governing agencies, but in general it means waste chemicals, fuels, oils, solvents, batteries, fluorescent light bulbs, or other items that may have been in contact with the hazardous material, for example, cleaning materials or empty containers. All these hazardous wastes are handled, stored, and disposed in compliance with local regulation and Group Policy.

Total waste generated was 37,773 tons (about 3.5% of total waste was generated by non-industrial sites), a decrease of 2,569 metric tons, or

6.4% compared to 2016. The recycling rate was 74.5% decreasing slightly compared to 2016, mainly due to improved reporting from non-industrial sites for all wastes. When compared to total revenue, the average waste generation rate across the business was 8.66 M-Ton/m€ in 2017.

(4) Six of our industrial sites use water in their industrial processes. To measure the impact of effluents after treatment and before discharge into the environment, we took into account 100 substances considered "priority pollutants" by both the European Union and the U.S. Environmental Protection Agency. Based upon these lists and information received from the sites regarding the parameters they are required to monitor and report on, 13 pollutants were identified as listed by the EC, the EPA, or both. For reporting year 2017, the amount of effluents discharged was 70,790 thousand m³ and the total estimated amount of discharged priority pollutants was 80 kilograms.

In addition, due to effluent characteristics, 3 sites are required to monitor biological oxygen demand (BOD) or chemical oxygen demand (COD), in 2017 an estimated total of 1,702 and 704 kilograms were discharged within process effluent respectively.

All above quantities of discharged pollutants are fully compliant with authorized limits. Summary weights of pollutants are calculated using volume-averaged, full year, average concentrations, based on periodic laboratory sampling. Periodic effluent sampling is performed in accordance with local regulatory requirements, and in general pollutants are not monitored continuously.

(5) Committed to customer satisfaction and continual improvement in products and services, Technicolor tracks the performance of its business units and segments compared to competition. We measure the entire customer relationship, to highlight strengths, weaknesses and expectations. We identify key satisfaction drivers to understand what is most important to customer satisfaction. We spotlight areas needing improvement to develop the most appropriate solutions. The latest customer satisfaction survey was conducted over a period of one year from mid-2016 until mid-2017.

Performance Data for Business Segments, Year ending 31 December 2017

ENVIRONMENT, HEALTH AND SAFETY

	Entertainment Services	Connected Home	Corporate & Other
Energy Consumption (Terajoules or %)			
Total Energy (1)	1,352.8	78.4	20.6
% Total Group	93.2%	5.4%	1.4%
Electricity	1,231.0	66.9	16.0
% Total Segment	91.0%	85.3%	77.7%
Fuels	121.7	1.8	0.3
% Total Segment	9.0%	2.3%	1.5%
Water Consumption (Thousand Cubic Meters)			
Total Consumption	599.5	58.7	10.2
% Total	89.7%	8.8%	1.5%
Waste Generation (Metric Tons or M-Ton/M€)			
Total Waste generated	37,203.5	488.4	81.0
% Total	98.5%	1.3%	0.2%
% treated hazardous	1.9%	10.9%	-%
% recycled	74.7%	64.7%	40.5%
Health and Safety (Work-related Incident Rates per 200,000 hours worked)			
Injuries and Illnesses	233	8	2
Incident Rate	1.23	0.41	0.35
Lost Workday Incidents	110	4	0
Lost Workday Incident Rate	0.58	0.21	0

Collection Period: January 1, 2017 - December 31, 2017

(1) Total energy includes about 4TJ steam purchase and 10TJ chilled water purchase

Data Collection Method and Rationale

This report contains data from 50 locations. Given the diversity of our operations, environmental impacts vary by location, thus not every location is required to report on each of the established metrics. The Corporate EH&S Organization has identified key information that is tracked and reported.

This information includes utility consumption, waste generation, recycling and disposal, air emissions and water effluent from the identified locations. To ensure the timely and consistent reporting of information from our worldwide locations, Technicolor has developed its own electronic reporting system.

This system serves as a vital tool for identifying and acting upon trends at the reporting site, business unit, regional and global levels. The reporting locations provide required data through the electronic system on a monthly and annual basis, depending upon the information provided. Data is organized and consolidated globally and is communicated to all appropriate stakeholders.

Scope of Data Collection: the Following Sites Provided Data for this Report:

Site	Segment (ref 2017)	Location	2015		2016		2017	
			Industrial Profile	Non-Industrial Profile	Industrial Profile	Non-Industrial Profile	Industrial Profile	Non-Industrial Profile
Avon	Entertainment Services	France		X		X		X
Bangalore	Entertainment Services	India		X		X		X
Beijing	Connected Home	China		X		X		X
Boulogne	Entertainment Services	France		X		X		X
Brampton ⁽¹⁾	Entertainment Services	Canada	X		X			
Burbank	Entertainment Services	California, USA		X		X		X
Camarillo	Entertainment Services	California, USA	X		X			X
Chennai	Connected Home	India				X		X
Chicago The Mill	Entertainment Services	Illinois, USA				X		X
Culver City M-GO ⁽¹⁾	Corporate & Other	California, USA		X				
Culver City MPC	Entertainment Services	California, USA				X		X
Edegem	Connected Home	Belgium		X		X		X
Guadalajara	Entertainment Services	Mexico	X		X		X	
Guadalajara FSSC	Corporate & Other	Mexico						X
Hannover ⁽¹⁾	Corporate & Other	Germany		X				
Hollywood	Entertainment Services	California, USA		X		X		X
Huntsville	Entertainment Services	Alabama, USA			X		X	
Indianapolis	Connected Home	Indiana, USA		X		X		X
Issy	Corporate & Other	France		X		X		X
La Vergne	Entertainment Services	Tennessee, USA			X		X	
Lawrenceville	Connected Home	Georgia, USA				X		X
Livonia ⁽¹⁾	Entertainment Services	Michigan, USA	X		X			
London MPC	Entertainment Services	UK		X		X		X
London (post)	Entertainment Services	UK		X		X		X
London The Mill	Entertainment Services	UK				X		X
Los Altos	Corporate & Other	California, USA		X		X		X
Los Angeles The Mill	Entertainment Services	California, USA				X		X
Manaus	Connected Home	Brazil	X		X		X	
Melbourne	Entertainment Services	Australia	X		X		X	
Memphis	Entertainment Services	Tennessee, USA	X		X		X	
Mexicali	Entertainment Services	Mexico	X		X		X	
Montreal Mikros Images	Entertainment Services	Canada				X		X
Montreal MPC	Entertainment Services	Canada		X		X		X
Montreal ⁽²⁾ (post)	Entertainment Services	Canada	X			X		X

Site	Segment (ref 2017)	Location	2015		2016		2017	
			Industrial Profile	Non-Industrial Profile	Industrial Profile	Non-Industrial Profile	Industrial Profile	Non-Industrial Profile
Mumbai	Entertainment Services	India				X		X
New York MPC	Entertainment Services	New York, USA		X		X		X
New York MR.X ⁽¹⁾	Entertainment Services	New York, USA		X		X		
New York The Mill	Entertainment Services	New York, USA				X		X
Olyphant	Entertainment Services	Pennsylvania, USA			X		X	
Ontario California ⁽³⁾	Corporate & Other	California, USA	X			X		X
Paramount	Entertainment Services	California, USA		X		X		X
Paris Mikros Images	Entertainment Services	France				X		X
Piaseczno	Entertainment Services	Poland	X		X		X	
Pinewood ⁽¹⁾	Entertainment Services	UK	X					
Princeton	Corporate & Other	New Jersey, USA		X		X		X
Rennes - Cesson	Connected Home	France	X			X		X
Rugby	Entertainment Services	UK	X		X		X	
Santa Monica MPC ⁽¹⁾	Entertainment Services	California, USA		X				
Shanghai ⁽⁴⁾	Connected Home	China				X		X
Sydney	Entertainment Services	Australia	X		X		X	
Toronto DVD Services	Entertainment Services	Canada			X		X	
Toronto MR.X	Entertainment Services	Canada		X		X		X
Toronto (post)	Entertainment Services	Canada		X		X		X
Tultitlan	Entertainment Services	Mexico	X		X		X	
Vancouver MPC	Entertainment Services	Canada		X		X		X
Vancouver (post)	Entertainment Services	Canada		X		X		X
Warsaw	Corporate & Other	Poland		X		X		X

All Sites report information about work injury and illness, water, and power.

Industrial profiles also report extensive waste data monthly, and waste water/effluent and raw materials annually.

Non-Industrial profiles also report summary waste data annually.

(1) These sites have been moved or closed or sold.

(2) The prior Montreal location stopped photochemical film operations during 2012 and was refurbished for digital production operations for 2013 and beyond.

(3) The prior Ontario location stopped industrial during 2014 and remaining non-industrial operations moved to a different facility beginning 2015 and was closed mid-year 2017.

(4) Shanghai operations were merged into Beijing operations mid-year 2017.

Data Verification:

Data reporting requirements, and data collection and consolidation systems are developed by the Corporate EH&S organization and are communicated to locations through each of the Regional EH&S groups. Each location is responsible for developing internal systems for the collection of required data and reporting that

data to the Regional EH&S group. The Regional EH&S groups review the submitted data for accuracy and work directly with the locations in their region to clarify and when necessary, resolve inconsistencies. In addition, the location's data are reviewed during scheduled Corporate EH&S audits.

B. PERFORMANCE REVIEW

1- GLOBAL COMPACT

Technicolor has been a member of the United Nations Global Compact since 2003.

Technicolor business practices and principles, in terms of ethical standards, safety and environmental initiatives and fair business practices, meet or exceed the goals embodied in the UN Global Compact initiative. The Company submits each year a Communication on Progress (COP) as part of its support and engagement in favor of the Global Compact. For the latest annual update on Technicolor initiatives and the UN Global Compact, please visit: <https://www.unglobalcompact.org/>

Since 2016, the table featuring Technicolor's annual actions and results with regards to human rights, labor, environment and anti-corruption, is included in the present sustainability report and is an integral part of Technicolor's Global Compact COP (see following pages).

2- CARBON DISCLOSURE PROJECT

An independent, not-for-profit organization which deals with climate change, the Carbon Disclosure Project (CDP) has become the global standard for carbon disclosure methodology and processes. Technicolor has been responding to the CDP since 2008. You can consult [Technicolor's latest response to the Carbon Disclosure Project](#) on the CDP Website.

3- VIGEO EIRIS

Vigeo Eiris is a global provider of independent research into the social, environmental and ethical performance of companies. As a rating and research agency, Vigeo Eiris evaluates organisations' integration of social, environmental and governance factors into their strategies, operations and management – with a focus on promoting economic performance, responsible investment and sustainable value creation. Technicolor replies every year to the Vigeo Eiris questionnaire.

4- (GRI) GLOBAL REPORTING INITIATIVE

Since 2014, Technicolor follows the Global Reporting Initiative (GRI) Guidelines, a worldwide reporting framework on sustainability, to structure its economic, social and environmental reporting.

For the third time in a row, Technicolor has prepared its Sustainability Report 'In Accordance' with the **GRI Guidelines – Comprehensive option**. The Group submitted the reports for the GRI Content Index Service, and GRI confirmed the accuracy of the GRI G4 Content Index. The G4 Content Index points to particular pages both in the Registration Document of the Group, which is externally verified in compliance with French law, and in the Sustainability Report, which is not externally verified.

Both reports include GRI Disclosure labels (for example [G4-3], [G4-EN1], [G4-DMA Compliance]) that help readers locate the information that they are looking for and contribute to give more control over the transparency and integrity of the Group's sustainability data.

You will find hereafter the GRI G4 Content Index including standard disclosures clustered into six categories (economic, environmental, labor practices and decent work, human rights, society, and product responsibility).

Both 2017 Registration Document and 2017 Sustainability Report are available in Pdf format on the Technicolor website: <https://www.technicolor.com/investor-center/shareholders-meeting>
<https://www.technicolor.com/corporate-social-responsibility>

5- ECOVADIS

EcoVadis operates the 1st global collaborative platform allowing companies to assess the environmental and social performance of their suppliers, covering 188 purchasing categories and 21 CSR criteria grouped into 4 themes. More than 30.000 organizations in 150 countries (whether buyers or suppliers) are using the EcoVadis platform.

Technicolor first started to respond to the EcoVadis questionnaire in 2009.

The assessment of the Technicolor CSR practices is performed by a team of independent sustainable development experts. Analysts will take into account Technicolor's answers to the EcoVadis questionnaire, supporting reports and documents, and other evidence of the Group's CSR policies, in particular public and stakeholder information. The analysis results are combined on a dedicated Scorecard accessible on-line by Technicolor customers.

In 2017, Technicolor reached the **Advanced level** for its CSR engagement and received the **Gold Label** based on its CSR Rating assessed by EcoVadis. The Group is in the TOP 6 % of suppliers assessed by EcoVadis in the category Manufacture of Communication Equipment, and in the TOP 3 % of suppliers assessed by EcoVadis in all categories.



C. GRI G4 CONTENT INDEX COMPREHENSIVE OPTION



Content Index
TECHNICOLOR SA

Jun 2018
Service

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page/reference	Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)		
	2017 Sustainability Report, Company Website, Other Sources		

STRATEGY AND ANALYSIS

G4-1		Page 3		
G4-2	Pages 6, 10 and 22 - Overview, historical background and strategy; Pages 48, 49, 55 and 56 - Risk factors, operational risks, global market and industry risks, financial risks; Page 62 - Litigations; Page 218 - Management of financial risks			

ORGANIZATIONAL PROFILE

G4-3	Page 292 - Company profile	Company website: www.technicolor.com/		
G4-4	Page 6 - Overview and historical background; Page 11 - Organization and business overview; Page 11 - Production Services; Page 15 - DVD Services; Page 17 - Connected Home; Page 19 - Corporate & Other	Pages 6 and 7		
G4-5	Page 292			
G4-6	Pages 164 and 301	Pages 75 and 76		
G4-7	Page 292			
G4-8	Page 11 - Production Services; Page 15 - DVD Services; Page 17 - Connected Home;			
G4-9	Page 6 - Group overview; Page 23 - Holding of share capital and voting rights, including identity and percentage of ownership of largest shareholders; Page 141 - Breakdown of employees by country/region; Page 194 - Revenue & geographical information; Page 292 - Company profile	Pages 16 and 17		
G4-10	Page 141	Pages 16 to 20		Principle 6
G4-11	Page 149	Pages 30 and 31		Principle 3
G4-12	Page 169	Page 46 and pages 60-61		
G4-13	Page 10 - Refocusing our businesses, strategic acquisitions and financing structure; Pages 20 and 246 - Discontinued operations; Page 22 - Strategy; Pages 25, 26 and 27 - Changes regarding ownership and share capital; Page 46 - Events subsequent to the closing of 2017 financial statements; Page 183 - Main events of the year; Pages 189 and 190 - Change in the scope of consolidation; Page 213 - Equity and earnings per share including change in share capital; Page 243 - Specific operations, including acquisitions and disposals of subsidiaries & investments			
G4-14	Page 154	Pages 50 to 59		
G4-15	Pages 140 and 159 - Global Reporting Initiative (GRI) guidelines and disclosures; Page 93 - AFEP MEDEF Corporate Governance Code; Page 151 - ILO and Global Compact progress; Page 169 - Responsible Business Alliance (formerly EICC) Code of Conduct	Pages 60-61, page 64 and pages 77-78		
G4-16	Page 167			

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	Page 188 - Summary table of the Group's subsidiaries broken down by geographic location; Page 249 - List of main consolidated subsidiaries; Page 297 - Legal organizational chart of the Group including main legal entities; Page 299 - Operational organization, including main operating subsidiaries classified by business segments and geographies			
G4-18	Page 4 - Report content; Page 310 - Reporting framework and principles; Page 314 - Annual Financial reporting; Page 315 - Elements of the management report; Page 316 - Elements of the corporate governance report; Page 317 - Environmental, social and societal information			
G4-19		Pages 84 to 95 - All material aspects are listed in the Specific Standard Disclosures section of the GRI G4 Content Index		
G4-20	Pages 189 and 190 - Change in the scope of consolidation including acquisitions and disposals; Pages 191 and 194 - Information on operations, by business segment and by geography; Pages 299 and 301 - Main operating facilities and subsidiaries			
G4-21	Pages 11, 15, 17 and page 169			
G4-22	Page 183 - Accounting policies; Page 246 - Discontinued operations and held for sales operations			
G4-23	Pages 10, 20 and 22, page 46, pages 183, 189 and 190, pages 245 and 246			

STAKEHOLDER ENGAGEMENT

G4-24	Page 23 - List of shareholders; Page 167 - Description of stakeholders' families and list of key stakeholders. The bodies that are cited are among the most representative in the Technology area, meaning Technicolor has position on the board or other voting right or provides funding for the organization. Over 50 stakeholders are not namely mentioned in the disclosures page 154. The number of stakeholders engaged by the organization is significant, over 60			
G4-25	Page 167			
G4-26	Page 167			
G4-27	Page 92 - Arrangements or agreements made with major shareholders, customers, suppliers or others; Page 102 - Regulated agreements / conflicts of interest; Page 151 - Health and safety matters; Page 154 - Environmental matters; Page 167 - List of key stakeholders and topics of engagement; Page 169 - Suppliers and subcontractor relations including considerations on ethics, human rights, health and safety; Page 171 - Technicolor educational initiatives			

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General Standard Disclosures	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

REPORT PROFILE

G4-28	Page 292			
G4-29	2017 Registration Document filed on March 21, 2018 and available on the Company website: https://www.technicolor.com/investor-center	Our latest Sustainability Report is available on the Company website: www.technicolor.com/corporate-social-responsibility		
G4-30	Page 292	Annual reporting cycle		
G4-31	Page 307			
G4-32	Page 140 - Global Reporting Initiative (GRI) guidelines and disclosures	Page 9, page 77 and pages 79 to 95		
G4-33	Page 103 - Statutory auditor's special report on regulated agreements and commitments; Page 172 - Report by one of the statutory auditors, appointed as independent third-party, on the consolidated human resources, environmental and social information included in the management report; Page 252 - Statutory auditor's report on the consolidated financial statements; Page 286 - Statutory auditor's report on the parent company financial statements			

GOVERNANCE

G4-34	Pages 72 and 74 - Corporate governance structure; Pages 93 and 94 - Preparation and organization of the Board of Directors' work; Page 96 - Board of Director's activities; Page 99 - Composition and activities of the Board Committees; Page 104 - Internal Board regulations			
G4-35	Page 65 - Group management and decision-making processes; Page 74 - Corporate governance structure; Page 94 - Organization of the Board of Directors' work; Page 104 - Internal Board regulations			
G4-36	Page 74 - Corporate governance structure; Page 94 - Organization of the Board of Directors' work			
G4-37	Page 94 - Organization of the Board of Directors' work; Page 104 - Internal Board regulations; Page 167 - Shareholders relations			
G4-38	Page 72 - Corporate governance; Page 74 - Governance structure, composition and expertise of the Board of Directors; Page 80 - Other information about members of the Board of Directors			
G4-39	Page 74 - Corporate governance structure; Page 94 - Organization of the Board of Directors' work			
G4-40	Page 74 - Composition and expertise of the Board of Directors			
G4-41	Page 74 - Composition of the Board of Directors; Page 92 - Arrangements or agreements made with major shareholders, customers, suppliers or others; Page 102 - Regulated agreements / conflicts of interest; Page 104 - Internal Board regulations			

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GOVERNANCE (Continued)

G4-42	Page 65 - Group management and decision-making processes; Page 74 - Corporate Governance structure; Pages 93 and 94 - Preparation and organization of the Board of Directors' work; Page 96 - Board of Director's activities; Page 99 - Composition and activities of the Board Committees; Page 104 - Internal Board regulations			
G4-43	Page 94 - Organization of the Board of Directors' work; Page 96 - Board of Directors' activities			
G4-44	Page 96 - Board of Directors' activities, including Board evaluation; Page 104 - Internal Board regulations			
G4-45	Page 63 - Internal control; Page 104 - Internal Board regulations			
G4-46	Page 63 - Internal control; Page 65 - Risk Management			
G4-47	Pages 93 and 94 - Preparation and organization of the Board of Directors' work; Page 96 - Board of Director's activities; Page 99 - Composition and activities of the Board Committees			
G4-48	Page 109	Page 14 and Company website: www.technicolor.com/corporate-social-responsibility/ethics		
G4-49	Page 63 - Internal control; Page 65 - Risk management; Page 66 - Internal Audit			
G4-50	Page 65 - Risk Management; Page 66 - Internal Audit; Page 96 - Board of Director's activities; Page 99 - Activities of the Board Committees			
G4-51	Page 112 - Compensation policy for corporate officers; Page 116 - Compensation and benefits of corporate officers; Page 126 - Directors' fees and other compensation; Page 127 - Executive committee compensation; Page 128 - Stock option plans and performance or restricted share plans			
G4-52	Page 99 - Composition and activities of the Board Committees, including the Remunerations Committee; Page 112 - Compensation policy for corporate officers; Page 148 - Remuneration policy			
G4-53	Page 112 - Compensation policy for corporate officers; Page 116 - Compensation and benefits of corporate officers; Page 126 - Directors' fees and other compensation			
G4-54			Not available. The organization is evaluating feasibility to progressively publish information in the next reporting cycle	
G4-55			Not available. The organization is evaluating feasibility to progressively publish information in the next reporting cycle	

GENERAL STANDARD DISCLOSURES

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	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

ETHICS AND INTEGRITY

G4-56	Page 64 - Code of Ethics and Financial Ethics Charter	Pages 14 and 15 - Ethical Business Practices; Company website: www.technicolor.com/corporate-social-responsibility/ethics		Principle 10
G4-57	Page 64 - Ethics Compliance Committee	Pages 14 and 15 - Ethical Business Practices; Company website: www.technicolor.com/corporate-social-responsibility/ethics		Principle 10
G4-58	Page 64 - Whistleblower Policy	Page 15 - Whistleblower Policy; Company website: www.technicolor.com/corporate-social-responsibility/ethics		Principle 10

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

CATEGORY: ECONOMIC

MATERIAL ASPECT: ECONOMIC PERFORMANCE

G4-DMA	Page 32 - Summary of results; Page 32 - Results of operations for 2016 and 2017; Page 40 - Liquidity and capital resources; Page 45 - Assumptions 2018; Page 46 - Events subsequent to the closing of 2017 financial statements; Page 182 - Notes to the consolidated financial statements Page 261 - Notes to the parent company financial statements			
G4-EC1	Page 30 - Dividend policy; Page 32 - Summary of results; Page 32 - Results of operations for 2016 and 2017 including revenues, adjusted EBITDA, operating expenses, net finance costs and net income; Page 40 - Liquidity and capital resources; Page 176 - Technicolor 2017 consolidated financial statements; Page 213 - Equity and earnings per share; Page 229 - Employee benefit Page 258 - Technicolor SA parent company financial statements			
G4-EC2	Page 159	Technicolor's answer - Carbon Disclosure Project Website: www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5B-name%5D=TECHNICOLOR		Principle 7
G4-EC3	Page 116 - Compensation and benefits of corporate officers; Page 128 - Stock option plans and performance or restricted share plans; Page 229 - Employee benefit including post-employment & long-term benefits, and share-based compensation plans			
G4-EC4	Page 195 - Research and development expenses and subsidies			

MATERIAL ASPECT: MARKET PRESENCE

G4-DMA	Page 11 - Productions Services; Page 15 - DVD Services; Page 17 - Connected Home; Page 56 - Competition			
G4-EC5			Not available. The Group strictly follows the local legal laws and policies where it operates. Technicolor entry level wage is in line with local policies or above local minimum wage. The organization is evaluating feasibility to progressively publish information in the next reporting cycle	Principle 6
G4-EC6	Page 167	All senior managers at significant industrial locations are hired from the local country or community		Principle 6

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS

G4-DMA	Pages 167 and 171	Pages 68 to 71		
G4-EC7	Page 167 - Local impacts of the Company's activities			
G4-EC8	Page 171 - Educational initiatives	Pages 68 to 71		

MATERIAL ASPECT: PROCUREMENT PRACTICES

G4-DMA	Pages 51, 52 and 54 - Risks related to supply chain and manufacturing, raw material availability and volatility, supplier and key component dependency, and supply chain management; Page 169 - Suppliers and sub-contractor relations	Page 46 and pages 60-61; Company website page on Supplier involvement: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing		
G4-EC9		Due to the nature of the activity, the proportion is almost equal to zero		

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

CATEGORY: ENVIRONMENTAL MATERIAL ASPECT: MATERIALS

G4-DMA	Page 159	Pages 50 to 52 - RoHS EU Directive; Page 53 - Battery treatment; Pages 54 to 56 - REACH regulation; Pages 57 to 59 - Other regions		
G4-EN1	Page 159	Page 72		Principles 7 and 8
G4-EN2			The information is currently not available at consolidated level. For key materials, the organization intends to progressively publish data in the next reporting cycle (such as polycarbonate for DVD products)	Principle 8

MATERIAL ASPECT: ENERGY

G4-DMA	Page 159	Pages 36 and 37 - Energy highlights; Pages 44 and 45 - Energy efficiency related regulation, standards and voluntary agreements; Pages 56 and 57 - Energy related Products (ErP) EU Directive; Pages 57 to 59 - Other regions; Page 73 - Key data and performance		
G4-EN3	Page 159	Pages 72 to 74		Principles 7 and 8
G4-EN4	Page 159		Not available. The organization has identified all material energy sources outside the organization and has begun exchanging on the topics with some key suppliers. Key data will be progressively published in the next reporting cycle, as part of our disclosures on scope 3 emissions	Principle 8
G4-EN5	Page 159	Pages 72 to 74		Principle 8
G4-EN6		Pages 36 to 39; Technicolor's answer - Carbon Disclosure Project Website: www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5B-name%5D=TECHNICOLOR		Principles 8 and 9
G4-EN7	Page 157	Pages 40 to 45 and pages 56 to 59; CDP Website: www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5B-name%5D=TECHNICOLOR		Principles 8 and 9

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: WATER

G4-DMA	Page 159	Pages 37 and 73		
G4-EN8	Page 159	Pages 72 to 74		Principles 7 and 8
G4-EN9			This indicator is not applicable to Technicolor activities, which are not water intensive nor located in areas affected by droughts	Principle 8
G4-EN10	Page 159	Page 72		Principle 8

MATERIAL ASPECT: EMISSIONS

G4-DMA	Page 159 including direct and indirect emissions according to the GHG Protocol (Scope 1, 2 and 3)	Pages 37 to 39 - Carbon footprint and climate change mitigation initiatives		
G4-EN15	Page 159	Page 72		Principles 7 and 8
G4-EN16	Page 159	Page 72		Principles 7 and 8
G4-EN17	Page 159	Pages 37 to 39		Principles 7 and 8
G4-EN18		CDP Website: www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5B-name%5D=TECHNICOLOR		Principle 8
G4-EN19		CDP Website: www.cdp.net/en/responses?utf8=%E2%9C%93&queries%5B-name%5D=TECHNICOLOR		Principles 8 and 9
G4-EN20		Pages 42 to 44		Principles 7 and 8
G4-EN21			Technicolor discloses emissions in CO2 equivalent (G4-EN15)	Principles 7 and 8

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: EFFLUENTS AND WASTE

G4-DMA	Page 159	Page 37 - Waste highlights; Pages 52 to 54 - Waste policies and regulations; Page 73 - Effluents and waste		
G4-EN22	Page 159	Pages 72 to 74		Principle 8
G4-EN23	Page 159	Pages 72 to 74		Principle 8
G4-EN24	Page 158			Principle 8
G4-EN25			This indicator is not applicable to Technicolor. Technicolor does not transport, import, export or treats waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII	Principle 8
G4-EN26			This indicator is not applicable to Technicolor. Technicolor operations are mostly located in urban areas and do not affect environmental sensitive areas, water bodies and related habitats. An inventory was carried out internally to verify that there were no unidentified instances.	Principle 8

MATERIAL ASPECT: PRODUCTS AND SERVICES

G4-DMA	Pages 55 and 157	Pages 40 to 45		
G4-EN27	Page 157	Pages 40 to 45		Principles 7, 8 and 9
G4-EN28			This indicator is not applicable to Technicolor activities, as Technicolor is not involved in Direct-to-Consumer sales or marketing	Principle 8

MATERIAL ASPECT: COMPLIANCE

G4-DMA	Pages 59 and 157	Pages 49 to 59 - Regulatory challenges and key environmental requirements compliance, including EU Directives pages 49 to 57 and requirements for other regions pages 57 to 59		
G4-EN29	Pages 62, 158 and 241			Principle 8

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: TRANSPORT

G4-DMA	Pages 159 and 304	Transport is a material aspect for the DVD Services activity. Technicolor is using logistics to deliver products in the most efficient manner depending on customer delivery imperatives; Company Website: www.technicolor.com/distribute/supply-chain-solutions/transportation-management		
G4-EN30	Pages 159 and 304	Pages 37 to 39		Principle 8

MATERIAL ASPECT: OVERALL

G4-DMA	Page 59 - Environmental risks; Page 143 - Human resources and sustainable development; Pages 154 and 155 - General environmental matters; Page 155 - Programs, systems and activities	Pages 34 to 36		
G4-EN31	Page 158			Principles 7, 8 and 9

MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

G4-DMA	Page 169	Page 46 - Supplier involvement; Pages 60 and 61 - Responsibilities to suppliers; Company website: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing		
G4-EN32		Page 46 - Supplier involvement; Page 73 - Number of supplier audits; Company website: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing	Not available. The organization is evaluating feasibility to progressively publish information for new suppliers in the next reporting cycle	Principle 8
G4-EN33	Page 169	Pages 60 and 61		Principle 8

MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

G4-DMA	Page 156 - Environmental management systems; Page 158 - Environmental investments, remediation, and pollution prevention	Page 59 - Fulfilling environmental responsibilities		
G4-EN34	Page 158 and page 241			Principle 8

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

CATEGORY SOCIAL: LABOR PRACTICES AND DECENT WORK MATERIAL ASPECT: EMPLOYMENT

G4-DMA	Page 51 - Labor force availability; Page 141 - Employees and workforce overview; Page 143 - Human resources and sustainable development; Page 149 - Working time management and absenteeism; Page 169 - Policies and programs to support non-discriminatory practices in the supply chain	Pages 16 to 20 - Workforce evolution and composition; Pages 25 and 26 - Working time management and absenteeism		
G4-LA1	Page 141	Pages 16 to 20		Principle 6
G4-LA2	Page 128 - Stock option plans and performance or restricted share plans; Page 142 - Employee profit-sharing and shares held by employees; Page 229 - Employee benefit including post-employment & long-term benefits and share-based compensation plans			
G4-LA3			Not available. The organization is evaluating feasibility to progressively publish information on parental leave in the next reporting cycle for the main countries in which it operates	Principle 6

MATERIAL ASPECT: LABOR / MANAGEMENT RELATIONS

G4-DMA	Page 149 - Labor relations; Page 151 - International Labor Organization (ILO) and United Nations Global Compact (UNGC)	Pages 30 and 31 - Dialogue with labor unions		
G4-LA4			Not available. The Group strictly follows the local legal laws and policies where it operates. Minimum notice periods will be published accordingly in the next reporting cycle for the main countries where it operates	Principle 3

MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	Page 60 - Health and safety; Page 149 - Working time management and absenteeism; Page 151, including programs related to assisting workforce members, and support given to local communities and employees initiatives	Page 26 - Working time management and absenteeism; Pages 31 to 33 - Health & safety management		
G4-LA5	Page 151	The percentage is 100% in France, and 0% in the United States		
G4-LA6	Pages 149 and 151	Page 26 - Working time management and absenteeism; Pages 73 and 74		
G4-LA7	Page 151			
G4-LA8	Page 151			

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: TRAINING AND EDUCATION

G4-DMA	Pages 49, 60 and 144 - Talent and development; Page 148 - Training policy; Page 156 - EH&S training; Page 167 - Stakeholder relations including educational initiatives; Page 171 - Educational initiatives	Pages 21 to 23 - People development; Page 24 - Training policy; Pages 32 and 33 - Health and safety training programs; Pages 68 to 71 - Specific educational initiatives		
G4-LA9	Pages 144, 148 and 156	Page 24		Principle 6
G4-LA10	Pages 144 and 148	Pages 21 to 24		
G4-LA11	Pages 144 and 148	Pages 21 to 24		Principle 6

MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-DMA	Pages 60 and 144, including principle of non-discrimination, gender diversity, employment and integration of disabled people	Pages 27 to 29		
G4-LA12	Page 74 - Composition and expertise of the Board of Directors; Page 109 - Members of the executive committee; Page 141 for breakdown of employees by gender/age; Page 144 for gender diversity and other diversity initiatives	Pages 18 to 20 and pages 27 to 29		Principle 6

MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA	Pages 60 and 144 - Gender diversity and principle of non-discrimination	Pages 27 and 28 - Gender diversity		
G4-LA13			Not available. The organization is evaluating feasibility to progressively publish information in the next reporting cycle with the pertinent employees' categories	Principle 6

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

G4-DMA	Pages 60 and 169	Pages 60 and 61 - Responsibilities to suppliers; Company website: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing		
G4-LA14		Page 73 - Number of supplier audits; Company website: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing	Not available. The organization is evaluating feasibility to progressively publish information for new suppliers in the next reporting cycle	
G4-LA15	Page 169	Pages 60 and 61		

MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	Pages 60 and 64 - Code of Ethics and Whistleblower Policy; Page 144 - Principle of non-discrimination and whistleblower policy	Page 28 - Principle of non-discrimination and whistleblower policy		
G4-LA16	Page 241			

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

CATEGORY SOCIAL: HUMAN RIGHTS

MATERIAL ASPECT: INVESTMENT

G4-DMA	Page 151 and page 169 related to supplier and sub-contractor relations	Company website page on Supplier involvement (Technicolor Codes of Ethics, Sourcing Policy,...): www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing		
G4-HR1	Page 169	Pages 60 and 61		Principle 2
G4-HR2	Page 64 and page 169	Technicolor's Code of Ethics, Supplier Code of Ethics: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing		Principle 1

MATERIAL ASPECT: NON-DISCRIMINATION

G4-DMA	Pages 60, 144 and 151; Page 169 related to supplier and sub-contractor relations	Pages 27 to 29; Technicolor website: www.technicolor.com/corporate-social-responsibility/human-rights		
G4-HR3	Page 144	Page 28 - Discrimination		Principle 6

MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA	Pages 149 and 151	Pages 30 and 31; Technicolor website: www.technicolor.com/corporate-social-responsibility/human-rights		
G4-HR4	Page 169	Pages 60 and 61		Principle 3

MATERIAL ASPECT: CHILD LABOR

G4-DMA	Page 151 and page 169 related to supplier and sub-contractor relations	Technicolor website: www.technicolor.com/corporate-social-responsibility/human-rights		
G4-HR5	Page 169	Pages 60 and 61; The supplier audits conducted in 2017 revealed no case of child labor or young worker labor		Principle 5

MATERIAL ASPECT: FORCED AND COMPULSORY LABOR

G4-DMA	Page 151 and page 169 related to supplier and sub-contractor relations	Technicolor website: www.technicolor.com/corporate-social-responsibility/human-rights		
G4-HR6	Page 169	Pages 60 and 61; The supplier audits conducted in 2017 revealed no case of forced and compulsory labor		Principle 4

MATERIAL ASPECT: ASSESSMENT

G4-DMA	Pages 60 and 63 - Internal control procedures and audit, including Code of Ethics			
G4-HR9	Page 64 - Code of Ethics			Principle 1

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-DMA	Pages 60 and 169	Page 50 - Conflict minerals; Pages 60 and 61 - Suppliers responsibilities		
G4-HR10		Page 73 - Number of supplier audits	Not available. The organization is evaluating feasibility to progressively publish information for new suppliers in the next reporting cycle	Principle 2
G4-HR11	Page 169	Pages 60 and 61		Principle 2

MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS

G4-DMA	Pages 60 and 64	Page 28 - Principle of non-discrimination and whistleblower policy		
G4-HR12	Page 144	Page 28 - Whistleblower Policy		Principle 1

CATEGORY SOCIAL: SOCIETY

MATERIAL ASPECT: LOCAL COMMUNITIES

G4-DMA	Page 151 - Community outreach and employee initiatives; Page 167 - Stakeholder relations and local impacts; Page 171 - Educational initiatives	Page 33 - Local health and safety initiatives; Pages 68 to 71 - Community involvement		
G4-SO1		Pages 68 to 71 - Community involvement	Not available. Most operations have implemented local community engagement, impact assessments, and development programs. The organization works to progressively disclose information in the next reporting cycle	Principle 1
G4-SO2	Page 167			Principle 1

MATERIAL ASPECT: ANTI-CORRUPTION

G4-DMA	Page 64 - Code of Ethics, Whistleblower Policy, Anti-corruption Policy and Financial Ethics Charter; Page 167 - Stakeholder relations	Pages 14 and 15 - Ethical Business Practices		
G4-SO3	Page 63 - Internal control procedures; Page 64 - Code of Ethics, Whistleblower Policy, Anti-corruption Policy and Financial Ethics Charter			Principle 10
G4-SO4	Page 64 - Code of Ethics and ethics training programs			Principle 10
G4-SO5		No case to report		Principle 10

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

MATERIAL ASPECT: PUBLIC POLICY

G4-DMA	Page 157 - Energy efficiency initiatives; Page 167 - Stakeholder relations including public authorities	Pages 44 to 59 - Involvement in environmental regulations, including European Union pages 49 to 57, and other regions pages 57 to 59		
G4-SO6		The total value is equal to zero		Principle 10

MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR

G4-DMA	Page 62 and page 241 - Litigation related to antitrust procedures			
G4-SO7	Page 62 and page 241 for monetary value			

MATERIAL ASPECT: COMPLIANCE

G4-DMA	Pages 61, 62 and 151			
G4-SO8	Pages 62 and 241			

MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4-DMA	Page 169	Pages 60 and 61		
G4-SO9		Page 73 - Number of supplier audits; Company website page on Suppliers: www.technicolor.com/corporate-social-responsibility/suppliers-sub-contractors-and-responsible-purchasing	Not available. The organization is evaluating feasibility to progressively publish information for new suppliers in the next reporting cycle	
G4-SO10	Page 169	Pages 60 and 61		

MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-DMA	Page 64 - Code of Ethics and whistleblower policy			
G4-SO11	Page 241			

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page/reference		Omissions	United Nations Global Compact Principles
	2017 Registration Document, Externally Assured (page 103; pages 172 to 174; pages 252 to 257; pages 286 to 289)	2017 Sustainability Report, Company Website, Other Sources		

CATEGORY SOCIAL: PRODUCT RESPONSIBILITY

MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY

G4-DMA	Page 157 - Key product environmental and safety requirements compliance	Pages 44 to 59 - Key environmental requirements compliance, including European Union pages 49 to 57, and other regions pages 57 to 59		
G4-PR1	Page 157			
G4-PR2		The organization has not identified any incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle		

MATERIAL ASPECT: PRODUCT AND SERVICE LABELING

G4-DMA	Page 157 - Key product environmental and safety requirements compliance; Page 167 - Stakeholder relations including customers	Pages 40 to 59 - including eco-design principles pages 40 to 49, EU regulations pages 49 to 57, and other regions pages 57 to 59; Pages 62 to 68 - Responsibilities to customers; Page 73 - Customer satisfaction		
G4-PR3	Page 157	Pages 49 to 59 - Key environmental requirements compliance, including EU Directives pages 49 to 57, and requirements for other regions pages 57 to 59		
G4-PR4		The organization has not identified any incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		
G4-PR5		Pages 65-66 and page 73		

MATERIAL ASPECT: CUSTOMER PRIVACY

G4-DMA	Pages 50, 52, 55 and 68 - Security of people and assets, including cyber content security	Page 62 - Customer privacy		
G4-PR8		Technicolor has not identified any complaint regarding breaches of customer privacy and losses of customer data		

MATERIAL ASPECT: COMPLIANCE

G4-DMA	Page 157 - Key product environmental and safety requirements compliance	Pages 49 to 59 - Key product environmental and safety requirements compliance, including EU Directives pages 49 to 57 and requirements for other regions pages 57 to 59		
G4-PR9		Technicolor has not identified any non-compliance with laws and regulations that would result in the payment of significant fines		

D. UNITED NATIONS GLOBAL COMPACT 2017 COMMUNICATION ON PROGRESS

HUMAN RIGHTS	
GLOBAL COMPACT 10 Principles	PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
TECHNICOLOR Program and Policies	Technicolor Code of Ethics, Sourcing Ethics Policy, Environment Health and Safety Charter provide high level guidance on the respect and protection of human rights. The Ethics Compliance Committee (ECC) is responsible for all ethical issues related to the Group's activities. Training and auditing to these policies are the instrument of compliance and performance. Supplier Monitoring and KPIs on labor issues are also in place.
TECHNICOLOR 2017 Actions and Results	<ul style="list-style-type: none"> - The Group revised in 2017 its Code of Ethics to include reinforced or additional sections on inclusion, employee data protection, anti-corruption and bribery, anti-human trafficking and modern slavery in the supply chain, anti-money laundering, respect for the environment, among other topics. The Group's Whistleblower Policy was also revised in 2017; - As part of Technicolor's effort to ensure that employees are familiar with the Code of Ethics and related policies, such as the Whistleblower Policy, the Anti-Corruption & Anti-Bribery Policy, the Sourcing Ethics Policy, or the Data Protection Policy, numerous training programs were implemented by the legal compliance team in concertation with the Ethics Compliance Committee (ECC), including both in-person, WebEx and online courses. These training initiatives were continued through 2017, including training courses focused on the EU Competition-Dealing with Competitors, anti-corruption and anti-bribery regulations and policies, and preventing sexual harassment. Over the period 2010-2017, these training sessions involved more than 10,000 employees; - Occupational Health and Safety training in 2017 totaled some 36,552 hours and were provided to employees and contractors throughout the Group on a wide variety of topics, from environmental and safety compliance and protection, injury prevention, emergency preparation and response, and occupational health topics; - As part of Technicolor's overall commitments to Corporate Social Responsibility, the Group is committed to ensure that minerals contained in its products are sourced with due respect to human rights, the need to avoid contributing to conflicts, and the desire to support developments through our supply chain practices. The Group has implemented a due diligence process by asking its suppliers to conduct investigations in their own supply chain, and to avoid directly or indirectly any use of 3TG minerals originated from conflict-affected countries. In 2016 and 2017, our commitments were confirmed by public statements on Conflict Minerals and on compliance with UK and California anti-human trafficking laws, available on our website; - In 2017, Technicolor also revised its Personal Data Protection Policy to prepare the Group for the European General Data Protection Regulation to be 102 enforced in May 2018. Furthermore, an independent Data Privacy Officer is registered with the French CNIL, an independent administrative authority, whose mission is to protect personal data and preserve civil liberties.

HUMAN RIGHTS	
GLOBAL COMPACT 10 Principles	PRINCIPLE 2: make sure that they are not complicit in human rights abuses
TECHNICOLOR Program and Policies	Technicolor Code of Ethics, Sourcing Ethics Policy, Environment health and safety charter, Supplier Monitoring and KPIs on labor issues.
TECHNICOLOR 2017 Actions and Results	- Technicolor is a member of the Responsible Business Alliance (formerly EICC) since 2014 and complies with its latest Code of Conduct (version 6.0 which was ratified in 2017 and went into effect Jan. 1, 2018) to ensure that working conditions in the electronics industry and its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. With more than 110 members, RBA is a non-profit, recognized coalition of electronics companies that are committed to supporting the rights and well-being of workers and communities worldwide affected by the global electronics supply chain. RBA members commit and are held accountable to a common Code of Conduct and utilize a range of RBA training and assessment tools to support continuous improvement in the social, environmental and ethical responsibility of their supply chains.



LABOR	
GLOBAL COMPACT 10 Principles	PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
TECHNICOLOR Program and Policies	HR regional correspondents are responsible for ensuring that the group's HR policy is in line with national regulations, most notably with respect to social dialogue, freedom of association and the right to collective bargaining.
TECHNICOLOR 2017 Actions and Results	- In accordance with domestic laws, data regarding the level of unionization is not available in most of European countries (the laws in these countries do not allow this type of statistic to be published). In 2017, Technicolor entered into 31 collective bargaining agreements in Australia, Belgium, Brazil, Spain, France, Italy, Mexico.

LABOR	
GLOBAL COMPACT 10 Principles	PRINCIPLE 4: the elimination of all forms of forced and compulsory labor;
TECHNICOLOR Program and Policies	Code of Ethics, Sourcing Ethics Policy, Supplier Audit program, RBA Code of Conduct, with a specific audit scope and focus on suppliers in countries with a relatively high potential for adverse human rights issues. All suppliers are required to sign a General Rules of Conduct Compliance Certificate. Audits revealing employee discrimination, forced labor, safety violations, permanent disabilities or fatal injuries are classified as "major," and require immediate corrective action.
TECHNICOLOR 2017 Actions and Results	- In 2017, 22 supplier audits were performed at key active electronics manufacturing partners, aligned with the SA8000 standard. These audits revealed no case of forced or compulsory labor.

LABOR	
GLOBAL COMPACT 10 Principles	PRINCIPLE 5: the effective abolition of child labor; and
TECHNICOLOR Program and Policies	Auditing of suppliers: during the audit process, instances of child labor are classified as critical and entail an immediate stoppage of business.
TECHNICOLOR 2017 Actions and Results	- In 2017, 22 supplier audits were performed at key active electronics manufacturing partners, aligned with the SA8000 standard. These audits revealed no case of child labor or young worker labor.

LABOR

GLOBAL COMPACT 10 Principles	PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.
TECHNICOLOR Program and Policies	A global plan for Diversity and Inclusion was launched in 2015 and reinforced in 2016 and 2017. The objective of this plan is to improve globally our processes to ensure that practices are not discriminatory at any stage in the Group, but also to promote a mindset of openness and inclusiveness globally, and a willingness to bring support and assistance to persons or groups who may be under-represented compared to their regional demographics. The 4 key areas of the plan are gender diversity, disability, aging, and ethnicity.
TECHNICOLOR 2017 Actions and Results	<ul style="list-style-type: none"> - During 2017, at the Group level, work focused on action planning and internal communication and awareness building, while several business units launched programs and networks related to diversity and inclusion in alignment with their workforce requirements; - In several countries, managers and supervisors are provided legal awareness training sessions about anti-harassment and non-discrimination. In addition to the role of the management, detection of discrimination cases also relies on the Whistleblower Policy allowing any employee to confidentially disclose their situation or the situation of a co-worker, without fear of publicity or adverse reaction. Overall, twenty-six cases of discrimination and harassment were reported in 2017; - On the gender diversity front, actions were put in place through a full range of processes in order to better balance gender diversity and increase the ratio of women in business roles, management levels and leadership pipeline. In 2017, local initiatives to promote gender diversity were encouraged in India, France, the UK and Poland; - On the inclusion front concerning disabled people, beyond the legal requirements when they exist, Technicolor strives to adapt its working places, including factories, to provide equal employment opportunities with no discrimination against disabled people with regard to hiring, training, allocation of work, promotion, or reward, and seeks to eliminate employment barriers and to accommodate disabled employees. In France, agreements were signed in 2016 with labor representatives in support of Technicolor's 'Mission Handicap - France' program. In 2017, several events and initiatives were proposed on the different French sites to encourage new perceptions around the theme of Handicap. Other initiatives continued in 2017 also in Canada, Australia, the UK, and in Poland.

ENVIRONMENT

GLOBAL COMPACT 10 Principles	PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges.
TECHNICOLOR Program and Policies	Environment, health and safety charter, hazardous substances control in products and systems. Participation to Carbon Disclosure Project (Climate Change).
TECHNICOLOR 2017 Actions and Results	<ul style="list-style-type: none"> - In 2017, Technicolor participated for the tenth consecutive year in the Carbon Disclosure Project, targeting collaboration between large international firms and investors related to global warming. Technicolor's answer is available on the CDP's website: http://www.cdproject.net; - Technicolor carefully monitors all relevant pieces of legislation worldwide which stem from a precautionary approach to environmental challenges (e.g. Reach, RoHS in Europe, etc.). For complete details, please see Chapter B.8 of this sustainability report.

ENVIRONMENT

GLOBAL COMPACT 10 Principles	PRINCIPLE 8: undertake initiatives to promote greater environmental responsibility; and
TECHNICOLOR Program and Policies	Environment Health and Safety Charter, Policies and Guidelines, Audit program in place at industrial locations, Corporate goals, RBA Code of Conduct. Carbon Disclosure Project participant. Compliance and monitoring on Hazardous Substances in products or systems, ISO 14001 certification at industrial locations matching some risk criteria.
TECHNICOLOR 2017 Actions and Results	<ul style="list-style-type: none"> - In 2017, a total of 6 sites held ISO 14001 certifications; - As part of our objective of auditing each industrial location at least every three years, four locations were audited in 2017. As a result of these audits, potential improvement items were identified and evaluated, and more importantly, appropriate action plans were developed.



ENVIRONMENT	
GLOBAL COMPACT 10 Principles	PRINCIPLE 9: encourage the development and diffusion of environmentally friendly technologies.
TECHNICOLOR Program and Policies	Life Cycle Analysis (LCA), Eco-design, Energy efficiency of devices and systems.
TECHNICOLOR 2017 Actions and Results	<ul style="list-style-type: none"> - Technicolor started to implement Eco-design guidelines in 2008 and has long taken a positive stance towards environmental issues in the development, manufacture, use and ultimate disposal of its products. The Group is an active contributor to voluntary initiatives, including the EU Codes of Conduct on Energy Efficiency of Digital TV Service (DTV) and Energy Consumption of Broadband Equipment (BB), the EU Industry Voluntary Agreement to improve energy consumption of Complex Set-Top Boxes (CSTB), and more recently the US Voluntary Agreements for Ongoing Improvement to the Energy Efficiency of Set-Top Boxes (STB), and for Ongoing Improvement to the Energy Efficiency of Small Network Equipment (SNE); - In the Americas, in Australia, in Asia, in Africa, and in the same manner, Technicolor monitors and follows environmental regulations and standards; - In the United States for example, most of Connected Home STB models marketed in U.S. meet the Energy-Star STB energy efficiency levels; - In Europe, Company reporting for 2017 demonstrates that Technicolor achieved the power consumption targets respectively set by the Code of Conduct for Broadband Equipment, and the Voluntary Industry Agreement on Complex Set-Top Boxes.

ANTI-CORRUPTION	
GLOBAL COMPACT 10 Principles	PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.
TECHNICOLOR Program and Policies	Code of Ethics, Financial Ethics Charter, Anti-Corruption & Anti-Bribery Policy, Sourcing Ethics Policy, Technicolor Supplier Ethics Handbook, RBA Code of Conduct, Supplier Monitoring and KPIs.
TECHNICOLOR 2017 Actions and Results	<ul style="list-style-type: none"> - In 2017, the Group revised its Code of Ethics and its Anti-Corruption & Anti-Bribery Policy to include reinforced or additional sections, including sections on anti-corruption and anti-bribery, anti-money laundering. The Group's Whistleblower Policy was also revised in 2017; - A Chief Compliance Committee (CCO) has been appointed in 2017 and supports the implementation of ethics rules and policies defined in accordance with applicable regulations. The CCO is also the Secretary of the Ethics Compliance Committee (ECC); - As part of Technicolor's efforts to ensure that employees are familiar with the Code of Ethics and related policies, such as the Whistleblower Policy, the Anti-Corruption & Anti-Bribery Policy and the Sourcing Ethics Policy, numerous training programs were implemented in the past years by the legal compliance team in concertation with the Ethics Compliance Committee (ECC), including both in-person, WebEx and online courses; - Over the last few years, amongst other Ethics training courses, members of the finance community completed the Global Financial Fraud Prevention course. During that same time, online training courses focused on the EU Competition-Dealing with Competitors, anti-corruption and anti-bribery regulations and policies, and preventing sexual harassment. The Americas population has received training on anti-bribery, competition, anti-corruption, business communications, addressing employee concerns, and fraud prevention. In-person training and preparation meetings took place with key managers in 2017, focusing on the evolution of anti-corruption and anti-bribery policies based on the requirements of French anti-bribery Loi Sapin II. In addition, over the past years, several in-person trainings took place in Mexico, India and China on various aspects of the Company's Code of Ethics; - The comprehensive Technicolor commitment to prevent corruption, formalized in our Anti-Corruption & Anti-Bribery Policy, seeks to not only comply with the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption and anti-bribery regulations like the French Criminal Code, but to avoid even the appearance of questionable conduct in connection with Technicolor operations. The new Anti-Corruption & Anti-Bribery Policy which was issued at the end of 2017, includes a practical guide to anti-bribery. Several specific policies (notably targeting third parties such as agents) have been reviewed and background check processes for certain third parties were put in place. The issuance of the new Anti-Corruption & Anti-Bribery Policy was followed by an all-group message from the CEO, and a campaign of e-training and physical trainings will follow in 2018.

ACRONYMS

- **ADSL:** Asymmetric Digital Subscriber Line
- **AFEP:** Association Française des Entreprises Privées (France)
- **BAT:** Best Available Technology
- **BB:** Broadband Equipment
- **BU:** Business Unit
- **CCO:** Chief Compliance Officer
- **CD:** Compact Disc
- **CDP:** Carbon Disclosure Project
- **CE:** Consumer Electronics or Conformité Européenne (for CE marking)
- **CFSI:** Conflict Free Sourcing Initiative
- **CFSP:** Conflict Free Smelter Program
- **CMRT:** Conflict Mineral Reporting Template
- **CNIL:** Commission Nationale de l'Informatique et des Libertés (France)
- **CoC:** Code of Conduct
- **CoC BB:** Code of Conduct for Broadband Equipment
- **COP:** Communication on Progress (Global Compact)
- **CPE:** Customer Premise Equipment
- **CPI:** Continuous Process Improvement
- **CSR:** Corporate Social Responsibility
- **CSTB:** Complex Set Top Box
- **DE:** Digital Europe
- **DMA:** Disclosures on Management Approach (GRI)
- **DMP:** Digital Matte Painting
- **DOE:** Department of Energy (US)
- **DSL / ADSL / VDSL:** Digital Subscriber Line / Asymmetric DSL / Very-high-bit-rate DSL
- **DTV:** Digital TV
- **DVD:** Digital Versatile Disc

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- **EC:** European Commission
 - **ECC:** Ethics Compliance Committee
 - **EEE:** Electrical and Electronic Equipment
 - **ECHA:** European Chemicals Agency (EU)
 - **EH&S:** Environment, Health & Safety
 - **EICC:** Electronics Industrial Citizenship Coalition (US)
 - **EIME:** Environmental Information and Management Explorer tool
 - **EMEA:** Europe/Middle East/Africa region
 - **EMS:** Environmental Management System or Electronic Manufacturing Service
 - **EOL:** End of Life
 - **EPA:** Environmental Protection Agency (US)
 - **EPS:** External Power Supply
 - **ErP:** Energy related Products (EU Directive), previously EuP (Energy using Products)
 - **ETM:** Early-To-Market
 - **EU:** European Union
 - **EXCOM:** Executive Committee
 - **FCPA:** Foreign Corrupt Practices Act (US)
 - **FX (or VFX):** Visual Effects
 - **GeSI:** Global e-Sustainability Initiative
 - **GHG:** Greenhouse Gases
 - **GRI:** Global Reporting Initiative
 - **GW:** Gateway or Global Warming
 - **HD:** Hard Drive or Hard Disk Drive
 - **HW:** Hardware
 - **ICT:** Information and Communications Technology
 - **IEC:** International Electrotechnical Commission
 - **ILO:** International Labor Organization

- **INRIA:** Institut National de Recherche en Informatique et en Automatique (France)
- **IoT:** Internet of Things
- **IP:** Intellectual Property or Internet Protocol
- **ISO:** International Organization for Standardization
- **KPI:** Key Performance Indicator
- **LAN:** Local Area Network
- **LCA:** Life Cycle Analysis
- **LTE:** Long Term Evolution (a high-speed wireless communication standard for mobile phones and data terminals)
- **MCOM:** Management Committee
- **MEDEF:** Mouvement des Entreprises de France (France)
- **M&E:** Media & Entertainment
- **MIIT:** Ministry of Industry and Information Technology (China)
- **MPC:** The Moving Picture Company (Technicolor)
- **MSO:** Multiple System Operator
- **MVPD:** Multichannel Video Programming Distributor
- **NSP:** Network Service Provider
- **ODM:** Original Design Manufacturer
- **OECD:** Organization for Economic Co-operation and Development
- **OEM:** Original Equipment Manufacturer
- **OTT TV:** Over-the-Top TV
- **PEC:** Priority Existing Chemicals (Korea)
- **PEP:** Product Environmental Profile
- **PVC:** Polyvinyl Chloride
- **QA:** Quality Assurance
- **RBA:** Responsible Business Alliance
- **RCOI:** Reasonable Country of Origin Inquiry

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- **REACH:** Registration, Evaluation and Authorization of Chemicals (European Commission)
 - **RED:** Radio Equipment Directive (Europe)
 - **R&TTE:** Radio and Telecommunication Terminal Equipment
 - **RMD:** Resource Material Depletion
 - **RMI:** Responsible Minerals Initiative
 - **RoHS:** Restriction of the Use of Certain Hazardous Substances (Europe)
 - **RRR:** Repair, Reuse and Recycle
 - **SD:** Sustainable Development
 - **SEC:** Securities and Exchange Commission (US)
 - **SME:** Small and Medium-sized Enterprises
 - **SNE:** Small Network Equipment
 - **STB:** Set-Top Box
 - **SVHC:** Substances of Very High Concern
 - **SW:** Software
 - **TSO:** Technicolor Security Office
 - **UHD:** Ultra High Definition
 - **UN:** United Nations
 - **UNGC:** United Nations Global Compact
 - **VDSL:** Very-high-bit-rate Digital Subscriber Line
 - **VFX:** Visual Effects
 - **VIA:** Voluntary Industry Agreement
 - **WAN:** Wide Area Network
 - **WE:** Water Eutrophication
 - **WEEE:** Waste Electrical and Electronic Equipment (EU Directive)
 - **WT:** Water Toxicity

EXTENSIVE WORLDWIDE PRESENCE



Vancouver

Los Altos

Mexico

Rennes

Piaseczno

Beijing

Hollywood

New York

Manaus

London

Toronto

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Guadalajara

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Montreal

Bangalore

Melbourne

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