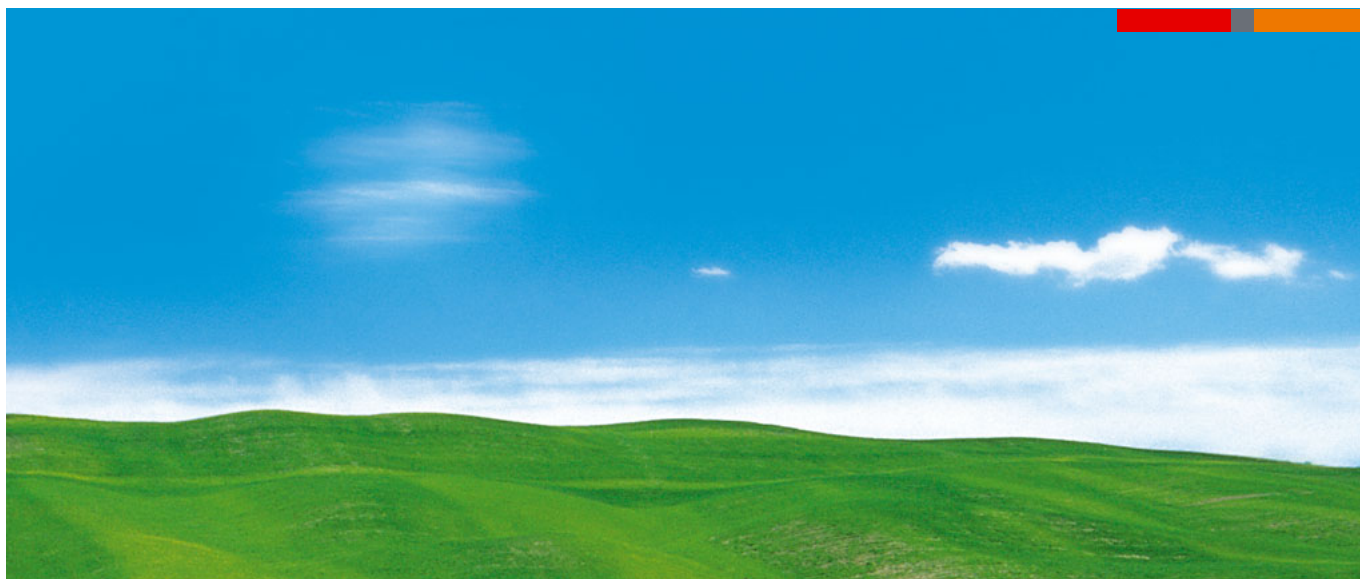


Responsible growth



CORPORATE RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT



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France Telecom, a reference among Europe's telecommunications services providers

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Because France Telecom is both a provider of telecommunications services and a network operator, the Group develops a whole new world of solutions for communication, information, leisure, designed for every day life as well as services to companies. The company's goal is to meet the expectations of all its customers – be they the general public, professionals, companies (small and medium enterprises, as well as multinationals), local governments or administrations – in any type of situation (when travelling, working at home or at the office), and whatever the network or terminal.

As a support to these missions, which aim at giving access to a new generation of services,

France Telecom launched in June 2005 the three-year programme NExT (2005-2008) for a "New Experience of Telecommunications". The goal is to implement an integrated strategy based on the orientations given by the Board of Directors. This programme has an impact on all the levels of the company and involves all the employees of the Group. It strengthens the company's culture by striving constantly for better operational performances. The Group aims at being the reference in terms of innovation, quality of service and economic results.

For further information:
www.francetelecom.com

Foreword

This report deals with the Group's global performances. The perimeter covered amounts to close to 95% of the employees and almost 85% of the company's turnover. The recommendations of organizations such as the Global Reporting Initiative (GRI)* or the AA 1000* network have been integrated, as well as the guidelines of the OECD*. The indicators chosen were selected according to the impacts the Group can have because of its activities on territories where it operates. The referential framework of the Group is composed of all these indicators which mirror the priorities defined for France Telecom's Corporate Social Responsibility policy. All the information given in this document has been controlled by external statutory auditors (see page 48).



Message from Didier Lombard

Didier Lombard

Chief Executive Officer of France Telecom

Corporate Social Responsibility (CSR) means having a broad vision of one's own responsibilities towards one's employees. Concretely, this means: more responsibilities, more commitments... and more risks, too. It means being able to handle all the possible contradictions that can exist between the various actors involved.

Innovation is therefore France Telecom's answer to its employees expectations; this is why it lies at the heart of the company's ambition for "responsible growth".

Over the years, France Telecom has repeatedly shown, thanks to its products and solutions, the importance of the social role of the company for those who use its products, for all the territories the company's services cover, but also for those who belong to the company and make it what it is, day after day. France Telecom's contribution to Sustainable Development is based on this observation. To be competitive, the Group must improve its short and long term economic, social, as well as environmental results at the same time; and the only way to do so is to ensure strong and fair engagement with its employees.

The objectives of France Telecom's new strategy "NexT" – the major event of 2005 for the company – precisely places CSR in each and every one of the levels and functions of the Group:

- Through the assessment of France Telecom's global economic, social and environmental performance carried out thanks to a company-wide network.
- Through solid reporting and management processes either based on an acknowledged referential framework, on specific indicators adapted to the Group's impacts, on a quality-of-service referential framework, or on tools dedicated to informing and training the employees on the issues at stake when it comes to CSR.

Innovation is therefore France Telecom's answer to its employees expectations; this is why it lies at the heart of the company's ambition for "responsible growth".

A stylized handwritten signature in black ink, appearing to read 'Didier Lombard'.

Corporate Social Responsibility at the heart of France Telecom's performances

The Group not only seeks to meet legal and contractual requirements through its Corporate Social Responsibility policy. Because it is integrated in France Telecom's global strategies, CSR remains coherent with the Group's evolution and contributes to improving its performances.

2005 Results

Major actions and stakes ⁽¹⁾	Realization	Page
ETHICS		
■ Make ethics trainings available throughout the Group and continue to raise the employees awareness with regard to Corporate Social Responsibility	😊	4
■ Set up a network of ethics correspondents	😊	4
■ Set up a whistle-blowing system	😊	4
GOVERNANCE		
■ Assess how the Board of Directors and its committees operate	😊	5
■ Adapt the Info'Attitude Code to local laws and develop it outside France	😊	5
■ Supervise at the corporate level the deployment of the networks and Information Systems	😐	5
MANAGEMENT OF CSR		
■ Define Group-wide policies integrating the CSR and SD* issues at stake in France Telecom	😊	7
■ Develop a reporting tool for CSR and SD* data Group-wide	😐	7
■ Attain 74% coverage of the purchases made at the corporate level through the QREDIC® system	😊	9
■ Put online the "Quality of the French network" dashboard	😐	11
■ Definition of fundamental commitments to the customer	😐	10
■ Implement the act : management programme	😐	17
■ Develop a Sustainable Development evaluation tool for the Group's solutions	😊	23

(1) In 2005, France Telecom achieved most of the objectives it had set in 2004

Interdependent Stakes...



...in favour of "A responsible growth"

Creating value for the employees

France Telecom's CSR policy is founded on the values and principles described in the Group's Code of Ethics, on the governance designed to promote efficiency, as well as on a strategy focused on innovation and aiming at reaching a certain balance between economic competitiveness and social progress. By identifying and taking into account the central issues

at stake for "responsible growth", the Group can justify, today and tomorrow, the validity of its strategy, responsible behaviour, respect of laws, commitments, as well as the economic, social and environmental impact of its activities.

Reinforcing the company's culture

Thanks to the adaptation of the Group's Code of Ethics to the different types of activities and specialties, the rules of governance, as well as the Group's policies, the different units of France Telecom can share a common vision of the issues at stake for the Group's strategy. Day after day, each member can experience a greater sense of belonging to the Group, a better understanding of its objectives and a greater commitment to its development.

The Group's values

Major advances – involving all the entities of the Group – have been made in 2005 regarding the values which reflect the most the principles of behaviour and actions followed by France Telecom towards its employees. Responsibility, proximity, collaboration, and help, innovation... These are central elements in France Telecom's new positioning. In 2006, the Group has chosen to make its brand evolve towards a stronger corporate identity and, even more so, towards a better appreciation of the company's central forces: the employees as the major actors of the company's development and success, the creation of innovative solutions which meet the specific needs of the customers, the profits used to promote economic and social development, to live up as much as possible to the employees expectations.

Flashback...

The Group's founding ethical principles

Since 2003, France Telecom defined basic ethical principles that must be followed by all of its employees. In its Code of Ethics, the Group expresses its responsibility and respect towards its employees, and its involvement in favour of Sustainable Development through its present and future activities. Its commitment is summed up in this message: a professional ethics in favour of a "responsible growth". This Code of Ethics was adapted to the Group's different activities, or to the sphere of influence the different entities belonged to (Orange, TP...) and the departments concerned (purchasing, sales, human resources...). The Ethics Committee, which is composed of three members directly appointed by the President, is in charge of organizing the promotion of this Charter, advising all the entities on how to abide by it; examine confidentially the cases presented to the Committee. An annual report is given to the Group's President, as well as the Compensation, Nominating and Governance Committee.

Ethics

In 2005, the Ethics Committee held 4 meetings. In its annual report, the Committee stresses, among other elements, on its continuous actions to promote better information and encourages people to become acquainted and adhere to the company's commitments, at all levels in the company. It also underlined the importance of the assessments of the initiatives. Thanks to these actions, 10,000 executives were informed of the principles of behaviour and actions described in the Code, and concrete examples were given to illustrate and comment on them. After being informed on those subjects, these employees are expected to raise their teams' awareness in return.

In conformance with the Sabarnes Oxley Act*, a whistle-blowing system has been launched in January 2005. Any employee can thus report facts he or she is aware of that could be an offence against the law, or that could jeopardize the company and put its legal or financial responsibility in danger.

Governance rules

Any transformation of the Group aims at one thing: reinforcing France Telecom's culture in favour of good governance, efficient internal control and satisfactory operational performances. These transformations have impacts at all the levels of the company and for all the employees, and result directly from the strategic orientations taken by the Board of Directors. In 2005, the Group's governance processes were reinforced to ensure, among other things, that the Group is run in conformance with its strategic objectives.

A new management organization to boost the Group's transformation

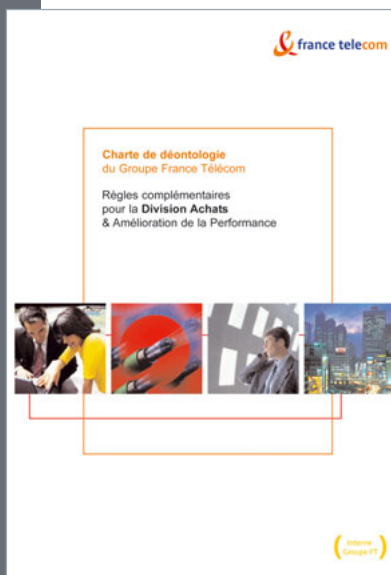
In June 2005, the Group announced its new strategic plan, Next (see contents). Since January 2006, in order to see to the accelerated transformation of the Group, a new organization was set up. The number of members of the managing team decreased (9 people instead of 23, so that they could work more closely with the President), while their roles were more clearly identified, in order to simplify decision-making and the reporting.

The internal control's constant improvements

Various committees report to the Board of Directors (see reporting chapter page 49) and play a central role when transformation programmes are implemented within the Group. In 2005, the internal financial control processes were improved by the operational managers, by activity and by function.

An Ethics network serving the Group's compliance with its CSR policy

- The organization of the Group by country is taken into account in the strategy, so that the local cultures and legislations are respected in the countries where the Group operates.
- The specific risks of certain activities are taken into account: for instance, specific behaviour guidelines were defined for the employees dealing with customers or suppliers.
- Approximately 100 Ethics Correspondents – which are part of the Ethics network – ensure that these guidelines are followed on a daily basis by the employees, and contribute to constantly raising people's awareness regarding the issues at stake for the Group in terms of CSR.



the Information System and the networks, the security of the organization and the processes, as well as a good collaboration between the different teams which constitute the network.



In 2005, the “Info’Attitude” code was defined as part of the Group’s internal rules. The stakes and rules to be followed are highlighted. This code has been adapted to local laws and cultures which prevail in the entities outside France. Regarding the governance network, in order to ensure the passage from an access to the network to an access to services, transverse operational structures were set up (NPG - Network Planning Group, which are in charge of developing the network in Europe) to implement and coordinate the convergence of the different networks.

“To France Telecom, Information Security is both a social duty and a stake for the company”

Such processes cover several areas: operational performances, quality of the networks and services, policies of the Group, notably in terms of Human Resources or information security. Strong synergies are therefore required within the Group, as well as an effective audit organization.

A dedicated department for internal control (150 skilled auditors) was therefore set up in 2005, and France Telecom has been formalizing more and more guidelines for the financial and accounts internal control, in terms of methods, but also in terms of implementation within the Group.

Security, a strategic stake

Security issues affect several levels of the Group: financial information, reliability of the networks, fight against any type of fraud... Securing information resources involves ensuring the physical security of the installations, the logistic security of

Regarding the governance of the Information System, in order to ensure good performances and “time to market”, common rules were defined for all the entities of the Group in order to level out the practices between them thanks to centralized technical competences.

Finally, in terms of insurance, the number of risk audits on the important sites of the Group has increased (UK, Poland...).

Through this approach, a preventive attitude is promoted: the efficiency of these audits is checked, and significant savings are often made. The Management of the Insurance Department was reorganized to be able to focus on its major activities and better adapt its practices to the international dimension of the Group.

Day after day, improving the management of CSR

By strengthening the Group's culture, France Telecom enables its employees to understand and abide by a professional ethics, as well as have better insight into the Group's operational principles. Thanks to this approach, the employees are also given more responsibility in the implementation of Corporate responsibility values. The customers, on their part, enjoy a better quality of service, and general but also local needs and expectations are also given more attention.

The Group's Commitments

For several years, France Telecom has committed itself to principles that promote Sustainable Development. Through the ETNO*, the Global Compact*, the GeSI*..., a constant dialogue is maintained with other actors, notably best practices sharing. General decisions and policies can also be defined and implemented.

In 2005, the Group continued to develop partnerships with NGOs, such as the UNICEF (see page 38) or the WWF (see page 45) and to maintain its joint action with TSF (see page 34). At the local, national and international levels, the Group consults on a regular basis the institutions, the public authorities, organizations, associations, labor-management committees (Club Entreprises), etc. By participating in work groups, France Telecom can take part in a global trend towards a continuous improvement that takes into account the global issues at stake for Sustainable Development.

France Telecom has therefore committed itself to the United Nations' Decade of Education for Sustainable Development, and participated to the WSIS (World Summit on the Information Society) held in Tunis in November 2005. The Group also joined the MPPI (Mobile Phone Partnership Initiative)* which was launched in 2002 during the Conference of the Parties (Basel Convention*).

Thanks to this organization, France Telecom can share its experience in the collection of used mobile telephones on the Group's major markets and the reconditioning – these renovated devices will then be resold in developing countries

When participating to MPPI meetings, France Telecom realized how complex it is to combine a sheer environmental policy with an economic and social one aiming at reducing the digital divide and fighting against poverty.

The Management Methods Implemented in the Group

The actors in charge of implementing the CSR policy within the Group are given missions that enable them to cover all the activities of the Group, its various businesses and its international, national or local commitments.

It is up to every single employee to implement the top management's guidelines in terms of CSR, in order to contribute to the Group's achievement of its objectives set to perform its activities in a sustainable way. Every employee regularly evaluates the economic, social and environmental progress made at the level of the employee's perimeter. Every single employee takes part in the global reporting of the Group, and in the sharing of best practices by communicating their data on a regular basis.

Management methods are tested on pilot sites before they are implemented globally. A whole range of different actors are chosen to test them, so that they can be adapted to the entities' characteristics. They give a framework to the various actors involved in CSR and SD* by setting common objectives:

- a reference is given to pilot and measure the performances of the CSR policy, and a reporting tool is deployed in most of the entities of the Group (see page 7);
- an evaluation grid on the impacts of France Telecom's products and services is currently being deployed (see page 23);
- a tool to ensure the management of HSE (Health, Safety & Environment,) is also used (see page 45);

Flashback...

France Telecom's CSR approach

Since 2003, the Group's policy is managed by the General Secretary who is a member of France Telecom's Executive Committee. A CSR Steering Committee committee, which represents the entire Group's entities, ensures that the CSR policy remains coherent and that it is correctly deployed. The CSR Delegate manages and coordinates the network which is composed of the Sustainable Development Managers, who are appointed in each entity of the Group to take into account the impacts of the activities while keeping in mind the local specificities. They also continuously check that action plans are correctly implemented at the regional level.

- processes tackling the management of product end-of-life are used as a response to the WEEE European directive (Waste of Electric and Electronic Equipment) (see page 43);
- a tool to assess the suppliers' performances, QREDIC® is also available (see page 9).

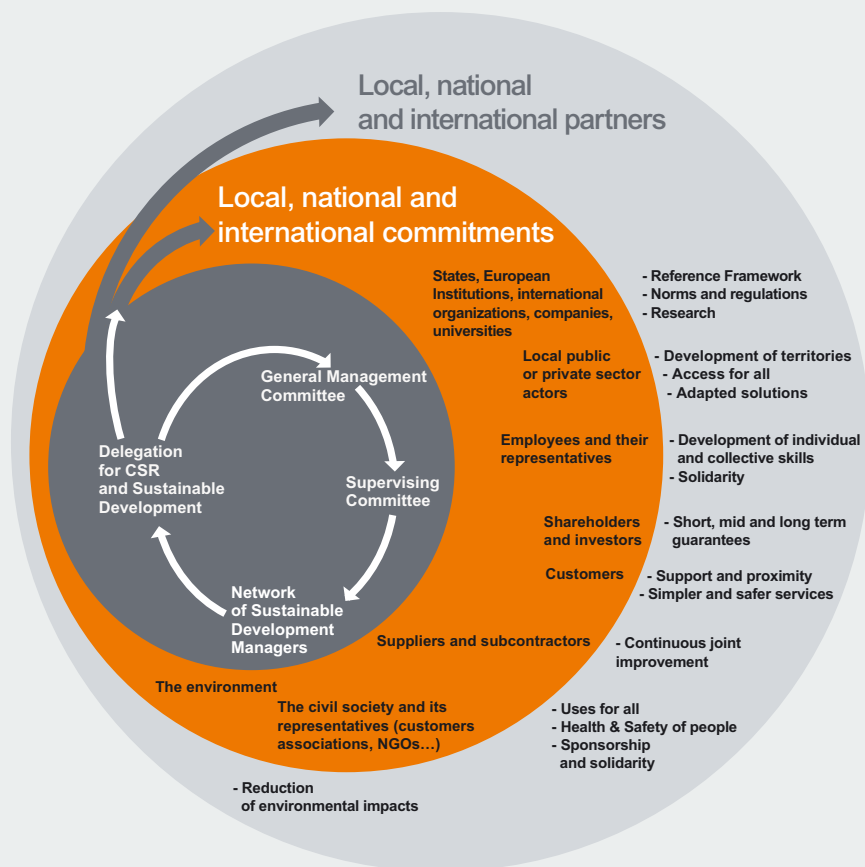
By implementing its CSR and SD* policy through a network, the Group can integrate its CSR objectives into every level and policy of the company (ethics, security, Human Resources, health & safety, the environment, corporate citizenship, help to disabled people...).

In 2005, the Group's health and safety policy was thus validated in July, the Mission Handicap was acknowledged as a corporate mission in October, and the major action plans of the corporate citizenship policy were extended to the whole Group...

Evaluating the Company's global performance

In 2005, a new tool was selected to pilot and evaluate the Group's CSR policy. France Telecom chose the application Indicia, edited by Ivalua, to give the whole Group a common reference framework. Indicators are categorized according to the expectations of our various employees. Thanks to this tool, which is available online since 2006, the 1000 employees concerned are able to enter their data and have it validated. This information can be consolidated at any level: subsidiary, country or functional entity.

A network organization...



Interview Michel Ricard



A biologist specialized in ecology and the biology of populations, Michel Ricard is a professor and the chairman of the French National Committee for the United Nations' Decade of Education for Sustainable Development (2005-2014).

In June 2006, the Committee will organize an international meeting to define the "national action plan for France that will be developed as part of the Decade of Education for Sustainable Development." Our primary action will be to take stock of the most representative initiatives taken by all the actors concerned by Sustainable Development today. Concrete, feasible missions will then be defined for all the actors involved in the society: the State, the local authorities, the civil society and the companies.

More often than not, when people think of education to Sustainable Development, what comes to mind is formal education (like schools). Yet, school is absolutely not the only entity concerned here. Informal and non-formal training in parallel to official programmes is central: through the media, who are still too silent when it comes to Sustainable Development issues, or the companies, who also have great influence on a large number of people, be they customers or employees.

"Thanks to their activities, the companies create links between the producer of goods and the customer. This is why they must integrate their action within the City."

However, companies must bear this in mind: they will have to carry this mission out with honesty. The slightest commercial ambiguity will make them lose their credibility. The lois NRE* have been the starting point of a new kind of reporting, that of the economic, social, environmental impacts of companies. Today, the area of discussion has gone broader, and what is most at stake now is the future of our children.

*Lois NRE or Nouvelles Régulations Economiques: those French laws, passed in 2002, make it compulsory for CAC40 companies (those listed in the French Stock Exchange) to publish the global economic, social and environmental impacts resulting from their activity.

Informing and training France Telecom's employees

Informing the Group's internal and external publics is essential to France Telecom's CSR policy. Concretely, it means clearly explaining the choices made by the company and putting into perspective their local adaptations. In 2005, the effort to inform and train was intensified.

Publications

Several documents have been published: the annual report entitled "Responsible Growth", the brochure called "France Telecom, participant in the Global Compact", the leaflet entitled "The Group's Code of Ethics"... Internet and Intranet pages are also available and contain more and more information on those issues. Multimedia subjects are progressively proposed to the employees of the Group's subsidiaries.

Sharing and acknowledging best practices

On the intranet pages dedicated to CSR and SD*, a special section is devoted to the initiatives launched by the Group's subsidiaries/units, along with a file of the best practices of other companies or associations with common interests. Via the Group's intranet, this review of these initiatives will be available to most of France Telecom's entities in 2006. Certain initiatives have even been awarded prizes. The R&D department of France Telecom has thus launched the Sustainable Development Innovation Prize (see the Pangoo service, page 33). The first "Challenge for the environment" has also been organized to encourage innovative environmental practices, like recycling polystyrene, reels of jumper or paper and cardboards (see page 46).

Dedicated campaigns

In the field of mobile telephony, thanks to various internal and external documents and tools, a campaign to raise people's awareness regarding noise annoyances has been conducted in France and the UK. Guides to promote the good use of terminals by children have also been edited: in the UK, "Mobile Phone: What parents need to know?"; in France, under the patronage of the AFOM (French Association of Mobile Operators), "Your child and mobile phone" (see page 24).

Specific trainings

Because the company wants to take into account the identified stakes and risks in its activities, specific trainings have been organized in France. These programmes will be available within the Group in 2006. Ethics correspondents, buyers, sales representatives... have also attended dedicated training sessions. France Telecom's main managers have participated

in specific courses given at the Group's University. Special efforts are being made to raise people's awareness regarding the assessment of the impacts which the Group's services can have in terms of Sustainable Development (see page 23). Seminars have also been designed on the implementation of Environmental Management Systems (EMSs) (see page 45).

The Group's policy for responsible purchasing

More than merely contractual, France Telecom's relationship with its suppliers is based on a system of assessment of their economic, social and environmental performances. This approach enables the Group to get an idea of the products and services supplied, and to consider taking, if necessary, corrective or proactive joint actions.

In 2005, 74% of the purchases made at the corporate level were made in conformance with the QREDIC® approach (the original objective was 70%), and 521 contracts were controlled at least once during the year – the objective that had been announced for 2005 was 500. In France, more specifically, 124 contracts were controlled. 50% of those controls were performed during specific physical meetings (242 in total) held with the supplier, leading half of the time to a formalized action plan (112 in total). 477 suppliers were sent the QREDIC® questionnaire, 331 of which returned duly filled-out forms that could be analyzed, which amounts to 70%. Note that two different kinds of questionnaires exist, according

A Few Figures for 2005...

- An average of **1,700 visitors** came on the website, and **12,000 web pages** were consulted every month on the intranet dedicated to CSR (2004 figure: respectively 1,300 and 6,030)
- **80 "entrepreneurs"** (top executives) were trained to CSR management during one of the four annual sessions of the Group's University
- about **500 employees** tested and used the tool designed to assess the Sustainable Development impact of France Telecom's solutions
- **140 active members** of environmental management were trained to the EMS (Environmental Management System)
- **10,000 executives** went to the Group's training on ethics

to what the supplier provides (equipment or services):

- An exhaustive questionnaire which deals with the suppliers' commitments towards Sustainable Development, environmental impacts, but also with its social initiatives; this questionnaire specifically stresses on potential issues at the supplier's production or subcontracting level;
- A lighter version of the questionnaire designed for services suppliers, and whose scope is limited to the supplier's commitments with regard to Sustainable Development, its social initiatives; this questionnaire also focuses on the suppliers' relocated sites.

Flashback...

Complying with Sustainable Development criteria

Initiated in 2004, France Telecom's purchasing policy is based on the integration of social and environmental criteria in its contracts and on the evaluation of a supplier. Thanks to these guidelines, progress in terms of quality, innovation and compliance with Sustainable Development criteria – and therefore a better response to our customers' demands – is possible. The Group's responsible purchasing policy is implemented through QREDIC®, a tool designed to evaluate globally the suppliers' performances. Since 2004, an Ethics & Environment clause was integrated in all the corporate contracts. A Sustainable Development questionnaire was sent to the Group's major suppliers who, since 2005, can fill in their forms directly online, on the "Interview" website. Note that the suppliers' ratings based on the QREDIC® questionnaire are available to all the employees within the Group, through the intranet.

A risk cartography

The few large companies that had not replied to the QREDIC® questionnaire in 2004 were given the "yellow light" for this non-respect of business ethics. In 2005, these companies complied, and the number of "yellow lights" decreased; the remaining ones are due to needs for justifications and further information. In the Group's range of suppliers, less than 10 of them are identified as socially risky, for several possible reasons: "non-respect of confidentiality", "internal communication problem", "billing without any service provided" or "non-respect of break duration". About 10 companies have also been identified as risky environmentally speaking (incomplete answers in the questionnaires, delays for ICPE* answers, fire management risk ...). The comparative analysis of the answers categorized in types of purchases enables the Group to elaborate a map of (environmental or social) risks, qualified by the concerned suppliers' perceived level of risk management and control. Thanks to this analysis, the Group also started to classify its suppliers in function of their compliance to the ICPE* regulation, or their implementation of WEEE – see page 43.

Our guarantees for the quality of our services towards our customers and society

Innovation may be of paramount importance for any company who wishes to differentiate itself from a competitor. However, customer relationship is also a key element to help the customers use the most of the services provided. This involves for the company to be able to pay great attention to and analyze its customers' needs, but also to commit to giving adequate answers.

Customer satisfaction

Measuring the customers' satisfaction (see reporting chapter page 50) and analyzing their claims are the best way for the Group, as an operator that offers end-to-end solutions, to create and develop tailored programmes.

Customers expect from France Telecom to offer better assistance when:

- the price war is at its peak for fixed telephony and the Internet and companies must strictly control their costs;
- the services used by the customers are more complex, and their interconnected equipment varied;
- the populations who have recently been given the possibility to access new technologies discover the extremely large choice of communications

solutions at their disposal, and need proper and specific attention to accompany them in this journey;

- consumerism develops and customers demand higher quality of services.

The Group formalized a Promise to gain its customers' trust and fundamental commitments were defined to bring the customers the guarantee they are entitled to expect.

A Promise

Next expresses a promise: "a new generation of telecommunications services to change our everyday life". This goal can only be reached through top-performance solutions and a matching quality of service: to the customers, telecommunications services represent a new world of possibilities for their everyday life, but also a cause of anxiety because they are complex products which evolve quickly. France Telecom aims at constantly assessing its customers' satisfaction, defining the company's commitments, using the necessary resources and defining the right objectives; to us, these goals are achievable through basic service quality rules concerning the waiting time on hotlines or in shops, the way customers are taken in charge as soon as they enter a shop, the adequacy of the information provided...

"Customer relationship's main stake is to accompany and support the customers when they discover this new world of solutions and possibilities, so that they can make the most of them in their everyday day life"

Flashback...

Measuring Customer Satisfaction

Depending on their activities and what their customers expect from their services, the different entities of the Group have developed tools to listen to and analyze their clients' needs (e-force for the Enterprise market in France, Scorange for the Mobile Telephony sector...). Different means are resorted to: quantitative, qualitative, as well as event-driven surveys, analyzes of conversations, information fed back by the staff and complaint issues. In 2003, in France, there had not been enough staff available for the hotlines; for this reason, the customers who had not paid their bills were given longer time before the services were cut off. In 2004, installing the Live Box remained too technical for the customers. In 2005, France Telecom's hotlines' efficiency, as well as the waiting time in the shops was globally satisfactory throughout the year, except in the fall when several climatic incidents disturbed the after-sale service's hotline. France Telecom therefore had to take several new measures which should be progressively visible to the public in 2006. A better collaboration with the associations which represent customers has been set in motion.



Our fundamental commitments...

It is up to the Management to define the fundamental principles that guide a company. The objective is to make the processes and attitudes adopted when dealing with the customers evolve. These principles must be an answer to what the customers concretely expect from the company, especially when discovering new products and services. In 2005, in line with the Customer Facing programme, the customer relationship programme launched by France Telecom is based on a permanent and interactive dialogue with the associations that represent customers. The first commitments of this programme, announced in September 2005 in France, go beyond those defined by the other actors of the telecommunications and computer market.

For instance, since early December 2005, the waiting time on France Telecom's Internet hotline is free, which shows the Group's will to be there for its customers. France Telecom has also been publishing since July guidelines concerning the quality of its technical services; these guidelines were defined jointly with associations representing customers, which had never happened before in Europe. France Telecom once again proved its commitments towards more transparency over its technical performances.



Certifications

A certain number of entities in the Group have initiated certifications. These certifications are a way to accompany the control and update of their processes, training and management. External auditors, who are part of this overall process, give an official recognition to the progress made in terms of quality and performance (see key figures page 48).

A structured dialogue on performances

France Telecom and its partners bear in mind the real stakes communications services can represent for society in general. The Group aims at surpassing the shareholders' demands and the Group's legal obligations towards them, which are result from France Telecom's listed company status. France Telecom indeed seeks to create value for all its employees and build a new responsible business model capable of adapting to the constant evolution of the extremely competitive telecommunications sector.

Our relationship with all our shareholders

To give an answer to all the expectations and concerns of our shareholders, France Telecom must put clear, significant, dynamic and interactive information at the disposal of its shareholders. Four concrete commitments were taken towards them:

- Listen and give answers: the shareholder relationship service is available by phone (number: 1010) or by mail to answer to any question about France Telecom and the management of its shares.
- Give personal and regular information: in addition to the legal documents available, France Telecom regularly issues a letter to shareholders, available to everyone. The company's annual report is also available on demand by calling 1010.

A few figures concerning France ⁽¹⁾

- **700 France Telecom shops**
- **11 agencies** for the "Enterprise" market
- **30 millions** calls made to the hotline number "3000"
- **30 million visitors** on the "Agence sur le Net" page, available on the Group's website francetelecom.com among those visitors...
- **13 million** people visited the pages dedicated to customers

(1) Data on December 31, 2005

The advantages expected from the new Customer Relationship Programme

- clear information, personalized advice and demonstrations when required by the customer
- easier set up and use of the company's products and services
- easier everyday life and time saved
- efficient assistance in case of problem
- responsible and sustainable approach

- Encourage exchanges and dialogue: France Telecom regularly invites its shareholders to national or regional meetings to encourage a better dialogue and exchange with them, for them to know and understand better the company.

Facilitate France Telecom share management: The Actionnariat Direct service proposes a simple and free solution to keep France Telecom shares at their nominal value, i.e., no safe-keeping expenses and reduced transaction expenses.

In 2005, new tools were created to convey information and promote better interactive dialogue. For instance, the highlights of the Annual General Meeting were available on the video on demand channel of Maligne TV. Inter@ction, the digital circle of France Telecom's shareholders, also enabled its members to have numerous exchanges with the Group, notably regarding the strategic programme NExT, the quarterly financial communication report and the potential evolution of the communications media that could be used to inform even better the shareholders.

Our relationship with financial analysts

To present and explain its strategic commitments, the Group maintains regular exchanges with financial analysts. In 2005, because of the Group's evolutions, several important meetings were held: in January, because of the complete acquisition of Equant; in March, because of the presentation of the Group's international mobile activities; in May, because



of the presentation of the mobile broadband strategy; in September, because of the acquisition of Amena. The annual event called Investor Day also enabled France Telecom to unveil its strategic programme NExT and insist on the social role its communications services can play. Meetings were also held with Socially Responsible Investors (SRI), just like in 2004 (Euroficom and CM-CIC Securities, BNP Paribas and CIR). The goal of such meetings is to analyze the stakes of France Telecom's "Responsible Growth" and explain the major initiatives taken by the Group.

Our relationship with rating agencies

France Telecom completes various questionnaires produced by rating agencies, which enables the Group to explain its actions and choices in terms of Corporate Social Responsibility.

These questionnaires are also a means to give more information to the analysts who use non-financial data to judge the long-term performance of a company. In 2005, France Telecom's results show that the Group's progress is going well and that its position is on the whole satisfactory.

The inter@ctionnaires

Since November 2005, thanks to a blog which enables them to interact with one another, the some forty shareholders - the inter@ctionnaires - can express their opinions and make comments and suggestions on France Telecom's communication towards its shareholders from the general public. When the blog was launched, the inter@ctionnaires had the opportunity to discuss the issues regarding the mobile telecommunications market, which had been greatly affected by the decision of the Conseil de la Concurrence in France (the independent agency responsible for analysing and regulating market competition in France) in December.

France Telecom's rating according to non-financial criteria

SAM/DJSI Index

France Telecom is not listed in this index. However, since 2002, the Group's assessment according to this agency has been constantly improving. France Telecom's global rating for the three Sustainable Development areas is 69% (the average for its sector being 57%), whereas, in 2004, the Group's rating was 57% (the average for its sector being 51%), and 46 in 2003 (the average for its sector being 52%).

Eiris/FTSE4Good Index

Since 2002, France Telecom has been included in this index because its practices are deemed satisfactory regarding social and environmental criteria, as well as governance and human rights criteria.

Vigeo

In 2003, France Telecom's assessment by Vigeo was positive in terms of employees and civil partnerships, but progress was to be made towards the environment, the customers and the suppliers. In 2004, the agency highlighted France Telecom's improvements regarding customers and suppliers. As far as the environmental issue is concerned, more substantial progress is expected. Finally, regarding human rights, the Group's rating is above the sector's average. The 2005 rating has not yet been published.

Road Map for 2006-2008

Complete analysis of the control organization after 2006 closing	Early 2007
Creation of unique teams responsible for networks, services platforms and Information Systems structures: Domestic Network Factories in France, the UK, Poland, Spain and the Netherlands	2006
Set up of European legislation regulatory watch for Environment, Health and Safety matters	2006
Set up of an e-learning training on CSR and SD for all the employees of the Group, available in French and English	2006
Launch of a campaign in favour of environment-friendly behaviours and practices	2006
Assessment of 600 supplier contracts through the QREDIC® system and improvement of the CSR and SD questionnaire	2006
Definition of a purchase risk map according to the type of purchases and action plans	2006
Formulation of the Group's fundamental commitments and translation of France Telecom's promise to its customers, validated by the customers' associations and certified ISO in France	2006-07
Letter from the shareholder made in collaboration with the members of inter@ction	2006
Launch of SME approaches in conformity with ISO 14001 standards in Ivory Coast, Senegal, Jordan, and Mauritius	
ISO 14001 certification of all the entities in charge of mobile activities	



To accompany the Group's transformation, France Telecom defined a dynamic policy to encourage the development and mobilization of its employees' competences and expertise. It is based on three major elements: a strong social dialogue at all the levels of the Group, the development of individual and collective competences as well as improved health & safety conditions.

2005 Results

Major actions ⁽¹⁾	Realization	Page
■ Set up of the IRPs in France	😊	15
■ Deployment of the Group's social relations:	😊	15
– Creation of new dialogue platforms		16
– 70 social agreements	😊	16
■ Implementation of the Group's Health & Safety policy	😊	20

(1) In 2005, France Telecom achieved most of the objectives it had set in 2004

Renewing Social Dialogue

The social dialogue by France Telecom is co-led by the representatives who have been elected by the employees or union representatives, depending on the local context and legislation. Any European subsidiary of more than 50 employees has an IRP (Institution de Représentation du Personnel – Employee Representation Institution).

The fundamental principle of the Group's policy in this area is that the representatives elected by the employees or by the unions are given:

- the guarantee that they will not be discriminated and will be treated in the same way as their colleagues in terms of wages, training and career;
- the resources to perform their mission (spare time, communication resources, etc.).

Representative bodies in the Group

There are almost 400 dialoguing bodies within the Group, mostly in Europe, but also in African subsidiaries (in Cameroon or in Senegal, for instance).

In compliance with the commitments taken by some of the Group's entities (Wanadoo in the UK, Orange in Switzerland...), forums gathering elected employees were set up in 2005. In Slovakia and Romania, similar bodies will be set up in 2006.

A little bit of history...

A global HR Policy

France Telecom's global HR policy was defined in compliance with the fundamental principles of the Declaration of Human Rights, the International Labour Organization and the Global Compact. The Group gives special attention to certain central themes, such as social dialogue, Health & Safety, careers and skills development, diversity... Thanks to qualitative and quantitative indicators shared by all the entities of the Group, the company can keep a close follow-up of this policy: the data of 34 entities spread around the world can indeed be collected. Most of these subsidiaries have more than 300 employees, except for Equant for which the reporting is made for the 8 main subsidiaries.

IRPs in France

2005's major event was the set up of IRPs, in conformance with the December 31, 2003 law, which modified the previous legal framework regarding social relations within the company. These modifications affect all the categories of staff (public service employees, as well as private sector employees) through:

- the various IRPs (labor-management committees, Central Works Council, staff representatives, Health & Safety and working conditions committees);
- the unions which are the representatives of the employees in the company;
- the right to unionization and the resources they are given to perform their mission.

In 2005, the staff representatives were elected on January 18 and February 1 and amount to 10,481 employees who have been elected and mandated. The Central Works Council held 15 meetings and sat during 23 full days.

“To organize the social dialogue on all the formats and at each level is an essential commitment for the Group”

The European Group Committee

2005 was the committee's first full year. Thanks to this committee, information on the Group's strategy, as well as its headcount and the highlights of its evolutions are evenly communicated to all France Telecom's companies. Continuous dialogue was maintained with this body throughout the year, as proved by the 5 plenary sessions held (one of them was held outside of France, in Poland), as well as the 5 phone-call conferences. Three main issues were tackled during these meetings:

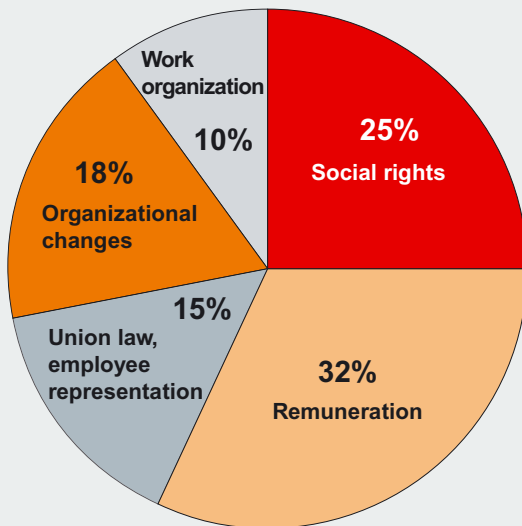
- information on the Group's general activity;
- information on the Group's options for its general strategy;
- information and/or dialogue regarding transnational projects or reorganizations.

To this day, 18 countries are represented in this committee by 30 employees: Sweden, Norway, Finland, Denmark, Germany, Austria, Great-Britain, Ireland, France, Spain, Portugal, Italy, Greece, Poland, Luxembourg, the Netherlands, Belgium and Slovakia.

Agreements

In 2005, thanks to this active social dialogue 70 agreements were signed in a large number of subsidiaries within the Group, all around the world. These agreements are the concrete results of this internal social dialogue and the Group's evolutions.

70 agreements were signed in 2005⁽¹⁾



(1) This data covers 34 entities of the Group with more than 300 employees, which corresponds to 95% of the employees concerned

Accompanying the evolutions of the Group

Every time important changes are made in terms of headcount, social dialogue is resorted to. Organizational changes that have significant impacts on employment and work organization are always communicated to and discussed with the dialoguing bodies representing the employees.

Even though the Group's global headcount decreases, France Telecom continues to hire new employees – close to 15,000 in 2005:

- at the level of France Telecom SA, the Comité de redéploiement du Groupe (Committee for Group redeployment), set up in 2003, rigorously controls external recruiting. This committee also examines reorganization plans which have important impacts on employment within the Group, and ensures the coherence of the decisions taken in this area. Most of the persons hired this year work in the fields of customer care, innovation or Information Systems.
- at the level of the Group's subsidiaries, the number of people hired decreased in 2005 compared to 2004: -10% in France, and -7% outside of France. However, recruitment in international subsidiaries amounts to two thirds of the total.

This way, the subsidiaries can meet the needs of their markets in terms of mobile telephony, and, according to the countries, not be weakened by labor turnover.

Developing individual skills and promoting individual projects

Today, the Group must take up new challenges by identifying innovative services that contribute to growth while meeting the needs of the market. Concretely, this means that the Group and its employees must:

- accelerate skills adaptation and focus on decisive skills;
- reinforce the dedicated programmes to support the employees with personal projects.

The Group's headcount

France Telecom operates in 220 countries and territories. On December 31, 2005, the Group employed 203,000 people – 3,516 people less compared to December 31, 2004.

This decrease results from a downsizing policy in France and a feeble growth abroad:

- In France, transfers to public service jobs, retirements or end-of-career leaves explain this evolution;
- Abroad, the situations are different according to the countries concerned: certain subsidiaries' headcounts remained stable (Equant), while others' continued to decrease (TP SA) and others' strongly increased (in Romania, for instance).
- At the Group level, 2,122 employees were dismissed⁽¹⁾ in 2005 (which amounts to 1% of the Group's global headcount) and 8,369 employees resigned⁽¹⁾ in 2005 (which amounts to 4% of the Group's global headcount). Once again, the situations vary from one country to the other. In France, the group-supported departures in favour of personal projects (départs accompagnés pour projet personnel) have strongly increased: 249 persons were supported by the Group in their project to create or take over a company.

(1) Data related to 34 entities of the group with over 300 employees, which corresponds to 95% of the employees concerned.

In 2005, the Group launched a major management programme aiming at developing individual skills and accompanying the transformations of the Group. This programme, called **act**: Anticipation and Competences for the Transformation is based on a reciprocal commitment between the Group and the employee. **act**: ambition is to reinforce the employees' commitment to the Group, as well as the Group's culture and cohesion.

act:s major characteristics

act: is based on a double commitment, that of the employee, and that of the Group:

- The employee has a very important role to play for his own development. He has two tools at his disposal: **act**: Opportunities, thanks to which the different jobs available in the Group are more visible, and **act**: Development, thanks to which an employee can build his personal project.
- Through **act**: Management, the company commits

to a greater implication of the Management towards the employees; through **act**: Solutions, it commits to a better adaptation of its HR solutions to each employee's specific needs.

These four tools – **act**: Opportunities, **act**: Development, **act**: Management and **act**: Solution, which are the major components of the **act**: program, have gradually been deployed in the Group, in France and abroad, notably in Poland, Jordan, Senegal, Ivory Coast, or Mauritius. The quality of the human resources will be measured in 2006.

The opportunities and limits of each business

Transparent information is essential to help its employees seize the opportunities they are given. This is why a cartography of the 23 businesses and top needs of the Group is available to the employees. To better manage and anticipate the Group's needs in terms of positions and skills, it will be adapted in every county and geographical region in 2006.

act: a new way of considering the future



Interview Mohamed Benkhalifa



PhD in Political Science, Mohammed Benkhalifa is a United Nations international expert in charge of the relations with the European Commission for various lobbies and organizations. Since 2006, he is also in charge of coordinating an NGO network in the Caribbean countries and territories.

He is the author of *Le Développement durable face au nouveau désordre mondial* ("Sustainable Development facing today's international disorder"), published in 2005.

According to the Universal Declaration of Human Rights, "Everyone has the right to a standard of living adequate for the health and well-being of himself. (...) Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized."

"Diversity must be recognized by companies as a source of complementarities, social balance and economic efficiency"

The UN Millennium Development Goals (MDGs), announced in September 2000, promote these very same principles, and all the 189 United Nations States have made the commitment that they would have achieved such goals within 2015. One of their key objectives is indeed to contribute to creating, at a national and international scale, a peaceful environment characterized by full employment and decent jobs for all.

Who are the targets? Those who are particularly vulnerable like children, women, and disabled people. The role any employment has on a person's global integration into the world is undeniable, and discrimination – notably in companies – cannot be approached as a matter of compliance to regulations and laws. Diversity must be recognized by companies as a source of complementarities, social balance and economic efficiency. It should be talked about and defended in the long term and by all the actors of companies, their top management and unions. Sustainable Development, through an ethical approach based on exchanges and concert, precisely seeks to give back to men and women their central role in the development of society.

Professional Development

Individual development projects must be in line with collective development projects, and the Group's overall strategy. Two core solutions are being gradually developed within the Group to encourage the development of competences:

- through the EDP (Engagement de Développement Personnel – Commitment to Personal Development), the employee's career and professional evolutions, his commitment to the development of his competences and to his mobility, the company's commitments to developing tools to assist its employees, and the start and follow-up of these commitments are formalized.
- thanks to the EDs (Espaces Développement – Development Areas), the employees asking for it can be given advice, information or provided services to be helped in defining their professional project. In March 2006, eleven EDs had already been set up in France. Five EDs were also created in Poland in late 2005. This concept should be generalized to all the countries where the Group develops its integrated operator policy.

The Management's involvement

Implementing the **act:** programme involves a great commitment from the Management. Their ability to communicate, to motivate and develop their teams, to the benefit of the company, is a key element in this process.

The creation of a Management School 2006 will encourage and increase such necessary efforts. In 2005, the analysis carried out by France Telecom's Professionnal Institute (Institut des métiers de France Telecom) about the risks of internal exclusion in the Group led to the publication of a guidebook entitled "Milestones for action" ("Repères pour agir".) Its targets are managers and HR directors. The Group is presently undergoing drastic evolutions in terms of technologies and organization, and this brochure gives tips to help understand this issue, raise people's awareness about the economic as well as social consequences of exclusion, and give examples of best practices to avoid having to face such problems. A conference gathering numerous companies was held on January 27, 2006, to share best practices with Groups such as Lafarge or PSA-Peugeot-Citroën.

The different situations and contexts

Depending on the professional situations and the specific (cultural or geographical) contexts, dedicated HR* solutions must be created and adapted to meet the ambitions of the **act:** program and integrate the objectives of the company at the same time.

“A 25% increase of the global training effort between 2006 and 2008”

Training

In line with this logic, the Group has decided to increase the number of employees trained by 25% between 2006 and 2008. In France, for instance, two million training hours were given in 2005, an increase of 24% in comparison with 2004. The existing Professionnal Training Paths (17 in-house professional, VAEs or Valorisation des Acquis de l'Expérience, qualifying trainings...) will be developed. Some of the trainings will be validated by certificates created in partnership with external organizations. In line with the development of the in-house professional schools two new schools were opened: the Distribution school and the Customer Care school.

The promotion of professional equality between men and women

A collective agreement met on April 28, 2004, to encourage professional equality between men and women within France Telecom. A work group was created in 2005 within the European Group Committee to encourage the exchange of best practices in this area. The overall proportion of female employees remained stable in the Group in 2005 (39%), as well as that of women who hold management positions (30%). However, important

evolutions must be noted in this area. In Romania, a balance has almost been reached between men and women holding management positions in 2005. In Egypt, the proportion of women employed in Equant has almost doubled, from 10 to 20%, and four women take part in the management of this entity, whereas none did in 2004.

Sharing our experiences

A specific programme called “Talent Sharing” was launched in 2004. It is in line with the Group's will to be an international company, since it encourages the sharing of experience, best practice knowledge and values between the various countries in which the Group operates. Employees can therefore go to work in other entities of the Group for short (three months) or longer (9 to 18 months) periods. Between late 2004 and late 2005, 32 TP employees went to work with teams based in France or in the UK. During the same period, twelve employees from Mauritius, Senegal and Ivory Coast or Jordan came to France. In 2006, the objective is to multiply these figures by four.

Two examples adapted to the diversity of individual situations

- On October the fifth, the France Sales and Service department (VSF) announced the funding of school of distant customer relationship. This new set seeks at improving the group's relation to its customers by proposing to all customer advisers and their managers homogeneous and personalised training sessions, as well as developing professional training paths in customer relation job lines.
- In order to help everyone built their professional and personal project, France Telecom offers to its employees the possibility to create or to take over a business, whatever the field in France or abroad. Series of accompaniment measures go along with this device.

Sharing people's experience and know-how

- “A company cannot have a strategy of international integrated operator if it does not employ “internationally intelligent” people who are able to go beyond borders between countries, markets and business activities.”
Joanna Tomaszewska, Talent Sharing Participant from Poland at Orange in France
- “What was missing in Jordan was service quality, because the company was just starting to sell Internet services. This is what I was looking for when I came to work in France.”
Nalbi Tahawokh, Talent Sharing Participant from Jordan at the RO&SI Division (Operators' Networks & Information Systems)
- “This programme makes it possible for small countries like Mauritius, which is at a very long distance from both Europe and the US, to go beyond its limits and prejudice and to discover other market trends and network developments at an international level.”
Ramesh Ragoo, Talent Sharing Participant from Mauritius at the R&D department in France
- It is easy to measure the degree of accomplishment of KPIs (Key Performance Indicators) before and after this programme. The positive changes that cannot be measured by financial indicators, such as skills development and motivation, must also be taken into account.
Pawel Loj, Sales Director, Poland

The occupational integration of disabled people

The Mission Insertion Handicap is in charge of encouraging the employment of disabled people within France Telecom. It was created in 2003. Its objective is to make sure that the commitments made in the company agreement dated July 4, 2003 in favour of the employment or the employment maintenance of disabled people are kept. This body periodically organizes in the company dedicated events to raise people's awareness on those issues – "Let's demystify handicap". All the employees directly concerned by this issue participate in these events, i.e. managers, recruiters, HR managers, social workers and "preventers".

Numerous actions are also taken on a daily basis to encourage the employment or the employment maintenance of disabled people: adaptation of job positions, installation of ergonomic furniture, of Braille keyboards, and the trainings necessary to learn how to use these new tools. In 2005, a new action was taken: numerical access was made available to blind people or people with a visual impairment, who can therefore now use the intranet websites and the Business application

combine their professional development with solidarity-oriented initiatives, through the financing or sponsorship of association projects put forward by France Telecom employees. Any employee extra-professionally involved in an association can apply for a grant from France Telecom for a specific project, and under certain conditions:

- The field of activity of the association must be linked to one of the areas which the Group supports: health, education, culture;
- The applicant must be employed at France Telecom and be a member or donator at the association concerned by this application;
- The applicant must act as the relay and link between the company and the association, and must participate in the preparation of the association's application. This application must contain a specific development project.

Developing together a specific Health and Safety Policy

More than 120 disabled people hired in 2005 in France

In France, the number of disabled employees amounts to 3,054 employees, 45% of whom work in sales. In 2005, the operational divisions of France Telecom hired more than 120 disabled people for different types of jobs: sales and Customer Care, networks, computing and research. Most of the commitments taken in the company agreement for 2004 to 2006 were therefore met, since 150 recruitments had been promised then.

The secteur protégé (protected workshops and labor-related help centers) is also resorted to by the Group, who employs disabled people for certain missions: printing of business cards and envelopes, wiring, office supplies, recycling of certain appliances, call centers, caterers, renting of venues. In total, 303 people benefit from these initiatives (see page 32). France Telecom's rate regarding the employment of disabled people (disabled employees within France Telecom SA plus calculated employment of disabled people through protected workshops) amounts to 3.54% (3.39% in 2004).

Professional development and solidarity issues

As part of its corporate citizenship policy (see page 37), France Telecom makes it possible for its employees to

The Health and Safety Management System gradually developed in the Group includes these 4 major elements:

- Implementing action plans that are adapted to each activity and in conformance with the laws and regulations in place in the different countries where the Group operates;
- Training the managers on Health and Safety issues through dedicated training sessions, notably on risk prevention issues;
- Consulting the employees and their representatives;
- Systematically giving answers to the employees requests

A global policy that can be adapted to local specificities

Depending on the countries in which the Group operates, the deployment of the Health & Safety policy is accompanied by specific applications adapted to local situations:

- In Equant, because of the inequality between the different sites and the relocation of its supporting functions, regular assessments of the working environment are made. In India or Egypt, for instance, regular meetings with local employees are organized, so that they can take part in the company's activities. The objectives are to identify risks, define action plans, plan the necessary investments, inform all the staff, but also train the local Health and Safety

correspondents. An external audit is regularly planned to control and evaluate this process.

- In the Netherlands, specific software enabling the employees to better configure their desktop is now available online. Ergonomics consultants are regularly called to inspect the working areas.
- In Mauritius, Mauritius Telecom is developed a risk analysis, measures of control and risk reduction, emergency plans and processes for the analysis of accidents
A stress prevention programme has also been implemented. It includes a global assessment, control measures and the introduction of workout and yoga lessons.
- In Poland, the amount of employees trained to Health & Safety issues at work is significant thanks to an e-learning tool that was made available to the staff;
- In Senegal, Sonatel's sites were assessed to prepare an annual prevention plan and a professional risks cartography was created.
- Still in Senegal, but also in Cameroon, Ivory Coast, Botswana, Mali... the Group has been developing and implementing specific information and prevention programmes against AIDS, with the help of the States and/or international organizations. These campaigns, whose targets are the employees and their family circles, can also give the possibility for them to be paid all the medical expenses, which are financed by the employees'

contributions or the company's subventions. In 2005, the effort for a better awareness and support of sick people increased.

Evaluating the Group's Health & Safety policy

To reach the objectives set by France Telecom's policy, and to measure its positive effects, follow-up indicators are used:

- Quantitative indicators: number of fatal industrial accidents, number of days lost due to illness, frequency and severity rates of industrial accidents resulting in sick leave;
- Qualitative indicators: in 2005, a Health & Safety policy at work was defined for each entity, in function of its activities.

In 2005, in France, France Telecom's accident results and rates remained low and stable.

The rate of absence due to illness remained almost stable (8.1 days of absence for each employee in 2005). This rate does not include absences lasting more than 90 days or absences linked to work-related accidents, maternity leaves, and a representative mandate.

The number of short absences, i.e. absences inferior to 8 days, slightly rose in 2005, whereas that of absences lasting between 8 and 90 days decreased.

Handling stress

12 subsidiaries have implemented action plans to fight against stress. In Belgium, Mobistar developed self-coaching initiatives and organizes yoga lessons or other activities that advise the employees on how to handle stress.

These initiatives have been very popular among the employees: almost 500 people took part in Tai Chi Chuan lessons.

Orange France developed in its Customers centers a training programme designed to help people handle stress.

A few figures ⁽¹⁾

- **At the Group level ⁽¹⁾:**
 - Number of days lost due to illness: **7.5** (7.7 in 2004)
 - Number of fatal accidents: **3** (2 in 2004)
- **In France, at France Telecom SA's level:**
 - Number of days lost due to illness: **8.1** in 2005
 - Number of fatal accidents: **2**
- **TFRAC: 5.33% (national rate in 2004: 25.4%)**
- **TGRCA: 0.29% (national rate in 2004: 1.17%)**

(1) Data related to 34 entities of the Group with over 300 employees, which corresponds to 95% of the Group's employees concerned

Objectives roadmap for 2006 to 2008

Creation of representative institutions for the employees in Slovakia and Romania:	2006
Deployment of EDs in the Group:	2006-2008
Adaptation of policies to each business, by country:	2006-2008
Creation of a Management School:	2006
Progressive systematization of professional training paths:	2006-2008
25% increase in training effort:	2006-2008
Quality measurement of HR services:	2006-2008
4-time increase of exchanges through Talent Sharing:	2006-2008
Continued deployment of Health & Safety Management System at work:	2006-2007



Innovation for all

Innovation is at the heart of France Telecom's strategy. Innovation only reaches its goal for a responsible growth when the simplicity and the efficiency of useful and user-friendly services outclass technology.

For the Group innovation means enabling everyone to access to simple and useful services that are adapted to today's society's needs. Communication is once again given its core function: creating a social bond, offering advanced technology to everyone, participating with all the other actors in a fairer development of the information society. Another objective is to try and preserve a balance between economic competitiveness, social progress and the protection of the environment.

In 2005, 1.5% of the Group's budget was allocated to Research and Development (R&D): this shows France Telecom's conviction that R&D plays a central part in the Group's strategy for long-term growth. With almost 4,000 engineers, scientists

and researchers, more than 300 doctorands and post-doctorands, a portfolio of close to 7,800 patents in late 2005: France Telecom's R&D department is one of the top R&D departments in the world.

As reflected by its action plan, Sustainable Development lies at the heart of its functioning. Four different interacting areas are concerned: telecommunications' ecology (energy consumption, ecological footprint, use of renewable energies, ...) TICs and new usages (including co- and eco-design), new products and services (hotlines, alternatives to transports), governance (ethical approach and consideration for employees).

Measuring the impact of our products and services

France Telecom has developed a tool to measure the economic, social and environmental impacts of its products and services. This tool is specifically adapted to the Group's business and activities. In 2005, 19 projects were tested. A dedicated team composed of R&D employees, as well as people from the Corporate Social Responsibility and Sustainable Development Department followed these tests, which were carried out by French operational entities: Livebox, Pack SurfWifi, Business Everywhere*... Thanks to these tests and researches, the tool was improved and made more efficient. To promote research within the Group, a competition was organized for projects that contribute to Sustainable Development. The Innovation Prize was given to Pangoo, an alert system for natural disasters and environmental risks (see page 33).

In order to share its practices with other companies, a comparative analysis of this method was carried out with their respective tools – some of those companies belong to the telecommunications sector.

Flash Back...

Developing more “responsible” solutions

Since 2003, the Group has been setting processes to assess R&D projects according to sustainability criteria. An eco-conception grid has been developed and will be integrated to the product launching process as from 2006. The objective of this tool is to raise the awareness of the researchers, but also the project and product managers' within the Group on the issues at stake for France Telecom, when it comes to Corporate Social Responsibility. Thanks to this tool, we can evaluate to what extent the expectations of the employees (be they internal or external), but also our economic, social and environmental impacts (using a life-cycle approach) are taken into account. In 2004, 12 projects were evaluated thanks to this tool, which enabled France Telecom to improve the Group's approach.



Developing safer, simpler uses

Offering new uses to customers and the society in general involves remaining cautious: confidentiality of data, protection of content, prevention of uses, simplicity and user-friendliness, adaptation of the solutions to contexts and needs... All these elements must be taken into account by any company wishing to contribute to Sustainable Development.

Security: Caution and prevention for our users

Increasing dematerialization of exchanges, adaptation of evidentiary law to information technologies, internal e-processes designed for external users...: France Telecom must offer services with high security levels. It is necessary to guarantee the integrity and confidentiality of the data (constant caution, feedback and traceability on the incidents, etc.), but also, most of all, the identification of the parties (authentication).

In 2005, France Telecom set up the PKI (Public Key Infrastructure) both for its internal needs and external offers. The PKI manages certificates, digital equivalents to identity cards in cyber space, endows the Group an Authority certification power and enables France Telecom to offer services packages both on the enterprises market and on the general public market, by integrating top quality security modules. Strong authentication, digital signature, encryption, timestamping... These are the indispensable elements on which the security of services depends. In 2005, passwords have been made more complex, and all the employees were proposed, in early 2006, a dongle* which included: the certificates for a strong authentication, the encryption of the documents and hard drives, the digital signature for documents and even access to sensitive premises

The development of the information society inevitably involves that of cybercrime (spams, data mining, systems obstructions...). For France Telecom's partners and customers, security is a central issue at several levels: security of their desktops, the servers and gateways they use, security of local networks or larger networks that are more and more interconnected. France Telecom has been deploying services that use certificates and therefore guarantee the security of the internal as well as external data that the company uses. Thanks to these tools e-processes can be more trusted.

Promoting a good use of services

Thanks to simple, accessible, secured, innovating offers, the Group can promote a good use of its services. However, this is only achievable if the Group has a precise knowledge of the impacts of its activities and concerts with all its employees.

Simplifying the offers and the means of communication...

France Telecom is intent on differentiating itself from its competitors by giving its customers the possibility to access a whole new world of broadband services and simplified, modular offers that meet their expectations. Concretely, it consists in France Telecom supporting its customers when networks migrate or deploy, but also when they evolve and are to be used in a different way, towards IP*, the protocol on which all telecommunications solutions are now based). At the level of companies, France Telecom is a renowned leader on the networks market because of its IP VPN MPLS* and satellite communications services. At the level of private citizens, the Livebox, which is the cornerstone of "Home Networking**", is the central point of home technologies and equipment. The Livebox makes it possible to easily connect all the digital tools together and enjoy the advantages given by these services, which can adapt to the specific expectations of each individual. In France by the end of 2005, 1.6 million Liveboxes have already been sold. France Telecom's objective is to reach 4 millions in Europe for 2006 and more than 8 millions in 2008...

Control tools

The Group develops solutions that aim at preventing hacking and abuse (parental control, anti-virus software, downloading of third-party software, specific programmes designed for children and whose content has been controlled, moderation of chatrooms...). These tools, in addition to pedagogical information, are necessary for our solutions to be rightly used. To protect sensitive populations, France Telecom has put in place various initiatives.

The parental control service enables parents to manage and to control their children's access to the Internet. Thanks to this tool, clients can identify undesirable content and prevent access to them in a private, professional or educational context. An analysis of the content of the sites is available in 6 languages (French, Spanish, English, Portuguese, German and Italian), malicious content can be detected (pornography, terrorism, drugs, violence, sects, racism, fabrication of explosives...) and access to the sites can be blocked. This software can be activated or deactivated by the subscriber thanks to a code. It does not make browsing slower. The customer can choose between four different modes of browsing depending on the user, after he has identified himself.



Prevention measures

Either on its own or in partnership with associations or publishers, France Telecom informs users on the good use of communication solutions. As far as mobile telephony is concerned, for instance, recommendations are given to avoid phone-related car accidents, or to anticipate the blocking of one's terminal after it has been stolen, etc. A guide for parents has been published by the AFOM (Association Française des Opérateurs de téléphonies Mobiles – French association of mobile telephony operators) in partnership with the UNAF (Union National des Associations Familiales – the French organization that regroups French family associations). It deals with all the issues at stake in today's society as far as cell phones and children are concerned. The AFOM has also initiated a new debate tackling Internet use, this time, with an aim to publish a dedicated guide in 2006.

Precaution measures

The Group not only offers new uses to its customers; it also promotes in parallel a good use of them. Several initiatives were therefore launched:

- a prevention campaign led by the AFOM* about road safety: "Drive or phone, you've got to choose";
- a campaign on noise annoyance due to mobiles in France and in the UK ("The golden decibels" in France, and videos clips in the UK)

- as much as possible, communications on the use precautions recommended by Public Authorities regarding electromagnetic waves, and setting up of concrete actions: creation of a headset, agreement with manufacturers to sell terminals whose SAR* (Specific Absorption Rate) is inferior to 2W/kg, etc.
- regular tests of the power emitted by the functioning mobiles on the network, etc.

These initiatives, but also the information of the customers and the employees and the associated training on these topics, are some of the responsible commitments taken through the programme Orange s'engage ("Orange's commitments"), which has been audited and certified by the AFAQ*.

Advice on solutions that meet people's needs

To make the access to new uses easier, the Group has chosen to simplify its offers and accompany the customers and help them choose solutions that are adapted to their needs: budget control, management and follow-up of consumptions, remote access to voicemails from a PC, use of two phone lines at the same time (fixed line and voice over Internet Protocol*), minute allowances rolled over to the next month... The Group also gives assistance to users when they discover new uses, thanks to different services: online assistance, advice in stores, a competent hotline in case of problem, free follow-up of consumption (available online and in real time)...

A few security rules for mobile users

In the commercial documentation and the website, France Telecom gives advice and security rules to respect:

- use one's mobile phone in good reception conditions (it's not always the case for example in underground parkings, elevators, in trains or cars);
- keep mobile phones away from sensitive areas such pregnant women's bellies or teenagers' low bellies;
- respect the prohibition rules regarding the use of mobile phones in certain places and situations, such as airplanes, hospitals, gas stations, and professional garages;
- to avoid interference risks, people with electronic implants (pace-makers, insulin pumps, neurostimulators...) must make sure that there is a 15cm distance between the mobile phone and the implant and must only use it at the opposite side of the implant.

Interview Jean-Pierre Quignaux



With a Master's degree in econometrics, economic history and civilization and a secondary school honour graduation diploma in Defence and Strategy, Jean-Pierre Quignaux is in charge of a specific mission, "Prospective on media and family policies", at the UNAF (Union Nationale des Associations Familiales – the French organization that regroups French family associations).

For almost seven years now, we have been fighting, at the UNAF, for child protection on the Internet. Our approach is simple: it is to teach the families how to use computers, from a technical point of view, but also, most of all, from a cultural point of view. Our priority is indeed to encourage parents to initiate a dialogue with their children on those issues, and fight against the fracture that can exist between two such different generations: computers are "young", and some parents feel completely at a loss as to how to use them.

The dangers linked to the Internet for children are the same as those of every day life. The thing is that, because of the Internet, these dangers now have direct access to our homes.

To achieve this goal, the UNAF intervenes at numerous levels (local, regional and national) and has been seeking, since 2000, to establish partnerships with all the actors concerned by this issue: public authorities, French associations of Internet service provider and families.

In 2005, a conference on child protection was organized for the first time. Several major steps were taken during this meeting: creation of a collective mark designed for Internet sites deemed harmless for children, commitment of the Internet service providers to offer filtering software, as well as pedagogical guidebooks for the parents. The UNAF has been contributing for several years now to the writing of such booklets, which were distributed in schools, notably.

Protecting people's quality of life

The Group develops solutions and implements actions which not only bring social advantages and contribute to the protection of the environment, but also have a positive impact on the users' quality of life.

Urban mobility

Whether France Telecom has a partnership with the transports sector or other local actors, the Group offers dynamical information solutions to the users for their comfort (traffic fluidity, available parking spots, navigation aids, etc.). These "nomad" users can therefore be better informed before deciding to take their personal vehicle or public transports, or travel by carpool, etc.

Dematerialization

Thanks to communications services, the environmental impacts of business and personal activities can be reduced at several levels, notably through the dematerialization which results from those services:

- they are an alternative to physical transportation (teleconferences, e-mails, e-learning, e-services, cooperative tools...); concretely, this means: less fuel, less CO₂ emitted, and less time wasted in transports.
- they guarantee greater security and comfort: positioning and guidance system through GPS or a telepayment system (for turnpike roads, parking lots...), better road call and emergency services thanks to remote monitoring of trunk roads, speech synthesis and voice recognition systems through mobile telephony (practical information concerning geographical position, traffic, bus schedules...), access to entertaining contents through WiFi;
- they enable companies to improve their processes and, more specifically, they make it possible for companies, as well as local governments, to improve their performances: crisis management (see page 33), transfer of medical information to call centers (see page 34), remote monitoring of equipment, goods being transported...

M2M, at the heart of business processes

France Telecom is the first operator to launch an exhaustive offer of M2M (Machine to Machine) in Europe. This system enables two devices that are remote from each other to communicate via a platform that centralizes data and via fixed or mobile networks, without any human intervention. This is why M2M is expected to have great impact and influence on today's business processes and models. It can be used for a lot of different applications, and for a large number of business sectors: remote control of equipment, street furniture, motor vehicle fleets; remote monitoring of sites, alert and management systems

of environmental risks, telemonitoring of patients (see page 34), assistance to disabled people (see page 35), anticipation of maintenance or supply interventions, billing, statistics... Moreover, although telecommunications do not generate, by essence, much pollution, and contribute to reducing energy consumptions, thanks to M2M, environmental impacts can be better controlled. France Telecom's R&D department has done important research in that field, notably regarding renewable energies (see page 42). This innovation potential can also be used to prevent natural disasters (see page 33).

A “responsible” deployment of our networks

Network equipments, such as antennas, overhead wires, poles, street furniture for telephony..., have an important visual impact on our landscape. The different entities of the Group have all been striving to reduce this impact; for instance, great efforts have been made, hand in hand with public authorities, to preserve classified sites. Mobile telephony infrastructures also cause concern in terms of health because of the electromagnetic waves they emit. The Group has made detailed and easily accessible information available to answer these questions.

France Telecom's CTSs

The Group has developed several CTSs (Company Transportation Scheme) in France. In this system, professional travels are taken from a global point of view. They can sometimes be integrated in an agglomeration's PDU (Plan de Déplacement Urbain – Agglomération Transportation Scheme): these programmes indeed encourage all the local actors to define a mobility programme promoting specific means of transport (public transport or carpooling). Urban planning can be greatly influenced and impacted by such programmes, which strengthen the convergence of interests within a community. CTSs do not only cause economic benefits; they also bring social advantages (less stress when driving, an increased local bond between communities) and positive impact on the urban environment in terms of noise annoyance and CO₂ emissions.

To this day, approximately 10 CTSs have been set up (Toulouse, Saint-Etienne, Marseilles, Grenoble, Orléans, Tours...). When France Telecom implemented its CTS in Bordeaux in late 2005 (which was integrated to the agglomeration's PDU), the Group initiated a constructive dialogue with all the internal actors in charge of Corporate Social Responsibility, as well as with all the employees, notably through regular exchanges with the representative unions.

Integrating our infrastructure into the landscape

In France, because of the Group's policy to bury cables and lay connections underground, the number of overhead wires and poles (be they in wood or in metal) has been continually decreasing over the past few years. The overhead wires sustained by metal poles are under close control (see page 45).

As far as mobile telephony is concerned, innovative initiatives can be noted when it comes to integrating antennas in the landscape. These actions are often carried out jointly with local authorities. At the end of 2005, 82% of the antennas are integrated in Switzerland, and 86% of the new mobile phone sites are integrated in France. When it chooses where to place its antennas, Orange follows certain priorities defined by the company itself. When deploying its

Year	Number of poles ⁽¹⁾ removed	Km of cables ⁽¹⁾ buried ⁽²⁾
2005	39,723	1,723
2004	31,200	1,240
2003	34,200	1,400
2002	38,600	1,780

(1) In France, DOMs excepted

(2) The fixed network is not covered in this reporting, since national and regional long distance communications are performed via buried lines

Burying the fixed telephone networks cables in France: a common approach

In 2005, France Telecom, the AMF (Association des Maires de France – association which regroups the mayors of all the towns and villages in France) and the FNCCR (Fédération Nationale des Collectivités Concédentes et Régies) signed a major agreement; its objective is to facilitate and accelerate the implementation of the June 2004 law enactments⁽¹⁾. These three actors elaborated together a simple, practical and coherent plan to coordinate the burying of the electricity networks and the electronic communications. A model of convention has notably been defined to determine what each actor should pay, France Telecom's financial contribution to these works substantially increased in 2005, reaching approximately 33 million euros (7 additional millions euros per year since 2003). 65,000 common supports were suppressed, close to 1,800 km of main cables were buried, and about 5,000 hiding works were done.

(1) This law, in favour of “trust in the digital economy”, defined several central principles regarding the burying of networks. Operators are notably expected to take part in the financing of “hiding works”, i.e. when phone cables are installed on electric poles called “common supports”. 40% of our urban network is concerned by this law.

infrastructures, Orange indeed stressed on the fact that the performance

of the coverage, the accessibility to the services and the consideration of the different publics' concerns must be thoroughly and permanently discussed by all the actors involved.

In France, this deployment of the networks goes hand in hand with a campaign to raise the awareness of the employees on those issues: an internal challenge was indeed created, called "Antenna portrait". The goal is to make the employees choose what the best examples of integration in the landscape are.

Our expertise regarding the measurement of electromagnetic fields

It took France Telecom's researchers not more than a decade to create new tools enabling them to have better knowledge of electromagnetic waves (EMWs) or electromagnetic fields (EMFs). A software programme was elaborated to spot electromagnetic fields: EMF Visual. Thanks to this tool, the real landscape where a relaying antenna is to be placed is recreated in 3D. It is therefore possible to "see" the different levels of power of the electromagnetic field, which depend on how far the relaying antenna is: the safety perimeter necessary can thus be determined.

France Telecom's R&D teams have also developed, with the support of Orange, the "dosimeter". Thanks to this light and handy tool, the intensity of the waves emitted can be measured anywhere in the environment, and epidemiological studies can be undertaken.

Accompanying technological evolutions

Every time a new service or technology is created, new measurement and monitoring tools are necessary. Launched in 2002 and certified by the RNRT (Réseau National de Recherche en Télécommunication – national network for research in telecommunications), the ADONIS* project is in line with the COMOBIO* project which tackles dosimetrics. In this project, academic teams and France's major industrial actors are coordinated by France Telecom's R&D teams. One example of research that was carried out tackles the issue of the absorption of the waves by children (more precisely, their heads). On-site measures were also taken in the areas surrounding relaying antennas, and statistics were calculated to measure the inhabitants' degrees of exposition. The Group's researchers regularly publish their results in international scientific reviews with reading committees. France Telecom also gives financial support to Research in general and actively participates to epidemiological and biological studies carried out by national or international laboratories. These works are partly supervised by the Fondation Santé et Radiofréquence ("Health and Radio Frequency Foundation").



The impact of electromagnetic waves (EMWs)

Several hundreds of studies have been or are being carried out everywhere in the world to identify the risks linked to an exposition to the mobile telephony's EMWs. The entities funding these in vitro, in vivo or epidemiological studies are varied, and so are their geographical locations and the protocol they follow. They comply with the WHO (World Health Organization)'s guidelines defined in 1996, and are globally and regularly evaluated by teams of national or international experts. During the WHO's conference on EMWs which took place in Ottawa in July 2005, the analysis of the scientists' results once again confirmed that no negative impact on health can be established when the levels of exposition are inferior to the threshold recommended at the international level.

Contributing to the development of territories

Regional dynamics and development arise out of innovations and exchanges generated by infrastructures and networks. They also depend on dialogue with local authorities to give future generations the best trump cards for success and progress, and to accelerate the deployment of effective and “sustainable” solutions.

Facilitating people's access to communications solutions

France Telecom has deployed one of the largest broadband networks in Europe: the Group equipped 100% of its connection points, and 96% of its lines could provide ADSL* by the end of 2005, and 98% by the end of 2006.

The development of the networks

To keep up with the increase of bandwidth, which results from the development of multimedia uses, the Group has to face a double challenge:

- offer useful services to the populations (education, health, e-administration, information to communities, transports, etc.) to make every day life easier, to re-energize each territory in order to maintain or stimulate the employment rate. At the same time, these territories gain momentum in terms of efficiency and flexibility. Thanks to ADSL – which not only gives broadband access to the Internet, but also to a wide range of new multimedia services, thanks to the Livebox, France Telecom's domestic gateway – our homes tend to become “communicating houses”;

- ensure convergent networks and supply the needed infrastructures and technologies necessary to offer those new services – which enable multiple uses. Thanks to the accelerated deployment of optical fibers, the price of an Internet access to 100 Mbps or GigaEthernet connections decreased by down to 50%.

France Telecom invested more than 3 billion euros between 2005 and 2007 in order to develop and optimize its network. One third of this sum was allocated to the deployment of broadband Internet in France:

- 8,000 broadband lines are created every day;
- 300,000 km of optical fibers are being deployed today to complete the 2 million km that already exist;
- 120,000 sites, situated in 2,000 ZAEs (Zones d'Activité Economique, i.e. geographical areas which work in cooperation and sell services to small, medium and large companies) can have access to a wide range of powerful broadband services adapted to their use and at a very interesting price. For all the companies that are not located in such areas, often SMEs, France Telecom offers a 2 mega symmetrical service – since December 1, 2005, so one year ahead of the initial schedule.

In parallel to those efforts in France, which are made jointly with local partners, alternative solutions are developed, like the WiFi Surf Pack for the zones that are not covered by ADSL (approximately 3,000 communes cannot have access to ADSL, due to their geographical isolation). The WiFi Surf Pack is a good response to the local governments' calls for tenders: thanks to this offer, when hamlets cannot technically have access to ADSL, they can however be plugged rapidly to the existing broadband infrastructures and therefore have access to the

Broadband everywhere...

France Telecom's Broadband for All programme is a strong commitment of the company in favour of national and regional planning. In 2005, France Telecom was second best after China Telecom in terms of number of customers connected to ADSL. This is due to the important investments France Telecom has made to modernize its network. As television and music (now available online on cell phones) become more and more popular, the Group's ambition is to offer its broadband services to more than 12 million customers in 2008, among whom 6 millions in France and more than 5 millions in the UK.

“All-optical” networks

Because of the growth of high-definition television, the broadband race is far from being over, and our R&D departments are still in search of new advances. Bandwidth can still be greatly increased on copper loops, as France Telecom proved when the Group produced a 100 Mbps/s device in VDSL2 technology. However, this level of performance is only achievable for short distances. For this reason, France Telecom has chosen to switch to an “all-optical” solution that will be deployed in a few years, when demand will be sufficient. Such solutions, which have already been tested in January 2005 by companies situated in Lille (France), will be tested in the summer among the general public before summer 2006.

services they provide. WiMAX* goes even further, because local governments will be able to give ADSL access to 100% of their inhabitants. For this reason, France Telecom has decided to respond to the call for tenders launched by the ACERP on WiMAX.

The Group's ambition is clear: exclude no one. This application for the attribution of WiMAX licences for the 22 regions concerned is the result of a clear policy: contribute to the extension of broadband coverage to excluded regions. On certain zones – the most important ones, France Telecom has declared that the Group would completely finance the deployment of WiMAX. In other zones, which are not cost-effective, local governments will have to fund part of the programme to make up for this loss.

Mobile broadband

Mobile services now include, images (television, videos, videotelephony) and multimedia. To make mobile broadband available everywhere and to all, Orange chose to create only one offer, which is very flexible and uses three complementary networks: Wi-Fi*, EDGE* and 3G*.

To this day, in France, 90% of the population has access to this service. In other countries, in order to make multimedia mobile telephony available to the general public, partnerships have been established and the different actors have been working closely together, bearing in mind the clear and predictable laws and regulations in place locally. In such contexts, it is indeed possible to consider



setting up infrastructures and developing alternative solutions, notably for regions with low population density.

France Telecom has, thus, for instance, been supporting the identification of a low band of about 500 MHz, which has a greater broadcast range and which is accessible to all the competing operators. The Group has also supported the deployment of systems based on open international norms; thanks to these norms, the economies of scale are ensured, and the level of competition between the manufacturers are sufficient to ensure that the mobile telecommunications services are available to a great majority of the inhabitants.

Flash back...

Mobile coverage in France

In its « White Zones » programme, Orange confirms its strong involvement in the support to the State and local governments regarding the territories that are not yet covered by mobile networks. A national convention was signed on July 15, 2003, which launched the operational phase of the coverage extension plan for mobile networks. Thanks to this plan, which is divided into 2 phases, more than 3,000 communes – most of them situated in rural areas – will have access to the mobile telephony services offered by the three operators involved. Through an additional clause, signed on July 13, 2004, these initial dispositions were completed: the deployment of phase number 2 has notably been detailed and clarified. This second phase, which started in 2005, is completely financed by the operators. This programme was elaborated thanks to fruitful exchanges and dialogues between the different public and private sector actors. Its objective is to extend mobile telephony services in GSM to 99% of the population, within the framework of France's national planning from today until the end of year 2007.

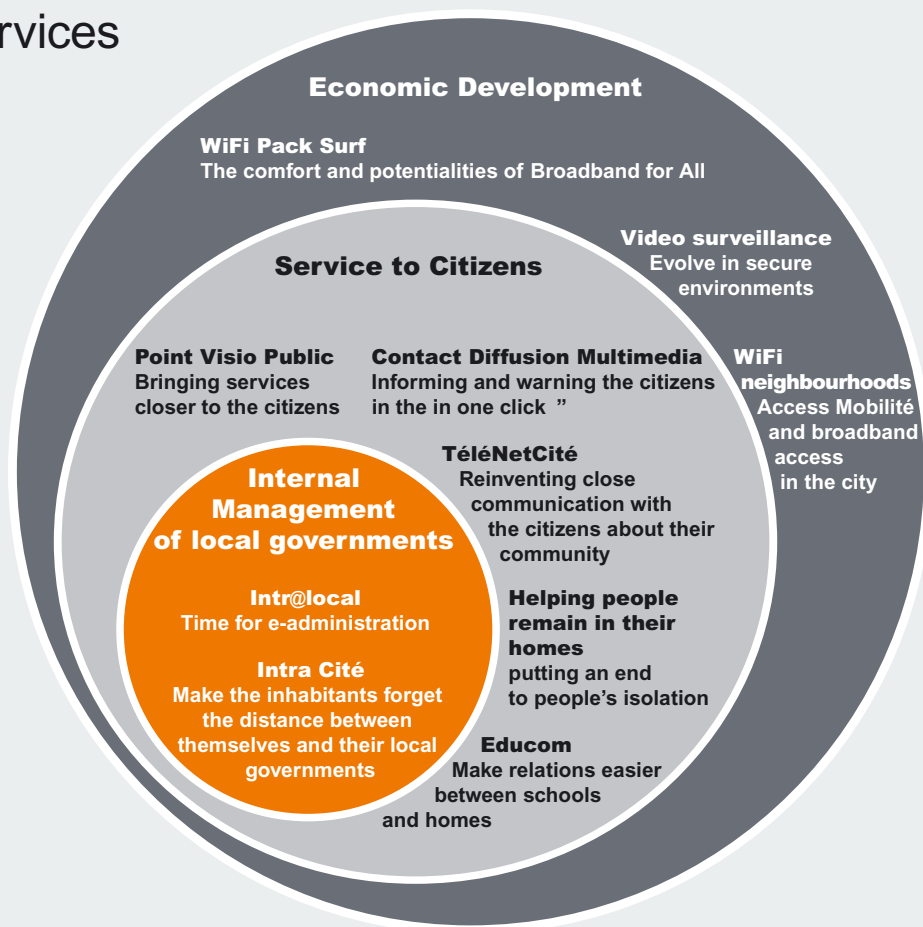
Facilitating the life of the communities

Making broadband available to a majority of people is a necessary step, but it is not enough.

The second stage is even more important: making other services available to the public, i.e. services that improve the citizens' everyday life and contribute to the economic development of the territories, services that accompany the modernization of local managements, and the way they are managed. What matters is not so much the technologies, but their use and results.

France Telecom worked hand in hand with local governments to define which innovative uses should be developed to serve better public policies and programmes (education, health, information to the citizens, e-administration, etc.). The result of this is the "3x10" plan which presents a whole new range of services launched in France in three successive waves: 10 services today, 10 services tomorrow, and 10 services for the future.

10 innovative services for the territories



The solutions developed by France Telecom are a result of the Group's expertise as an integrated operator. Three major needs are tackled: the improvement of the services to citizens, the organization and internal optimization of local governments, and the reinforcement of the territories' attractivity.

Fixed, mobile and Internet videotelephony: "It's better to see each other when we talk..."

France Telecom was the first operator in the world to market, at the end of 2004, a broadband videotelephony for the general public. All the solutions of the Group communicate with one another, but also with traditional telephony, be it fixed or mobile. Thanks to videophony and its associated services (which also use images), people can not only talk, but also see each other, share what they see, their photos, their videos...

With Point Visio Public, a base that enables people to contact an administration (a sort of a virtual front

office), services in isolated areas can be maintained (without the customers or citizens having to go there physically), as well as the human dimension of this exchange, favoured by this direct contact. This connection is simple and accessible to anyone, be they an expert or not in new technologies.

This Point Visio Public can regroup all the administrative services of a local government: need for social or civic information, creation of access rights, contact with elected officials...). Information can also be made available to all through video clips, presentations or commercials. With this base, people can also buy services or items (payment by credit cards to obtain tickets for public transportation or shows...) or work (through the traditional tools for video conferencing)...

Interview Tidiane Mbaye



Chief Executive officer
of Sonatel⁽¹⁾

To me, “responsible growth” can be defined by three major characteristics. First, it must create value for the company. Second, it must create significant value for at least one other employee who, in return, expresses his satisfaction. Third, responsible growth must not put in danger another employee.

“This project created value for the employees, which all of them recognized, it boosted our turnover and lowered costs: to me, there is no better example of responsible growth”.

Let me give you an example which, to me, is very representative of what is “responsible growth”: fixed solar phone booths using GSM. Senegal is a country where phone networks are not yet very developed, and where you have to pay a lot to have access to a phone. This is why we wanted to make more use of the mobile network already in place by installing phone booths using GSM.

These booths are managed by private entities, for instance local villagers. Jobs were therefore created, and at the same time, a useful and popular service was made available to all. Such projects have a tremendous positive impact on locals, because they help maintain the social link between people. In these highly isolated areas, people need to keep in touch with their families who sometimes live in the capital city or abroad. Thanks to this service, they can keep contact, and to me, this offer is an indirect way to fight against rural migration. When we install those booths in the villages, all the inhabitants come and celebrate this event.

(1) Sonatel is the historical phone operator in Senegal. Sonatel also has a licence for mobile telephony in Mali.

Improving the services for the citizens

To make their relations with the citizens easier, local governments need to:

- archive, edit and put online their own multimedia content – for instance, consultation on projects of general interest, debates of the municipal council, communication of all the highlights of the local community's life;
- send to a given population information messages of different kinds (from everyday information to alert messages) on different terminals and in different forms (vocal via fixed or mobile telephones, written via text messages on mobile phones, fax or e-mails);
- promote the development of electronic administration: the Point Visio Public includes an innovative solution of videophony thanks to which citizens can fill out administrative paper forms interactively, ask advice to a consultant, or pick up information directly on the screen;
- make the communication easier between schools, the staff (be they teachers or not) and the families of the students;
- improve the MAD (Maintien A Domicile, “Home care” i.e. giving the possibility to patients or isolated people to remain in their homes) by making possible remote medical assistance and by maintaining social relationships. See for instance Autonomie Visio, which is a new range of services currently being developed and designed to help elderly or dependent people remain at home).

Optimizing the internal management of local governments

To manage their internal networks in a secured way and to coordinate their various sites, local governments can optimize, with France Telecom, their communication over IP* (TOIP/VOIP*) in different ways: via a local intranet or a completely secured hosting, via the dematerialization of administrative statements or exchanges, certified tools and solutions (like achatspublic.com) and the electronic bill.

A support to economic development

In France, the Quartier WiFi Access convention, which has been developed by France Telecom, consists in a partnership between a town and a large number of local private establishments (restaurants and cafés, media libraries...). Thanks to these partnerships, WiFi networks can cover whole neighbourhoods and clients and visitors can thus have a mobile access to the Internet. Moreover, partnerships are also made with major videosurveillance actors: videosurveillance locations can be organized and set up in an economical, efficient and evolving way.

Reinforcing the attractiveness of territories

A territory's dynamic economy is often the result of convergent interests between the local actors (local governments, companies, shop owners, associations, etc.). It creates partnerships which contribute to a more balanced development.

The local dynamic economy

Solutions which support local services and respecting proximity help local economies develop. Helping patients or elderly people remain in their homes, for instance, results in the creation of local needs, and therefore new services (medical and social services, but also catering or transports services). Favouring local suppliers is a way to reinforce the attractiveness of territories. As far as France Telecom itself is concerned, purchasing agreements are concluded at the corporate level, but local agreements are also signed. When selecting a local supplier, regional practices are first identified (purchase orders, contracts detailing the services provided, a study of the potential service providers), as well as the orientation of the Group's policies on certain specific topics, such as employments in secteurs protégés. (protected workshops and labor-related help centers)

Information for all

People in sensitive or isolated areas

In France, the Group partnered up with other companies in charge of public services missions (EDF/GDF, SNCF, Transports en Commun Lyonnais or TCL, La Générale des Eaux and La Poste). They chose to share their respective means of action to create tools enabling an access to public services, jointly with the State and local governments. PIMMs (Point d'Information Médiation Multiservice) indeed create a social bond; 12 urban structures, which are coordinated at the national level, have been set up in "sensitive" neighbourhoods. These places are open to local communities throughout the day and every day of the week. People are listened to, informed and given advice to learn how to gain more autonomy, helped when they need assistance with administrative paperwork, job search or when they need training... Resources are also at their disposal, as well as communications solutions (computers, teaching of the fundamentals of the Internet...). Jobs are also created for the youths coming from those neighbourhoods. Now that it has gained experience in urban areas, the union of PIMMs, in partnership with the DATAR*, has been advising since 2005 to the local governments of 14 rural départements.

Thanks to communications solutions and broadband services, the rural world has initiated a new approach of the future. Proof of this is the book entitled *Pour des territoires ruraux innovants – Parole d'élus* ("Creating innovative territories – testimonies from elected officials") jointly published by the association of French territorial communities (l'assemblée des communautés de France) or the association of French rural mayors (Assemblée des Maires Ruraux de France) and France Telecom. In this book, the experience testimonies of 42 project managers are regrouped and illustrate how dynamic rural territories can be, especially when communes work together. The aim of this book is to encourage all the actors concerned to share their experiences. The projects described have been categorized in 6 different topics: economic development, health, tourism and culture, access to public services, internal management of local governments and information on new uses. Voluntary programmes initiated by elected official and local decision makers from rural territories are particularly encouraged when communications solutions and broadband were integrated in their strategy for territorial development.



Mobile people

France Telecom is one of the only operators whose range of convergent solutions meet the multiple needs of "nomad" users:

- With Business Everywhere, the various tools used from various terminals are convergent, and the nomad users of a given company can have a permanent, secured access to their working environment and key company applications (e-mails, intranet, Internet). This user-friendly solution can be used on any terminal (laptop, mobile phone...) and connected to any network (WiFi*, ADSL*, RTC*, GPRS* plus, in France, 3G* coverage as well as EDGE*).
- With Pastel' Form (a solution which enables nomad professionals to transfer forms), the need felt by companies to be given the information contained by the forms that are filled out by their mobile employees is satisfied: these forms are scanned and sent by e-mail and the data is extracted and transferred into a database. Pastel' Form is a light and small equipment, much more practical than a computer.

People handling crises

France Telecom's technology in terms of machine to machine communication (M2M) is advanced, and the Group has decided to apply this knowledge to the targeted and rapid broadcasting of alert signals to the populations threatened by critical situations. The solution called Pangoo is designed to be used in a context of natural disaster. The Okoo project is an alert solution also designed to help people handle crises securely from beginning to end. France Telecom's knowledge and experience in terms of networks, hosting and platform is of course a great advantage in this field. Thanks to Okoo, which is designed to alert emergency response teams:

- messages are simultaneously sent through several media (phone calls, text messages, e-mails);
- the lists of recipients are centralized beforehand, as well as the recipients' media preferences (type of message, or alert process), thanks to a quick and simple broadcasting of the information towards numerous recipients via PCs connected to the Internet;
- the broadcasting of the alert signal can be accurately followed up in real time;
- the broadcasting diffusion is kept, so that the crisis' unfolding can be analyzed afterwards and with hindsight;

France Telecom also made a partnership with Telecom Sans Frontières (TSF), which led the Group to make some of its satellite communication means available and help NGOs be more efficient when working on the field. In 2005, TSF made interventions in Niger, El Salvador, Pakistan and in the US (New-Orleans).

Meeting the needs of the world of healthcare and its patients

France Telecom works in close collaboration with the medical world and proposes telemedicine solutions which enable sick people to stay at home but go through an examination all the same, and which makes it possible for sick, disabled or elderly people to remain in their homes. Thanks to these solutions, medical specialists can control or share diagnoses from a distance, operate, etc.

Health and social policies are often put in place in parallel to these offers. For fragile people, the Group created in 2005 the Fil Orange ("Orange thread"), which is the first "hotline" via GPS mobile telephony: elderly people feel safe and remain more autonomous, while their families and friends are reassured. To maintain the patients' communication with their families, videophony has been developed for instance in La Maison de Solenn (elderly people with Axa Assistance or Alzheimer patients with Medical Intelligence).

Transmitting medical data is a central issue for all healthcare professionals. This solution is not only better for their patients, it also enables them to share information with each other, to better handle medical emergencies and to share costs.

Surveilling natural environments

Pangoo is based on a sensor network that measure the quantities of rain fallen and the water height of torrents. This data is transmitted to a center which centralizes it and sends it to a relaying radio. This information is gradually transferred until it reached a gateway – fed by solar energy – and is transmitted to France Telecom's platform dedicated to M2M applications (see page 26). Thanks to this platform, the impacts of increased water heights on the populations are modeled and visualized, as well as the progression of a fire, pollution, or the propagation of noise annoyances. In case a crisis breaks out, based on this modelization, the list of persons concerned by this crisis is created, and they are alerted first by a call on fixed or mobile phone, and then, if they do not answer, by text messages or by e-mail. Geolocalization of the mobiles present in risk areas – and sending alert signals to those mobiles – is currently being developed, so that the unexpected people present in those areas can be warned of the impending danger.

In late 2005, thanks to the Wanadoo Santé Service, close to 95,000 professionals could already transmit electronically their claim forms.

Offering solutions to disabled people for increased autonomy and accessibility

To meet the needs of disabled or elderly people who have difficulties moving about, France Telecom has created a specific range of products and services, which has been developed in partnership with the different groups of people concerned by those issues: disabled people and their families, associations and companies, prescribing physicians and professionals from this sector, governments organizations... France Telecom also informs and trains its distant or home distribution network about the specific needs and expectations due to handicaps.

The concept of communicating houses

Enabling elderly people (who have more and more difficulties being autonomous, and who are increasingly numerous) is an answer both to their wish to keep on living at home, and to their need to find an alternative to costly specialized institutions. Thanks to telecommunications, maintaining this indispensable bond with the outside world is possible. France Telecom has been making important research in this area: its R&D departments have participated to a dedicated project, called "health monitoring", which aims at using the data collected by sensors to see globally to what degree a person is autonomous or not. Any decrease of the person's activity is detected and communicated to the patient's family, to the home support and gerontology services, as well as to the mutual insurance company and its handling companies. France Telecom has also developed advanced technologies in terms of "house intelligence". From January 2006, in France, elderly people from two départements in Brittany will test a new service which combines videophony on ADSL with manual telealarms and a book in which they can write via a communicating pen. When needed, the person can simply press a button situated on the pendant of his electronic necklace. A network of sensors situated everywhere in the house also sends data. For instance, if the sensor situated on the fridge's door does not send any signals of activity for a while, an alert signal will be sent to the family and, if necessary, to a teleassistance center.

A range of solutions

Thanks to its range of dedicated products, developed with industrial partners, France Telecom integrates the specific needs of disabled people from the conception of its offers, be they for the general public or for a more specific community:

- visual needs: thanks to voice recognition and speech synthesis, geolocalization, the vocal directory, the vocalization of menus and browsing... but also thanks to bills written in Braille or large print, large keys on fixed telephone, mobile phones using the vocalization software Talks and GPS*...
- auditory needs: thanks to amplifiers, light signals, texts by fixed or mobile phones (for instance MOTAMO), video-interpretation which makes vélotypie (the simultaneous written transcription of speech) and remote French sign language possible, detector loop fixed or mobile phones...
- needs in terms of speech: thanks to Internet solutions, texts on mobile phones...
- needs for mobility: thanks to hands free kits, vocalization, Bluetooth links and fall sensors...
- needs linked to a medical condition: Alzheimer bracelet (marketed in April 2006), teleassistance, videophony and sensors that enable sick or elderly people to remain in their homes, home hospitalization...

Making up for handicaps and accompanying our customers everyday

- The commercial strategy of our Mission for our disabled customers is simple: extend our customer targets to elderly people to make economies of scale, develop a more complete offer for fixed telephone lines as well as mobile telephony and the Internet, and adapt our distribution networks to reinforce our proximity with our clients.
- The Group's strategy to create a network of functional and operational correspondents aims at including all the departments of the Group with activities in relation with all the economic and social actors.
- The Group's strategy of conception integrates the demands expressed by the disabled customers during round tables, as well as the needs anticipated by the Group during its research and development processes.
- Finally, thanks to its strategy of partnerships, the Group can capitalize and make the most of its partners' know-how and external distribution networks.

A whole organization has been deployed on a national scale in France: 75 dedicated shops with the "Solutions Handicap" label, a "Solutions handicap" catalogue, a website and a hotline.

"Design for all"

Through its "conception for all" program, France Telecom is one of the few actors who make researches in terms of accessibility of its products and internal and external websites, by mobilizing all the synergies of the Group and by making the products as simple and user-friendly as possible (see for instance Ocawa, an audit and diagnosis tool which judges the accessibility of websites).

"Universal access to information is a challenge for our whole society. This is why France Telecom choose strong partners who believe in what they do."

Generally, most of the disabled customers' specific needs are integrated in the industrials' objectives and specifications: great technological advances can then be made in favour of everyone, as well as economies of scale thanks to which adapted terminals can be produced at a lower cost.

Accompanying the educational world towards new communications uses

Giving access to information to a vast majority has been a major issue during this decade. To do so, and create simple, practical and adapted solutions, all the organizations which are representative of the society must work together: local governments, private sectors, international organizations, NGOs...

Specific local needs

Depending on the level of economic and social development of the territories where the Group operates, and in partnership with local actors, France Telecom contributes to helping people have access to new communications uses in favour of education and access to information:

- In Senegal, a partnership with the Ministry for Education was initiated by Sonatel; the aim

is to make Internet available in primary schools, high schools and universities, and to enable girls from poor communities to go to school.

- In Jordan, a programme was set up through a partnership with the Ministry for Education; its goal is to encourage better access to the Internet in schools, and also to promote assisted education of literary Arabic. In March 2005, Jordan Telecom also launched a campaign aiming at helping the young Jordanians who have a fixed telephone line have access to new technologies: sales of PCs were organized in 37 centers throughout the Jordanian kingdom (with a possibility to pay by instalments), the price of the subscription to the Internet has been decreased and included in the monthly telephone bill. Through the Jordan Fund Foundation, Jordan Telecom has been launching several initiatives to contribute to the technological, economic and social development of the kingdom. To this day, 3,799 schools, 184,523 students and 27,248 teachers were trained to use the Internet thanks to a mobile school (a bus and a tent) equipped with multimedia tools that has been travelling all over the country. An agreement was signed with the Princess Sumayah University for Technology and Jordan Telecom in June 2005 to reinforce this cooperation between the educational world and that of companies through new technologies.
- In Poland, in line with the actions carried out after the signature of the agreement for the development of the information society, in 2002, TP launched a programme called "Education with Internet TP". In December 2005, the schools which can have access to ADSL* were given the possibility to have broadband at a very low price. Primary schools, secondary schools and high schools can have access to a broadband Internet (more than 1 Mbit/s) thanks to the Neostrada service by TP, available at a symbolical price: 1 zloty. Computers which had belonged to companies were transferred to elementary schools in small towns and villages, or in specialized schools.
- In France, various programmes in favour of education, training and integration are carried out to help poor communities: participation in the creation of the "Second Chance" school (a school for youths aged under 25 and experiencing school failure), support to similar schools which already existed, support to pedagogical and social initiatives in favour of music during the "Banlieues Bleues" and "Blues sur Seine" festivals (which take place in sensitive neighbourhoods), partnerships with several associations to encourage the elimination of

illiteracy and contribute to creating social bonds thanks to new technologies, support to education in prison, etc. With these projects, France Telecom brought its support to almost one thousand people in 2005.

Adequate solutions

To meet specific needs, the Group developed or deployed various solutions in 2005, among which the multilingual Abrégeur and Hostonautes.

- Thanks to the software entitled "Abrégeur", automatic summaries of documents and key-words extractions can be performed in numerous languages: French, English, German, Spanish, Polish, Portuguese and Arabic. Contrary to most of the other technologies available on the market, France Telecom does not base itself solely on statistics: it associates statistics mechanisms with linguistics ones. Because of the architecture of this software, it can be easily adapted to Indo-

European, as well as non- Indo-European languages, be they alphabetical or not. Thanks to this technologies, advances in terms of automatic translation and access to a broader universe of information are now possible.

- With Hostonautes, sick children can maintain contact with their schools from the hospital or from their homes. Hostonaute also enables children to keep in touch with their families and friends in a permanent, simple and warm way. Videophony, contents sharing, Internet browsing...: children can participate remotely and interactively in lessons being given in classrooms at their schools, talk with their parents, create their own website... All of this safely, because this specific broadband solution offered by France Telecom and Livecom is completely secured. France Telecom accompanies teachers when they create their educational projects, trains them on Internet fundamentals and on the creation of websites, gives support when the installation is being set up and ensures technical follow-up. The Hostonautes system has been deployed, to this day, in Timone (Marseilles), the Purpan hospital in Toulouse, as well as in other hospitals in Montpellier, Nancy and Garches.

Jordan Education Initiative: e-learning Arabic

Within the framework of the Jordan Education Initiative, France Telecom, in partnership with Jordan Telecom and the Jordanian Ministry for Education ⁽¹⁾, is developing online pedagogical tools aiming at helping teachers of primary and secondary schools have new methods during their Arabic language classes. The proportion of e-teaching in the 12 different programmes varies. Pedagogical difficulties can be encountered during more traditional classes, and this type of teaching is a good alternative, because it is more graphically animated than books. An editorial organization was set up to maintain the coherence of the programmes with traditional teaching and to formalize and officially approve the pedagogical contents. It will be possible to modify the contents in order to adapt to the evolution of the programmes, and it will be possible to adapt this e-teaching method to other national contexts. The first 6 programmes will be tested in Jordanian classes during the 2005-2006 school year, and the six others during the 2006-2007 school year. This know-how could be useful for other fields.

(1) The Jordanian Ministry for Education gives the editorial structure, Jordan Telecom runs the project in Jordan (JT Fund), as well as its development and its technical integration through its e-dimension subsidiary. Enic is in charge of the global conception and the methods. The French Embassy represents the French institutional partners (Institut du Monde Arabe and French Ministry for Education). France Telecom finances the overall project and manages the operation on the whole.

Encouraging sustainable sponsorship activities

Sponsorship activities are a major element of Corporate Social Responsibility. To express the common values shared by all the entities of the Group, a global sponsorship policy was defined for the whole Group and implemented in 2005: it is integrated and coordinated by the France Telecom Foundation. Six major topics were identified in 3 different fields: health (autism, deafness, blindness), education (fight against illiteracy, education for girls in emerging countries) and culture (music).

Education for girls in emerging countries

Education for girls is a stepping stone towards social and economic development, and it has been defined as a priority by the UNICEF and the UN until 2015*. To support such programmes in emerging countries, France Telecom signed a partnership with the UNICEF, which completed the actions that have been taken locally by the Group's subsidiaries: Sonatel in Senegal, Ikatel in Mali, Jordan Telecom in Jordan, Orange in Switzerland and the UK...

The projects that have been launched will concern several thousands of children, and impact their families and personal environments. Thanks to such projects, the cohesion within our Group is reinforced:

beyond the barriers of culture, interests and languages, solidarity objectives gather our employees who fight together for actions that reflect common values.

Building and setting up elementary schools

The Group's objective is to contribute to the construction and setting up of elementary schools in which girls can be educated, to fight against the discrimination against them, first in Senegal, Mali and then, in 2006, in other countries where France Telecom operates (Jordan, Ivory Coast, Madagascar, Equatorial Guinea or Cameroon). Thanks to this programme, sanitary conditions should be improved (drinking water available, construction of adapted comfort stations separate from the boys'), school canteens should be built, teachers will be trained on hygiene, cleanliness, prevention and citizenship, families and communities will be involved, informed and trained on those issues and pedagogical books and methods will be distributed.

Occupational and social integration

Education for girls is a priority shared today by everyone in the Group. This priority reinforces or completes other initiatives already in place in numerous subsidiaries:

- in Senegal, 900 scholarships have been granted to 300 girls in five years thanks to a partnership between Sonatel's Foundation and the NGO called US AID. Thanks to these scholarships, these girls will have the possibility to go to secondary school and high school;
- in Mali, various partnerships have been developed between Ikatel's Foundation and schools or occupational integration centers in order to accompany girls from poor communities. Within the framework of the "Month in favour



"Educating a girl means educating a family and educating a family means educating a whole nation." ⁽¹⁾

(1) Kofi Annan, United Nations secretary-general- UN

Extended fields of action in 2005

In addition to the Group's actions in terms of music and autism, the Foundation extended its field of action to the issues of eye deficiency (a particular support was given to the launch of the "Daisy" programme for a better access to audio-digital books) and ear deficiency (support given to trainings that use sign language cued speech). To fight against illiteracy, the Foundation accompanies adults whose basic knowledge in this area is not solid enough (training of voluntary workers, diffusion of adapted manuals, help given to dedicated structures...).

On-going actions

- In Senegal, 20 school projects initiated in 2005 will be finalized in 2006. These schools will be set up in Casamance, in villages situated in the Sédhiou area (Ziguinchor). Five of these schools should be equipped with solar panels. Having access to electricity should be an important improvement for the locals' life conditions, hygiene, education. All the community should benefit from it, and especially doctors and health institutions. Computers will also be able to function, teachers and pupils will have the opportunity to be taught how to use them, as well as the fundamentals of new technologies.
- In Mali, 20 schools also should be set up within 2006, in villages situated in the Bankass Circle (Mopti region). Solar panels should also be installed in several of these schools.

For all these cases, the regions selected were chosen jointly by the local offices of the UNICEF, the France Telecom Foundation, the local subsidiaries and governments. The criterion was that they are particularly poor rural communities where the schooling rate for girls is the lowest.

of Solidarity", Ikatel has contributed to distributing pedagogical material to schools everywhere in the country;

- in Jordan, Jordan Telecom's "JT Fund Foundation" formed a partnership with the Jordan River Foundation, chaired by Queen Ranya, notably concerning women's access to education and training. This Foundation is also partner with UNIFEM, which supports professional training and access to new technologies for young women;
- in Switzerland, Orange has been developing a partnership with the UNICEF since 2001. Thanks to the subventions and funds that have been raised, 130 schools were built in India from 2001 to 2004, and actions were carried out in favour of education in Guatemala and Vietnam.

International voluntary works

In parallel, international voluntary works are progressively organized: two projects in two subsidiaries are quite advanced to this day: at Sonatel (Senegal) and Ikatel (Mali). The aim is to make employees join voluntary works teams who are from a different entity of the Group and to make them work on the latter's field. This approach has two

advantages: employees are encouraged to perform voluntary works, and they discover and get to know on the field other institutions and ways of functioning. The personnel thus directly contributes to the development of the Group's Sponsorship policy, and takes active part in France Telecom's Corporate Social Responsibility policy.

Sponsoring solidarity projects

Implemented in mid-2005, and in line with the sponsorship initiatives developed by Orange in France since 2003, this programme, created by France Telecom's Foundation, makes it possible for employees in France to sponsor solidarity projects. This initiative is a way to meet the employees' personal expectations while bringing them support from their working environment. This way, the sponsor's interests and concerns are combined with the Group's Corporate Social Responsibility policy.

To put a project forward, an employee must be involved in the association applying for support. Since June 2005, 10% of the sponsorship projects of the Group have been sponsored by employees.

The communities concerned by this initiative:
5,600 children in Senegal and 4,500 in Mali, as well as their families, the teachers, and their whole communities, benefit from the solidarity projects carried out by the Group's subsidiaries.

Geographical perimeter of these initiatives:
In 2005, the projects carried out "only" concerned Senegal and Mali, but they will be extended to other countries in 2006.

The employees' involvement
In 2006, the personnel's involvement in these actions increased, through the Group's international voluntary works.

The involvement of local actors and elected officials
Sponsorship actions are carried out in close partnership with governmental authorities (Ministry for Education, Health, and their local correspondents), as well as with local authorities (towns, counties, regions).

Learning how to use multimedia tools for deaf and hard of hearing people

The URAPEDA Rhône-Alpes association's aim is to promote occupational integration among deaf or hard of hearing people, notably by making communication with hearing people easier. France Telecom's Foundation has been giving its support to an employee's project which consists in teaching about 40 deaf or hard of hearing people the fundamentals of multimedia tools. The objective is to help them find a job in the end.

"I am a sales engineer for large enterprises at the enterprise agency for the Rhône-Alpes-Auvergne regions in France. Since my wife is a French sign language interpreter in this association, this is a way for us to make connections between our respective professional activities. Knowing how to use multimedia tools is a great advantage for deaf or hard of hearing people. I am really proud my company carries out such responsible and sustainable projects!"

Yves Herbaut, sponsor and France Telecom employee at the Lyons General Management

Our daily commitment in favour of the environment

The Group's environmental management is progressive: the objective is to identify and know better the Group's impacts to be able to control them. This is a daily commitment, because the top management, as well as the personnel, are directly involved in this approach, and because these principles are integrated in the company's processes.

2005 Results

Highlights ⁽¹⁾	Realization	Page
ENERGY		
■ Implementation of global indicators for the whole Group on energy consumption follow-up, and for all kinds of energy: electricity, gas, fuel oil, coal...	😊	41
■ Measurement of direct CO ₂ emissions resulting from our consumption of the different types of energy	😊	41
RAW MATERIALS		
■ Partnership with WWF in favour of the dematerialization of phone bills	😊	46
PRODUCT END OF LIFE		
■ In France, organization of the WEEE* collection in France Telecom shops since August 13, 2005	😊	43
■ Implementation of detailed indicators on the devices and quantities concerned	😊	43
■ Audits of priority departments, and implementation of master policies	😊	43
ENVIRONMENTAL MANAGEMENT		
■ Implementation of a common reporting tool for the whole Group	😊	45
■ ISO14001 certification for all Orange's sites in France and Slovakia, and renewal of the certification for MobiNil, France Telecom Marine and the Brittany Regional Direction	😊	45
■ Extension of EMS approach to all France Telecom SA's entities	😊	45
■ First internal challenge organized in France for an Environment Award	😊	46

(1) In 2005, France Telecom achieved most of the objectives it had set in 2004

Controlling the sites

The places where fuel oil is stored or the cooling systems can cause great damage to the environment. France Telecom has been taking the necessary measures to avoid such situations by putting in place appropriate controls of its equipments. The analysis of its technical sites was continued in 2005 throughout the Group, and the entities representing the most important risks will have to have finalized this assessment before the end of 2006.

Because the Group operates in numerous countries whose legislations vary, this regulatory watch is ensured at the national level. In France, to guarantee that our sites and activities are in compliance with the law, regular visits are organized. The processes used during such visits are common to all the entities of the Group.

In 2005, special care was given to the maintenance of the 110 cooling towers used by France Telecom in 46 sites, in compliance with the December 2004 law for the prevention of Legionnaires' disease. Special attention is also given to the 17 ICPEs (Installations Classées pour la Protection de l'Environnement – classified sites deemed risky for the protection of the environment).

Controlling our energy consumptions and greenhouse gas emissions

Dedicated programmes are deployed within the Group to keep a follow-up of our energy consumptions due to our activities. France Telecom also aims at keeping on reducing its greenhouse gas emissions.



Measuring our consumptions

Our energy consumptions (electricity, gas, fuel oil, petrol) are evaluated according to various methods:

- a specific billing system called Panorama and developed by EDF (Electricité de France – France's energy supplying company) issues detailed summaries of our consumptions per electric meter; after being tested, this tool will be deployed in the Group;
- a model to measure electricity consumptions regrouping all the data of a given site has been developed; in 2006, based on the data given by this tool, solutions will be thought of to try and reduce more efficiently our electricity consumptions;
- a drill is used to measure in real time the efficiency of the actions carried out to reduce the energy consumptions of a given site; this tool is currently being tested in an Orange site in France;
- all the entities of the Group are asked to give a reporting of their energy consumptions (see page 56).

The Group's motor vehicle fleet

When selecting new vehicles, France Telecom SA gives priority to one particular criterion: their CO₂ emissions, which must be as low as possible. The emission rate of most of the fleet therefore amounts to about 140 g/km. Vehicles are changed in average every five years. Campaigns are also organized to encourage people to drive in a more economical way.

CO₂ emissions

For each country where the Group operates, its energy consumptions are translated into CO₂ emissions, which helps us to have a better idea of the Group's impact in this field, notably the Group's efficiency in reducing greenhouse gas emissions (see key figures page 48). The quantity of CO₂ emissions resulting from all the kinds of energy listed by the Group is calculated based on the Green House Gas protocol (GHG protocol). Depending on the energy production systems of each

country, the amounts vary a lot (ten times as much in certain countries). In France, most of the CO₂ emissions of the Group result from vehicles, whereas in Poland, they are a direct consequence of electricity consumptions.

CO₂ emissions (in tons)

	02	03	04	05
France Telecom SA	247,000	229,000	215,000	237,000
Group				793,000

France Telecom SA's CO₂ emissions increased between 2004 and 2005 for two reasons:

- the reporting perimeter was extended: fuel oil consumption in buildings, plane and train transports are now included;
- Electricity consumption of the Group increased by 4% due to the deployment of ADSL* in the network; moreover, the CO₂ conversion factor rose by 13% for electricity.



Key facts for 2005

- **80% of Orange's energy** in the UK and **20% of Orange's energy** in Switzerland are "green" energies, which corresponds to 309 GWh consumed and more than 127,000 tons of CO₂ saved
- **20 France Telecom SA technical sites** consume "green" energies, which corresponds to 52 GWh consumed and 2,800 tons of CO₂ saved
- A specific low-powered ventilation is currently being installed in remote technical buildings: this system will be operational in 151 buildings from March 2006 onwards
- **300 sites in Senegal** powered by solar energy (for their telecommunications equipment and for the air conditioning of their technical premises built from 2003 to 2006)
- **10 CTSs** (Company Transportation Scheme) were implemented (see page 17).
- **France Telecom SA's vehicle fleet decreased by 7%**
- **Fuel consumption** in the France Telecom SA decreased by **4%**, which corresponds to 4,700 tons of CO₂ saved
- **750,000 travels** were avoided thanks to internal meetings and conference-calls, which corresponds to more than 1,500 tons of CO₂ that were not emitted for each 10 km saved

The Development of Alternative Energies

France Telecom's laboratories study and use renewable energies (solar or wind energy) since 1976. They used their expertise, particularly in terms of dimension and relays which feed on solar energy, for numerous projects in France and abroad.

In 2006, one of the major topics of research chosen was the use of solar energy to feed isolated mobile networks equipment (repeater outstations, rural base stations, WiFi bases...), as well as bases "guarding" the parking spaces of disabled drivers. A solar WiFi station base was inaugurated in November 2005 at the Jardins de l'innovation, the showroom of the Group's R&D in Issy-les-Moulineaux, South of Paris, France. On the economic level, it must be noted that solar energy is quite cheap to use. However, the initial investment remains quite costly. To fight this situation, France Telecom's R&D elaborated and installed a test solar platform thanks to which the global architecture, but also the different components can be assessed: photovoltaic technologies, batteries, electronic systems designed to regulate and control, etc.

In parallel, France Telecom undertook research concerning fuel cells, which are particularly useful to Alpea (European network of experts on hydrogen and its applications).

Product end of life management

For about a decade, France Telecom has been reinforcing its policy concerning the products and equipment it no longer uses. This commitment is part of the Group's global strategy together with its partners in favour of Sustainable Development.

Adapted solutions for each product

The Group has two major objectives in this field:

- reach the best balance possible between environmental management and cost control;
- strive to prolong the life cycle of these products via new uses, when it is possible, and in conformance with laws.

In 2005, for instance, Orange developed a recycling plan for the mobiles of its customers in Great Britain, the Netherlands and Switzerland. 77% of the mobiles brought back by the customers were restored by Fonebak. This plan is now being progressively deployed in Egypt, Romania and France, where close to 50% of the devices collected among the customer enterprises have been reconditioned.

A few figures on WEEE* (1)

- **63% of general public equipment was collected**
- **77% of the material processed was recycled**
- **2,200 tons of general public equipment,**
- **8% of the energy was recuperated and**
- 550 tons of hardware and office automation,**
- 15% of the waste was buried, thanks to the intervention of Geodis Valenda.**
- 630 tons of network equipment were processed**

(1) Collection and recycling of WEEE equipment in France Telecom SA in 2005

Electric and electronic equipment

The directive on Waste of Electric and Electronic Equipment (WEEE*) is applied differently, depending on the country where the Group operates.

Collecting and recycling terminals

In conformance with the WEEE* directive, any customer can bring back an old terminal

in the France Telecom shops and agencies when buying a new similar one. The cost of the recycling process is mentioned in the bill. All the terminals sold or rented have the crossed-out bin label. For several years now in France Telecom, the products brought back by customers are transferred to specialized organizations (Geodis Valenda, Infonégoce, Fonebak) or Ateliers Protégés (workshops that employ disabled people) who handle the recycling through master policies. This equipment is either reconditioned to be resold (in particular mobile phones terminals), or dismantled, so that the parts are used separately, or their components processed separately.

End of life of the other products

Thanks to a cartography of the other products reaching the end of their life, France Telecom identified about 40 types of waste coming from the Group's 10,000 French sites.

Twelve waste channels were classified as priorities due to the waste volume and composition: Electric and Electronic Equipment (mentioned above), cables, wooden poles, electric cells and storage batteries, lightning arresters, batteries of more than 3 kg, PCB* (PolyChloroBipheniles or pyralen), paper and other common waste.

In 2005, an audit was conducted by the INERIS (Institut National de l'Environnement et de l'Evaluation des Risques) on the management of these channels. Thanks to this audit, France Telecom:

- improved its internal processes, notably through a regular information and training of the local actors, so that better coordination with national actors is possible;
- reinforced the Group's dialogue with its suppliers to have a better knowledge of their waste management (traceability, recycling).



Interview Christian Le Cornec



Regional Director
for France Telecom
in Brittany

In my opinion, a “responsible growth” is another type of growth than what we have seen over the past twenty years. It aims at tackling many more issues, and at interacting with the Group’s internal and external employees.

“Responsible growth” is usually the result of a long reflexion, which first tackles a specific issue and then is extended to other stakes that are linked to it. In Brittany, we chose to start in 2002 by trying to control our environmental impacts through an ISO 14001 certification.

We really wanted to involve the employees by launching concrete actions on which internal as well as external employees were informed. These actions were part of a broader regional project managed by myself and my team at the level of the Management Committee. In addition to this environmental programme, we can also think about “Sarbox*”, a programme which aims at reinforcing our own control over our activities, and about our determination to obtain the certification of our services, which shows that we are aware of our responsibility towards all our customers. Through act., we also make great efforts in favour of the development of the employees’ competences. In almost every “Connect” issue (our newsletter), we chose to dedicate a specific column to “responsible growth”. It is a means to involve all our employees in this sustainable approach, it is a means for them to adopt this new definition of growth in their every day life and to contribute to a greater respect of all our partners.”



Environmental Management

To deploy its environmental policy properly, the Group relies on all its components and staff, via a network organization. A constant dialogue with the society in general, and solid partnerships are also key elements to better take into account local stakes. Among the various tools that help the Group achieve its objectives, the Environmental Management System (EMS), which is in conformance with the ISO 14001 standard, gives the Group a real structure. Raising the awareness of the employees is a priority: they are the first actors concerned by this issue, and they can directly contribute to protecting the environment by their daily behaviour (see page 46).

EMS, a tool for the deployment of our environmental policy

In all the entities of the Group, EMSs – tools that are in conformance with international environmental standards, such as ISO14001 – are being implemented.

This transverse policy gives the Group a good structure and aims at two main goals: ensuring conformance with laws and regulations, and ensure risk control and the reduction of the impacts of our activities, to reduce our “ecological footprint”.

Certification, a local choice

Some subsidiaries or entities chose to go all the way to the ISO 14001 certification of their sites: Orange in France, in Slovakia and in Poland for all its sites there, but also Mobinil in Egypt and France Telecom

Marine. In France, the regional directions of Champagne-Ardenne and Brittany kept or extended their ISO 14001 certifications in 2005. In France, the major actors involved in the deployment of EMS are national and regional ones. This network, which is composed of 140 people, was created following the elaboration of a new national module in 2005. Within the subsidiaries, adapted organizations are set up. In Poland, for instance, based on the needs analysis carried out in 2005, certain environmental issues were tackled in priority, and information and training tools were created, such as a dedicated intranet. As far as mobile activities are concerned, in France and abroad, a specific organization has been set up to supervise the subsidiaries' progress: objectives are set, and exchanges on best practices are encouraged. The subsidiaries contribute to the creation of the Group's environment analysis tools.

Summaries of each entity's actions are presented periodically to offer visibility of the deployment progression. Qualitative and quantitative indicators are grouped to constitute the Group's global reporting. In late 2005, the EMS rate in France was 38%. The objective is to reach 60% by the end of 2006.

Raising the awareness of all our employees

The action plans developed by the management and subsidiaries that have been involved in the implementation of EMS contribute to raising the employees' awareness at all the levels of the Group.

For instance, in France, Orange organized several initiatives to inform its employees on those issues in 2005: road-shows were held in all the units and directions, a mail was sent every quarter to the personnel to give an update on the progress regarding environmental objectives and 4 newsletters

France Telecom Marine: ISO 14001 certified since 2001

In October 2005, this certification was renewed by LRQA* (2004 version) for three additional years. All the sites of the company are concerned: the headquarters in Boulogne-Billancourt, the marine bases in Brest and La Seyne-Sur-Mer, the three cable ships whose home harbour is France and the cable ship of the Chamarel Marine Services based in Cape Town (South Africa). From the beginning, France Telecom Marine's environmental programme was integrated to the existing quality management system of the infrastructure, as well as the maintenance of its submarine systems and the security management of the cable ships (AQSE*). The control of the environmental impacts of the company has therefore been adapted to the ISO 9001 management principles (2000 version), process by process: process concerning legal compliance, process concerning the disposal of waste, process concerning the management of activities, process concerning critical situations. The major actions currently carried out in this field are the implementation of waste sorting (on bases and ships), the reduction of energy consumptions, and the information of the personnel on environmental protection. Dedicated exercises are regularly organized on the ships to inform the employees on how to tackle critical issues, such as hydrocarbon pollution.

MobiNil's ISO 14001 certification renewed for three years

The Egyptian mobile telephony subsidiary, MobiNil, had its environmental certification officially recognized by the German Group TÜV Bayern on May 5, 2005.

MobiNil's commitment in favour of the protection of the environment is strong, as proved by those actions:

- evaluation programmes of the environmental impacts of the network were implemented;
- antennas were integrated into the landscape;
- seminars were organized to raise people's awareness on environmental protection;
- the customers' computer consumables were collected to be appropriately processed;
- paper was collected to be recycled;
- the prepaid cards used were made in recycled cardboard, not in plastic.

Because it has long been aware of its social responsibility, MobiNil was the first mobile telephony subsidiary of the Group to be ISO 14001 certified in 2001. Thanks to this EMS, notably, other innovative initiatives were launched, like the creation of artistic works from recycled computer consumables – an alternative thanks to which the quantity of waste is reduced, by employing local workers.

a year were sent to the managers.

In France Telecom SA, an internal challenge was organized for the first time in 2005 to promote good environmental practices and encourage the elaboration of fruitful projects. Fifty projects were received and analyzed. Those about duplex printing and carpool software received awards. The winner, the regional network Unit of Brittany, presented various solutions to manage the end of life of products in a better way.

A campaign on “green behaviour” destined to all the employees is scheduled for 2006. Its aim is to strengthen their knowledge of the Group’s impacts on the environment and to involve every single employee in the Group’s decision to reduce

A structured dialogue with renowned organizations

The dematerialization of bills with WWF (World Wildlife Fund)

France Telecom created a partnership with WWF to encourage the Agence sur le Net customers to give up their paper bill and receive an electronic one. For each bill agreed to on the Internet, France Telecom gives one euro to WWF. This initiative, which began in November 2005 and which will continue until the end of April 2006, was very successful: as the rate of bill dematerialization was multiplied by three. The money collected by WWF will be used for the preservation and restoration of the Mediterranean forest of the Massif des Maures.

Blanking metal poles with the Ligue de Protection des Oiseaux (LPO – bird protection league)

Hollow metal poles are dangerous for certain varieties of cavernicolous birds that can get trapped in them. Blanking devices have been progressively placed on top of those poles, but sometimes fell off, due to bad weather, for instance. This is why France Telecom chose to include the control of these devices in its maintenance visits of all its poles (400,000 to 500,000 every year), which are carried out in 6 to 8 year cycles. This way, all the metal poles are controlled and secured for birds. France Telecom contacted the LPO to learn from this organization’s experience and better identify the priorities for the intervention on metal poles.



these impacts every day, at work and at home.

Road Map for 2006-2008

Objectives	Deadlines
Energy	
Deploy natural ventilation in certain technical sites	2006-2007
Launch an HQE* policy for new buildings	2006
Carry out electric consumption measure tests on two pilot sites (tertiary sector and technical site)	2006
Select low greenhouse gas emitting vehicles	2006
Carry out an opportunity study on the integration of hybrid vehicles in France Telecom's motor vehicle fleet	2006-2007
Raw materials	
Preserve forests by reducing paper consumption: encourage France Telecom's and Orange France's customers to choose bill dematerialization, and raise the employees' awareness on the necessity to reduce their paper consumption	2006-2007
Product end of life	
WEEE: reorganization in France of the different channels in order to take into account the operational application of the directive (creation of eco-organisms...)	2006
WEEE: Further knowledge of the evolutions for each country to ensure compliance	2006-2008
Improve traceability of waste and visibility on their recycling	2006-2008
Environmental management	
Deployment of EMS within France Telecom, in compliance with the ISO 14001 standard:	
■ in France:	2006-2007
■ in the mobile telephony entities in Europe	2007-2008
■ in Poland	2008
■ in the Group's major subsidiaries in Africa and the Middle East	2007
Launch a campaign on "green behaviour" within France Telecom SA, in line with the actions previously initiated by Orange, to improve habits concerning electricity, fuel, or paper consumption	2006
Include RoHS directive into master policies with suppliers	2006

Key figures

External advice on some information regarding corporate social responsibility approach (work ended on December the 31st, 2005)



At France Telecom's request, we have checked the right description of several processes regarding the corporate social responsibility approach ("the RSE processes") in the report "2005 corporate responsibility and sustainable development" published by the Group France Telecom:

- Animation of the CSR approach ("Day after day, improving the management of CSR" page 6 to 13);
- Informing and training ("Informing and training France Telecom's employees", page 8 and 9)
- Environmental performance measurement (page 6 and 7);
- Responsible purchase policy ("a responsible purchase policy" page 9);
- Evaluation of the economic, social and environmental impacts of products and services ("Measuring the impact of products and services", p 23).

The information given in this report is under the responsibility of France Telecom. It is our duty, based on our works, to inform you on our conclusions about the reality of CSR Process and to give recommendations to the concerned departments.

Nature and extent of the work

Following the agreement, we have realized these following works:

- Review of the report content in order to identify the main assertions concerning the implementation of the CSR processes;
- Interview of the persons in charge of the CSR processes and their deployment at France Telecom headquarters;
- Interview of the correspondents in charge of the CSR processes in France telecom SA subsidiaries in Paris (France), Orange in London (United Kingdom), Telecom Polska in Varsovia (Poland), to evaluate the implementation of these processes; These subsidiaries represent 70% of the Group's total manpower;
- Research, based on tests, of support documents (such as reports, internal and external presentations, audit reports, supplier survey questionnaires, survey study and results), to support formerly identified assertions;

Work of this nature doesn't include control measures that lead to moderate or high insurance on data, but allows us to make the following remarks.

Remarks

- Some commitments have been made and formalized at the group level in order to carry out and respect CSR approach in the field of ethics, employees' health and hygiene, handicap, sponsoring, responsible purchase, and of evaluating products and services impact. The continuation of the efforts already launched must lie in the generalization of operational variation of its commitments in each subsidiary and by demanding more precise information provided to the Group for their follow up.

Based on our research, the content of the report is in conformity with our observations.

Paris La Defense, March the 27, 2006

ERNST & YOUNG Audit
Ernst & Young

Jean-Yves Jégourel

ERNST & YOUNG
Environment and sustainable development

Eric Duvaud

Governance

Frequency of the board of directors' special committee meetings			
	2003	2004	2005
> Board of directors	16	16	17
> Board of directors committee			
Audit committee	10	15	14
Finance selection and organization committee	5	6	9
Strategic committee	1	2	4
Orientation committee ⁽¹⁾	9	8	9
> Headquarter committees			
Investment committees	68	64	62
Risk and intern audit committee	4	4	3
Treasury and finance committee	5	4	4
Tax committee	2	3	5
Commitment committee	—	3	4
Deployment committee	22	43	
(1) Removed in September 2005.			

Customer complaint indicator

	2004	2005
> France Telecom SA		
Residential and professional market	512,543	690,914
Number of complaints		
Sales	10%	8.4%
Order and delivery	28%	24.5%
After sales	16%	12.2%
Billing	30%	35.6%
Less than 10 days treatment	67.6%	
Less than 5 days treatment		57.3%
Company markets	38,000 ⁽¹⁾	40,002
Number of complaints		
Less than 10 days treatment	67.8%	63.2%
Less than 30 days treatment	91.5%	88.9%
> National Consumer Service		
Information request	24,297	14,636
Complaints	5,049 ⁽²⁾	5,879
Less than 15 days treatment	81%	75%
Fixed telephone complaint	62%	65%
Internet complaint	13%	8%
Treatment of complaints received on Internet	100% ⁽³⁾	100% ⁽³⁾
Mobile phone complaint	21%	23%
Third operators' complaints	4%	4%
> Wanadoo in the United Kingdom		
Number of complaints		
Average treatment		
> Orange en France		
Number of complaints	10,000 ⁽¹⁾	1,087,694
Treatment in 5 days	82%	87%
Treatment in 10 days	94%	
Less than 30 days treatment		98%
> Orange in the United Kingdom		
Number of complaints		30,824
Average treatment		
Orange in The Netherlands		
Number of complaints		3 145
Home telephone complaints		90.08%
Internet complaint		2.64%
Complaint by fax		1.14%
Complaint by mail		6.14%
> Orange in Slovakia		
Number of complaints	25,000 ⁽¹⁾	29,141
Average treatment	9 days	
> Orange in Romania		
Number of complaints	855,024	1,018,938
Total number of received calls	8,534,082	10,322,136
Share of complaints / number of received calls	10.02%	9.87%
> Orange in Switzerland		
Number of complaints		
Average treatment		
> TPSA		
Number of complaints	ND	856,184
Treatment in 15 days	95%	ND
> Orange in Poland		
Residential market's number of complaints		508,388
Less than 14 days treatment		93%
Company market's number of complaints		252,809
Less than 14 days treatment		99%
> Jordan Telecom		
Number of complaints	296,000	183,576
Treatment at the 1 st call	74%	ND
48 hour treatment	14%	ND

(1) Approximately.

(2) In the 2004 report, the figure 52,023 was announced, it was a wrong figure, the good one is 5,049.

(3) In less than 48 hours.

Customer satisfaction indicator

	Global		Residentials		Professionals		Companies	
	2004	2005	2004	2005	2004	2005	2004	2005
> France Telecom								
Fixed telephone lines / Internet			77.5	76.5	75.4	74.3	29	32.2 (DCE) ⁽¹⁾
Mobile phones	74	74						
> TP								
Fixed telephone lines / Internet			57.5	59.6	47.4	53.5	44.6	57.6
Mobile phones				81.4				78.6
> Jordan Telecom								
Fixed telephone lines / Internet			82.6	88.7	80.5	ND	79.3	88.03
Mobile phones (Mobilcom)								
> Mauritius Telecom								
Fixed telephone lines / Internet			57	62.5			49.8	55.5
Mobile phones (Cell Plus)			62.4				50.9	
> Sonatel								
Fixed telephone lines / Internet	79	ND						
Mobile phones								
> Wanadoo in the United Kingdom								
	74	76						
> Orange in the United Kingdom								
	76.4	73.1						
> Orange in The Netherlands								
	78			72				
> Orange in Slovakia								
	94	ND						
> Orange in Romania								
	89.7	85.5		86		85		86
> Orange in Switzerland								
	70			94	87		95	

(1) In terms of excellence.
ND : Not determined in 2005.

Type of certification

		Type of certification
> Group departments and services		
France Sales and Services department and France Telecom regional departments for PME customers and for the public		ISO 9001
Company communication department for corporate customers		ISO 9001
Network, operator and information system (RO & SI) service platform department		ISO 9001
Information system development department of RO & SI		ISO 9001
Audit and risk control department		ISO 9001
Accounting department		ISO 9001
National consumer service		AFAQ service Certification
Bretagne and Champagne-Ardenne network units		ISO 14001
Orange technical sites in France		ISO 14001
> Subsidiaries		
Orange in Poland		ISO 14001
Orange in Slovakia		ISO 14001
MobiNil in Egypt		ISO 14001
Sonatel Mobiles in Senegal		ISO 9001
France Telecom Marine		ISO 14001
Orange in France for the services open to the public		ISO 9001
Orange in France for these sites		ISO 14001
France Telecom Terminals		ISO 9001

Sponsorship

- More than 3,000 files received regarding the three fields in France
- 300 conventions signed

Campaign against illiteracy / Education field

■ Help given to adults in difficulty with basic skills

66 supported projects, four of which are employee-sponsored - projects concerning 2,680 learners and 1,000 volunteers.

Supported actions: spreading teaching tools and equipments, training volunteers, proximity accompaniment, abstract training...

Health / Handicap field

■ Eye deficiency

18 supported projects, four of which are employee-sponsored.

Supported actions: access to reading, teaching projects and schooling accompaniment, leisure and vacation stays.

■ Ear deficiency

19 supported projects, seven of which are employee-sponsored.

Supported actions: information-prevention, integration, leisure, art activities.

■ Autism

110 supported projects, four of which are employee-sponsored.

Supported actions: creation or installation of caring structures, research, training, leisure and vacation stays, and conferences.

Culture field

■ Developing group vocal music practice

85 supported files.

Supported actions: group vocals, choirs, musical groups, lyrical creation projects, patrimony research projects, festivals, sociocultural actions.

International sponsorship:

8 international projects:

- 2 projects in the field of autism (one in Mali, one in Poland: creation of a caring structure for 24 autistic adults).
- 1 campaign against illiteracy project in Egypt.
- 4 girl education projects in developing countries (education field), two in Senegal, one in Mali and one in South Asia.
- 1 girl education project with International Social SAMU (Senegal, Mali, Vietnam and a training platform in France).

Employee's data

Entities	Average annual manpower				Management positions				Health and safety					
	Men	Women	Total	% of women	Men	Women	Total	% of women	Number of fatal accidents	Number of days lost due to sickness	Average number of days lost due to sickness per employee	TFRAC	TGRAC	Anti stress actions
France (mobile phones)	3,429	2,868	6,297	45.5	1,555	766	2,321	33.0	0	80,146	12.7	1.97	0.09	N
United Kingdom (mobile phones)	7,029	6,260	13,289	47.1	1,069	432	1,501	28.8						Y
The Netherlands (mobile phones)	954	535	1,489	35.9	90	37	127	29.1	1	20,328	10.7			
Switzerland (mobile phones)	1,008	477	1,485	32.1					0	12,177	8.2	–	–	N
Romania (mobile phones)	956	1,097	2,053	53.4	74	68	142	47.9	0	13,940	6.8	0.35	0.00	Y
Slovakia (mobile)	862	533	1,395	38.2	187	58	245	23.7	0	9,263	6.6			N
Dominican Republic (mobile phones)			699	–										N
Egypt (mobile phones)	1,580	675	2,255	29.9										
Belgium (mobile phones)	1,083	547	1,630	33.6	682	223	905	24.6	0	9,147	5.6	6.60	0.18	Y
Cameroon (mobile phones)	281	236	517	45.6	90	34	124	27.4	0	5,260	10.2	0.00	0.00	N
The Netherlands (Internet)	163	57	220	25.9					0	1,898	8.6			Y
France (Internet)	653	579	1,232	47.0	465	293	758	38.7	0	668	0.5	11.00		N
Spain (FT Spain)	610	368	978	37.6	138	53	191	27.7	0	7,572	7.7	–	–	N
United Kingdom (Wanadoo UK)	337	200	537	37.2	241	108	349	30.9	0	1,963	3.7	0.00	0.00	Y
France (Pages jaunes SA)	1,895	1,853	3,748	49.4	499	308	807	38.2	0	26,236	7.0	9.30	0.38	Y
Spain (QDQ)	324	365	689	53.0			113		0			8.90	0.22	N
Jordania (Jordan Telecom)	2,306	397	2,703	14.7	341	61	402	15.2	1	13,000	4.8	16.45	1.25	N
Mauritius (Mauritius Telecom)	1,317	361	1,678	21.5	65	6	71	8.5						
Senegal (Sonatel) ⁽¹⁾	1,049	388	1,437	27.0	298	90	388	23.2	0	3,895	2.7			N
Poland (TP Group)	17,888	15,238	33,126	46.0	3,459	1,619	5,078	31.9	0	218,963	6.6	4.96		
France (FTSA)	65,416	38,897	104,313	37.3	12,249	5,112	17,361	29.4	2	844,181	8.1	5.47	0.30	Y
France (Sofrecom)	209	128	337	38.0	192	85	277	30.7	0	1,476	4.4	1.86	0.02	N
France (Transpac)	2,221	919	3,140	29.3	1,122	307	1,429	21.5	0	23,828	7.6			N
France (GlobeCast)	217	71	288	24.7	84	22	106	20.8						
France (EGT)	72	43	115	37.4	62	27	89	30.3	0	1,495	13.0	11.04	1.31	N
France (FTT)	167	128	295	43.4	49	38	87	43.7	0	412	1.4	12.86	0.10	N
Brazil (Equant)	266	100	366	27.3	18	4	22	18.2	0	15	0.0	0.00	0.00	Y
Egypt (Equant)	824	226	1,050	21.5	48	4	52	7.7	0	105	0.1			N
France (Equant)	1,228	458	1,686	27.2	245	50	295	16.9	0	5,229	3.1	1.16	0.02	Y
Germany (Equant)	304	60	364	16.5	33	7	40	17.5	0	2,184	6.0			Y
India (Equant)	473	54	527	10.2	29	2	31	6.5	0	–	–			Y
Russia (Equant)	460	184	644	28.6	119	14	133	10.5	–	–	–			N
United Kingdom (Equant)	624	264	888	29.7	105	39	144	27.1	0	49	0.1	1.32	0.03	Y
United States (Equant)	998	437	1,435	30.5	179	55	234	23.5	0	7,175	5.0			Y
TOTAL	117,203	75,003	192,905	38.9	23,787	9,922	33,822	29.3	4	1,310,604	6.8			

Social dialogue		Employability												Training			Diversity
Staff representatives	Signed agreements	Number of dismissals per entity or per country	%	Number of people redeployed per entity or per country	%	Number of voluntary departures	%	Internal mobility	%	Number of foreign employees	%	Number of disabled	%	Number of training sessions	Number of people having attended at least one training session	Training budget share	
20	9	15	0.2	190	3	58	0.9	549	68.8	184	3	47	0.7	23,358	5,075	4.90%	N
1	0	315	2.4	–	–	2,825	21.3	746	16.9	372	3	303	2.3	12,800	12,000	2.60%	
2		1	0.1			279	18.7			149	10	2	0.1		10		
1		57	3.8			138	9.3					–	–				
0	0	0	0.0	0	0	186	9.1	461	49.9	3	0	0	0.00		970	6.70%	N
0	0	7	0.5	0	0	153	11.0	60	30.0	4	0	2	0.14	8,452	1,450	1.50%	N
N	0											0					Y
3	2	61	3.7	0	0	60	3.7			118	7					1.40%	
2	0	13	2.5	0	0	22	4.3	48	59	5	1	–	–	696	333	7%	N
1	7	18	8.2	0	0	33	15.0			32	15	0	0.00				N
		5	0.4					226						13,000	535		
3	4	197	20.1	0	0	64	6.5		33.3	16	2	2	0.2		47		
1	0	15	2.8%	–	–	89	16.6%	61	30%	57	11%	NA	–	2,300	1,202	0.30%	N
9	9	51	1.4	0	–	52	1.4	375	60.6	74	2	149	4.0	13,674	3,379	7.60%	N
10	1	0	–					16		28	4	13	1.9	112	580		N
0	–	94	3.5	20	1	475	17.6	30	8.3	12	0	0	0.0	2,404	1,304	0.22%	N
												–	–				
	3	2	0.1			1	0.1			3	0	–	–	1,170	687		N
21	4	648	2.0	53	0	2,246	6.8	4 136	–	13	0	32	0.1	396,676	32,440	0.89%	
280	6	102	0.1			555	0.5	6 703		1,130	1	3,050	2.9	259,714	80,791	4.47%	Y
2	0	3	0.89	0	0	5	1.5	37	88.1	19	6	0	0.0	926	188	4.66%	N
5	8	4	0.13	0	0	15	0.5	0		0	0	26	0.8	3,200	1,800	3.50%	N
18	6	22	19.1	86	75	3	2.6			1	1	2	1.74	313	24	2.84%	N
4	1	7	2.4	76	26	4	1.4	19	79.2	7	2	3	1.02	693	235	2.78%	Y
0	0	6	1.6	2	1	26	7.1	23	21.5			0	0.00	1,623	280	0.54%	
0	0	1	0.1	0	0	87	8.3	31	3.8			0	0.00	2,771	890	2.61%	
4	4	0	0.0%	138	8%	175	10.4%	3	1.6%			3	0.00	2,010	834	0.49%	
8	1	48	13.2	16	4	18	4.9	40	69.0			17	0.05	747	284	0.24%	
0	0	2	0.4	0	0	27	5.1	2	0.4			0	0.00	2,724	570	2.11%	
–	–	0	0.0	0	0	130	20.2	0	–			–	–	112	23	0.19%	
2	0	74	8.3	15	2	175	19.7	66	31.6			–	–	1,458	436	0.48%	
0	0	289	20.1	27	2	198	13.8	161	61.2			–	–	3,253	1040	0.35%	
397	65	2,057	1.1	623	0.3	8,099	4.2	13,793		2,227		3,651		754,186	147,407		

Environnemental Indicators

	FTSA	TP Groupe ⁽¹⁾	Mobile activity in Europe
RISKY SITES			
■ Fuel oil tanks	3,374	1,099	314
among which fuel oil tanks without secondary protection	2,000	384	146
ENERGY CONSUMPTION			
■ Fuel oil (buildings) (M³)	5,000	3,629	397
■ Gas (GWh)	178	38	33
■ Coal (tons)	–	551	–
■ Electricity (GWh)	1,581	400	667
Total for Energy consumptions, transport excluded, in GWh	1,759	439	701
Total of CO₂ resulting, transport excluded (Tons)	130,130	285,397	77,794
■ Petrol for the company's motor fleet (liters)	2,992,823	6,875,487	5,771,114
■ Diesel Vehicles / company's ships (liters)	34,681,145	851,736	3,421,835
■ Distances covered by plane / train (km)	50,000,000		36,803,431
Total CO₂ for Transport	107,127	18,118	29,593
Total CO₂ Emitted (Tons of CO₂)	237,256	303,516	107,387
OTHER CONSUMPTIONS			
Water consumption (M³)	1,098,000	760,874	263,360
Paper & cardboard, internal use (offices) and external use (marketing, billing, directories, packages...) (tons)	13,734	1,241	18,778
Other common industrial waste evacuated (tons)*	14,107	2,096	3,291
FOLLOW-UP OF PRODUCTS TREATED			
■ Internal & external WEEE (tons) collected/recycled	3,371	0	1,081
■ Metal poles (tons)	1,073		–
■ Wooden poles (tons)	16,218	184	–
■ Cables (tons)	4,291	642	–
■ Batteries-accumulators (tons)	66		2
■ Batteries (tons)	2,007	41	162
■ Printer cartridges (tons)	37	13	10
■ PCB* (tons)	35		0
Global Amount treated and followed-up (tons)	27,098	881	1,254

– : Not taken into account

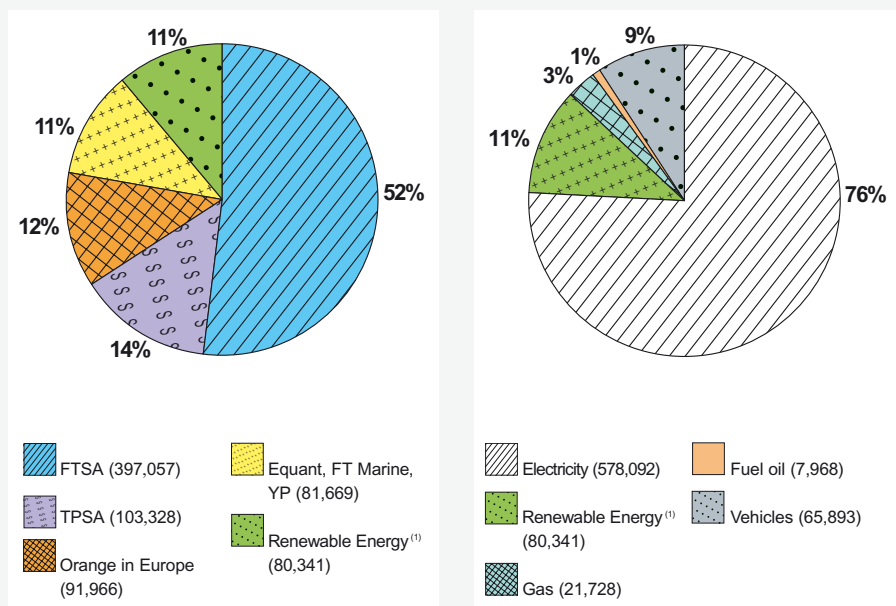
(1) includes mobile activity in Poland

2005				
	Yellow Pages	Equant	France Telecom Marine	TOTAL
	1	525	4	5,317
	0	181	4 ship compartments	2,711
	95	129		9,250
	0	0	4	252
	0	—	—	551
	10	301	3	2,963
	10	301	8	3,218
	793	113,213	1,048	608,375
	43,000	430,000	1,600	16,114,024
	172,000	1,600,000	9,051,500	49,778,216
	2,570,000	18,000,000	515,000	107,888,431
	940	8,658	24,534	188,970
	1,733	121,870	25,582	797,344
	11,903		15,101	2,149,238
	67,253		10	101,015
	103		300	19,897
	0			4,452
	—	—	—	1,073
	—	—	—	16,402
	—	—	556	5,490
			0	67
		89	3	2,303
			0	60
	—			35
	0	89	559	29,881

Comparative chart of energy consumptions

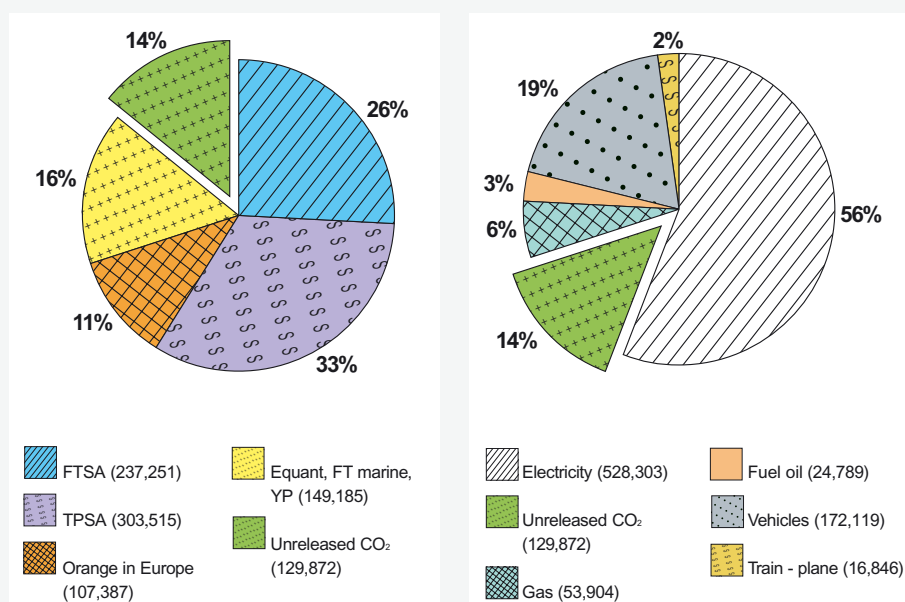
Energy consumption in “ton of oil equivalent” (or toe): 751,000

FT Group (in TEP)



CO₂ emissions in tons: 792,000 tons emitted, 130 000 tons non emitted due to the use of renewable energy⁽¹⁾

FT Group (in tons)

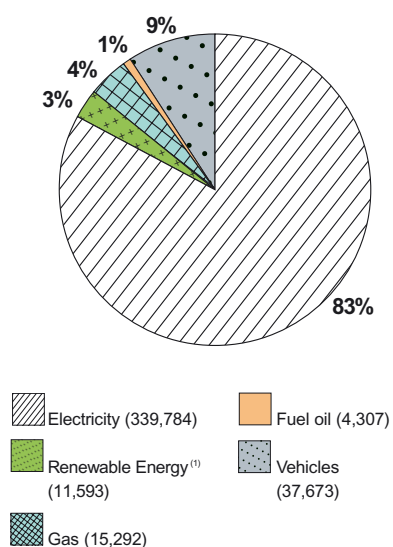


(1) Green electricity produced at 100% from renewable energy

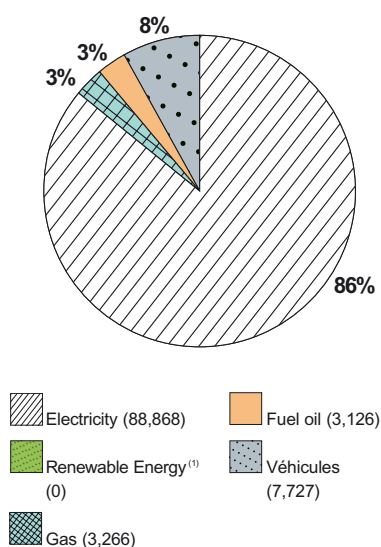
and resulting CO₂ emissions for 2005

Group entities (in toe)

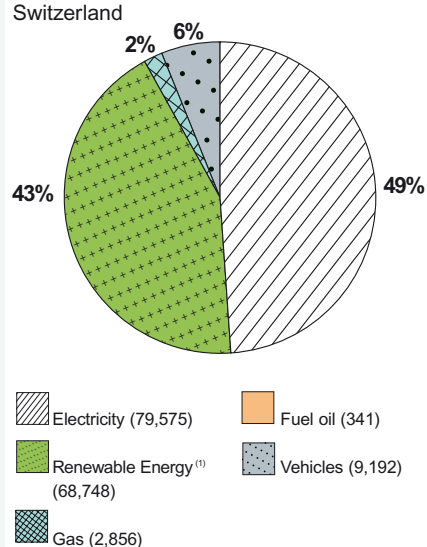
FTSA



TPSA

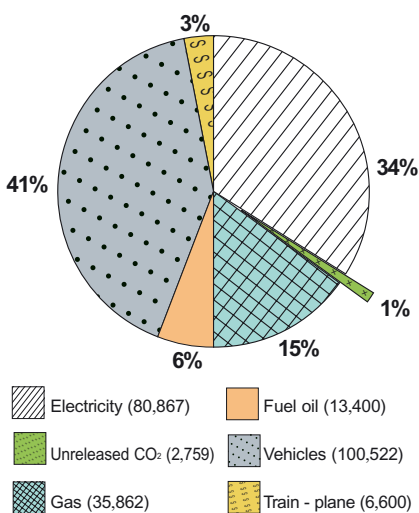


Mobile phone activity: France, The Netherlands, United Kingdom, Slovakia, Switzerland

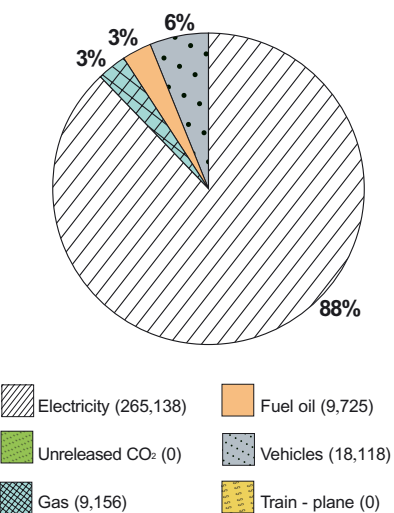


Group entities (in tons)

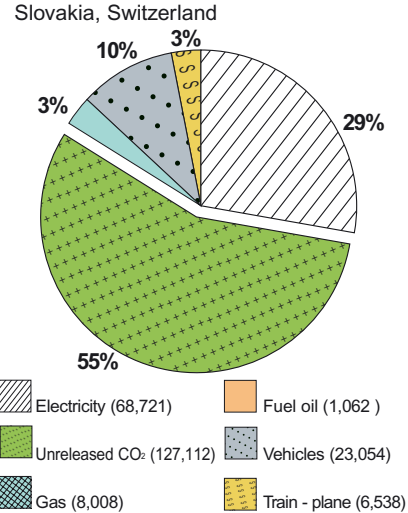
FTSA



TPSA



Mobile phone activity: France, The Netherlands, United Kingdom, Slovakia, Switzerland



(1) Green electricity produced at 100% from renewable energy

Environmental data for mobile activity in Europe

	2005					
	France	The Netherlands	Romania	United-Kingdom	Slovakia	Switzerland
RISKY SITES						
■ Fuel oil tanks	16	4	178	101	7	8
Among which fuel oil tanks without secondary protection	2	2	128	14	0	0
ENERGY CONSUMPTION						
■ Fuel oil (buildings) (M³)	37	3	31	93	4	228
■ Gas (GWh)	2	2	0	27	0	2
■ Coal (Tons)						
■ Electricity (GWh)	171	2	45	361	39	49
Total for Energy consumptions, transport excluded, in GWh	173	5	45	387	39	51
Total of CO₂ resulting, transport excluded (Tons)	8,304	1,612	18,583	37,137	5,259	4,989
■ Petrol for the company's motor fleet (liters)	156,198	288,095	892,378	3,382,698	548,845	502,900
■ Diesel Vehicles / company's ships (liters)	675,179	517,559	358,456	1,544,666	206,738	119,237
■ Distances covered by plane / train (km)	783,000	555,348	2,364,000	29,365,557	1,342,000	2,393,526
Total CO₂ for Transport	2,992	2,171	3,376	17,333	1,971	1,751
Total CO₂ Emitted (Tons of CO₂)	11,296	3,783	21,959	54,469	7,230	6,739
OTHER CONSUMPTIONS						
Water consumption (M³)	58,443	35,127	32,216	122,180	15,394	–
Paper & cardboard, internal use (offices) and external use (Marketing, billing, directories, packages...) (tons)	7,687	494	686	8,061	1,046	804
Other common industrial waste evacuated (tons)	3	–	–	3,055	233	–
FOLLOW-UP OF PRODUCTS TREATED						
■ Internal & external WEEE collected/recycled (tons)	38	–	2	1,024	16	–
■ Metal poles (tons)						
■ Wooden poles (tons)						
■ Cables (tons)						
■ Batteries-accumulators (tons)	2	–	–	–	–	
■ Batteries (tons)	15	2	69	49	3	24
■ Printer cartridges (tons)	8	–	1	–	1	–
■ PCB* (tons)		–	–		–	
Global Amount treated and followed-up	63	2	72	1,073	20	24

–: not taken into account.

Glossary

■ AA 1000

System or accounting standard specifying how companies should audit their corporate and environmental performance. The system was designed by the Institute of Social and Ethical Accountability, an independent body promoting the principles of responsibility.

■ ACERP

French Telecommunications Regulation Authority for electronic and post communications.

■ ADONIS

Dosimetric analysis of 3rd generation mobile phones : research program in continuity with the COMOBIO* project, mainly focused on 3rd generation or 3G (UMTS) mobile phones and relay antennas.

■ ADSL

Asymmetrical Digital Subscriber Line: ADSL is the technology used for the broadband transmission of data over the traditional telephone network, able to convert several megabits per second on the telephone's two copper wires. It is an excellent way of obtaining a fast Internet access. It boosts the transmission capacities of current telephone lines allowing fast voice and digital data transit.

■ AFAQ

Association française de l'Assurance Qualité
– the French Association of Quality Insurance

■ AFOM

Association Française des Opérateurs de téléphonie Mobiles
– the French Association of Mobile Telephony Operators, of which France Telecom is a member, as well as Bouygues and SFR (the two other major operators in France).

■ Basel Convention

Convention which tackles the issue of transnational movements of hazardous waste and their elimination (adopted during the plenipotentiary conference on March 22, 1989, and applicable since May 5, 1992 and which gathered 130 parties in July 1999).

■ Business Everywhere

Offer which enables nomad people to have access to their working environment – intranet, mails – from a distance and through any access network: 3G, WiFi, ADSL, GPRS and RTC. Thanks to this tool, which is easy to use, nomad employees can enjoy the same comfort and security as at work.

■ Business Pack Internet

Global communications solution for enterprises, which includes a multiservices plug, a broadband connection, Internet business services, voice channels (VoIP) and unlimited communications towards fixed lines in France.

■ Business Talk IP PBX (Internet Protocol...)

Integration solution for enterprises, which enables them to transfer, integrate, keep maintenance of and operate their communications system. The technologies used are IP or traditional PABX.

■ Co-design

The development of a product that includes all the dimensions of Sustainable Development (economic, environmental and social).

■ Common Industrial Waste (CIW)

Within France Telecom, major Common Industrial Waste have been identified : office papers, clean or non-treated packaging materials like cardboards, clean barrels, plastic film, glass, non-treated wood, scrap metal, plastic materials...

■ COMOBIO

COMunication MOBILE et BIOlogie

The research carried out during this programme tackles the issues of radiotelephone certification, exposition systems dosimetrics, auditory potentials, brain metabolism, and behaviour, memory and the learning process, the blood brain barrier and migraines, the internal ear and neurotransmitters. The results of this research have contributed to the definition of a measurement protocol of the SAR*.

■ CSR

Corporate Social Responsibility.

■ CTS

Company Transportation Scheme.

■ Dematerialization:

Dematerialization consists in replacing a good by a tool that costs less in terms of resources, while providing the same service (a file transmitted by e-mail and not printed, a transport ticket or a ticket for parking lots, telepayment integrated to a reloadable card or a mobile terminal, etc.).

■ DGCRF

Direction Générale de la Concurrence, de la Consommation et de la Répression des Fraudes, i.e. Board for the control of competition and consumption and fraud prevention in France.

■ Dongle

Personal belonging similar to a USB key, used with a PIN (Personal Identification Number) code which replaces the password, just like with a credit card. Thanks to the dongle, the security of the private key and the storage of electronic certificates is ensured, so that exchanges are secured.

■ Dosimetrics

Definition (after measurement) of the amount of radiation absorbed by a substance or the human body. This measuring method aims at validating the compliance of radiotelephones or antennas marketed according to the SAR (Specific Absorption Rate)*.

■ Ecodesign

Ecodesign means taking into account environmental issues throughout the life cycle of a product, from the conception stage or the improvement stage. Seeking the best compromise possible, the designer selects and combines solutions together, bearing in mind the complete life cycle of the product, as well as all the environmental issues at stake.

■ ETNO

European Telecommunication Network Operators Association.

■ FTSA

France Telecom SA.

■ GeSI

Global e. Sustainable Initiative: Initiative promoted by the International Telecommunications Union (ITU) and the United Nations Environment Programme (UNEP) grouping industrial companies and operators from the telecommunications sector.

■ Global Compact

An initiative by the United Nations Secretary-General, Kofi Annan, presented at the Davos World Economic Forum in January 1999. The Global Compact is a challenge addressed to multinationals, inviting them to continue developing the "new global economy", while integrating the main principles of sustainable development and ethical issues. There are 10 principles based on the Universal Declaration of Human Rights, fundamental rules laid down by the International Labour Organization (ILO) and the precepts stated in the Rio Declaration on the environment and development.

■ Global Reporting Initiative (GRI)

Independent organization created in part by the United Nations. It has defined the guidelines on what corporate and environmental responsibility reports should contain and how this information should be assessed.

■ GPRS

General Packet Radio Service: 2nd-generation mobile communication system providing theoretical bit rates of approximately 170 kbit/s and actual bit rates of around 50 kbit/s.

■ GPS

Global Positioning System: positioning system which works by satellite, everywhere in the world.

■ GSM

Global System for Mobil communication : European standard for 2nd-generation mobile telephony networks which operates in the 900 – 1 800 MHz frequency bands.

■ Home Networking

Communications network used at home.

■ HQE

Haute Qualité Environnementale – High standard of environmental quality: this HQE® standard encourages building material companies, as well as all the actors involved in building construction, to seek better quality of life and a better preservation of the planet for buildings.

■ HR

Human Resources.

■ ICPE

Infrastructure de Gestion de Clés – Keys Management Organization: This organization is in charge of managing certificates, which are the electronic equivalents of identity cards. These certificates are used by technical systems to ensure confidentiality (mailbox secured, coding and decoding of documents...), authentication and non-repudiation in an open environment.

■ IP

Internet Protocol: *see IP protocol.*

■ IP protocol

Internet Protocol: One of the two main protocols for communication between networks (the other is ATM), used in particular on Internet and Intranet networks. IP is a transfer protocol specific to Internet, based on packet switching.

■ IP VPN

Internet Protocol Virtual Private Network: VPN is the abbreviation of "Virtual Private Network". VPN technology allows companies with a leased line to establish a closed, secure line system between them via Internet. In this way, companies guarantee secure (and usually encrypted) data transmission between their network and the station at the other end.

■ IRP

Instances Représentatives du Personnel: Staff-side Representative Institutions.

■ ISO 14001

International standard, designed to minimize the environmental impacts of a company, prevent accidents and elaborate action plans to improve global performances. It defines the requirements of an Environment Management System (EMS).

■ MPPI

Mobile Phone Partnership Initiative.

Under the authority of the UNEP, the MPPI gathers the major telecommunications manufacturers and operators wishing to contribute to the development of ethics codes regarding the collection, transborder transfers and reconditioning of second-hand mobiles.

■ OECD

Organization for Economic Cooperation and Development: Organization with 30 country member wishing to promote democracy and market economy. This organization operates worldwide through its relations with 70 other countries, NGOs and the civil society. Renowned for its publications and statistics, the OECD covers the totality of the economic and social field in its works, from macroeconomics to trade, education, development, science and innovation.

■ OHSAS 18001

The OSHAS 18001 standard, released in 1999, is an international standard applicable by any organization (industrial companies, services companies...), whatever its size and activities. Thanks to this standard, a company can evaluate and certify its Health & Safety Management system.

■ PABX

Private Automatic Branch exchange.

■ Pack Surf WiFi

Service giving access to broadband internet.

■ PCB

PolyChloroBiphenyls: These substances (among which pyranol) are hardly soluble in water and resistant to heat. They are used in France Telecom to insulate electrical transformers and certain condensers.

■ PCT

PolyChloroTerphenyl.

■ PDA

Personal Digital Assistant: these pocket computers' functions range from diary to calculator or desktop functions (translator, spreadsheet program).

■ PDU

Agglomeration Transportation Scheme.

■ Preventer

Operational expert in Health & Safety at work; preventers are trained through a specific dedicated programme on Health & Safety issues.

■ RADSL

The Rate Adaptative DSL technology is a variant of ADSL which is more tolerant of problems such as signal deterioration and poor line quality. It enables an operator to serve subscribers located further away from the telephone exchange (up to 5.5 km). To achieve this, the RADSL modem constantly measures the line quality. If the line is poor or there is interference, it dynamically adjusts the transmission frequency range to maintain high reception bit rates. In this way, RADSL ensures a reception bit rate constantly above 512 Kbit/s, in exchange for a transmission bit rate which may, in the worst foreseeable technical conditions, be reduced to 64 Kbit/s.

■ ROHS

Restriction of Hazardous Substances: the RoHS directive applies to electric and electronic equipment for end users (EEE) and determines the maximum rates for six substances in the composition of the products (lead, cadmium, mercury, hexavalent chromium and Polybrominated biphenyls (PCBs) or Polybrominated diphenyl ethers (PBDEs).

■ SAR

Specific Absorption Rate: amount of radiation absorbed by the human body (whole-body SAR) or by the head (local SAR).

■ Sarbanes Oxley

(or SOX ou SARBOX): american law following which the French law on financial security was passed in August 2003 (Loi de Sécurité Financière, LSF). Its aim is to increase financial security, market transparency, and therefore to re-establish trust on the part of the investors. This law gives a framework or guides all the types of the actors on financial markets. For instance, it compels companies to implement solid governance tools and to be more rigorous when making individual financial statements.

■ SD

Sustainable Development.

■ STN

Switched Telephone Network: traditional telephone network: maximum speed for connexion: 56 Kbits/s.

■ TFRAC

Taux de fréquence des accidents: number of accidents resulting in lost work days per million man hours worked.

■ TGRAC

Severity and number of lost-work-day incidents per thousand man hours worked.

■ ToIP

Telephony over IP: telephony services and associated functionalities thanks to which two IP equipments can communicate. This technology functions through the Voice IP technology VoIP.

■ TPSA

Telekom Polska SA.

■ 3G

3rd-Generation mobile telephony.

■ UMTS

Universal Mobil Telecommunication System: international 3rd-generation standard for mobile telephony, offering multimedia services at very high bit rates.

■ UN

United Nations.

■ UNEP

United Nations Environment Programme.

■ UNI

Union Network International: a worldwide trade union organization involved in dialogue with multinational employers, governments, employer associations and other trade unions. More than 900 unions in 140 countries worldwide are members of the UNI. The organization's main priority is to respond to economic globalization. It describes itself as "the global union for skills and services" and covers 12 branches of activity (telecommunications, tourism, commerce, electricity, etc.).

■ Vélotypie

Simultaneous written transcription of speech.

■ VoIP

Voice over IP: thanks to this technique, voice is integrated in the data transmitted in bursts on a network using the IP protocol*.

■ VPN

Virtual Private Network: networks that link remote sites of a company by using a public network.

■ WEEE

European directive 2002/96/CE passed on January 27, 2003. It tackles the issue of Wastes of Electric and Electronic Equipment - WEEE. France Telecom collects all the terminals brought back by their customers in their shops. The collection and treatment of the terminals – including those produced by other operators – is rigorously followed up and transferred to dedicated organizations.

■ White Zone

local geographical area not covered by ADSL.

■ WiFi

Wireless Fidelity: Technology allowing rapid data transfer of wireless equipment via radio links. A wireless telecommunications solution, WiFi offers companies and private individuals the possibility of setting up wireless links between several laptop computers, PDAs, printers or mobile phones thanks to bases (or hotspots).

■ WiMAX

new technology for wireless, high broadband data transmission.

Find out more...

Group sites

AMENA

www.amena.com

Ivory Coast Telecom

www.citelecom.ci

Equant

www.equant.com

France Telecom

www.francetelecom.com

France Telecom Marine

www.marine.francetelecom.fr

FT R and D

www.rd.francetelecom.fr

Ikatel

www.ikatel.net/propos.htm

Jordan Telecom (Jordanian)

www.jordantelecom.com.jo

Mauritius Telecom

www.mauritiustelecom.com

MobiNil (Egypt)

www.mobinil.com

Mobistar (Belgium)

www.mobistar.be

Orange

www.orange.com

Orange France

www.orange.fr

Orange Holland

www.orange.nl

Orange Roumania

www.takamaka.com

Orange United Kingdom

www.orange.co.uk

Orange Slovakia

www.orange.sk

Orange Switzerland

www.orange.ch

Yellow pages Group

www.bienvenue.pagesjaunes.fr

QDQ

www.qdq.com

Sonatel

www.sonatel.sn

TP SA (Poland)

www.tp.pl

Uni2

www.u ni2.es

Wanadoo

www.wanadoo.com

ETNO

www.etno.be

European Commission

www.europa.eu.int

GeSI

www.gesi.org

Global Compact

www.unglobalcompact.org

GRI (Global Reporting Initiative)

www.globalreporting.org

GSM Europe

www.gsmworld.com/gsm europe

Health ministry

www.sante.gouv.fr

IMS

www.imsentreprendre.com

INSERM

www.inserm.fr

OCDE

www.oecd.org

OMS

www.who.int/fr

ORSE

www.orse.org

PNUE

www.unep.ch

Telecom Sans Frontières or TSF

www.tsfi.org

UNICEF

www.unicef.org

Other websites

AFOM

www.afom.fr

ANFR

www.anfr.fr

ACERP

www.art-Telecom.fr

DATAR

www.datar.gouv.fr

Ecology and Sustainable Development ministry

www.environnement.gouv.fr

Economy Finance and Industry ministry

www.euro.gouv.fr



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