2007 corporate responsibility report
France Telecom

orange™

contents

France Telecom joined the UN* Global Compact in July 2000. The following pages set out how we are integrating the principles of the Global Compact as we engage in our activities.

Global Compact principles

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human rights	
principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	p. 08, 38-39
principle 2. Make sure that they are not complicit in human rights abuses.	p. 08, 14-19
labour standards	
principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	p. 08, 33
principle 4. The elimination of all forms of forced and compulsory labour.	p. 08, 14-19
principle 5. The effective abolition of child labour.	p. 08, 14-19
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principle 7. Businesses should support a precautionary approach to environmental challenges.	p. 08, 14-19, 44-47, 58-59, 62
principle 8. Undertake initiatives to promote greater environmental responsibility.	p. 11, 13, 24, 58
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principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	p. 08, 14-19

about this report

This report aims to provide a fair and balanced view of our overall performance for the 2007 calendar year. It strives to meet the main expectations our stakeholders have stated in terms of reporting, while maintaining a clear and comprehensive format.

scope and methodology of reporting

The content of this report has been prepared on the basis of indicators chosen so as to take into account the key economic, social, societal and environmental impacts of our activities. These indicators have been chosen also taking into account the recommendations of key international organisations, such as the Global Reporting Initiative (GRI*), the UN* Global Compact and the guiding principles of the OECD. A table corresponding to the GRI* G3 guidelines is available on our website www.orange.com.
The indicators have been collected, calculated and consolidated using dedicated online reporting tools. The data presented cover the main countries where the Group is present. The scope of each indicator is set out on pages 56-57 and 60-61 of this report. A note on methodology, which describes the calculation methods used for each indicator, is available on our website www.orange.com.

audit of the report

In 2007, we asked our external auditors to review the principal achievements described in our roadmaps (pages 50, 54 and 58) as well as a selection of six key performance indicators. The externally audited elements are identified by the symbol ☑.
The audit conclusions are on pages 63-64.

application of AA1000 principles

Our 2007 corporate responsibility report was prepared taking into account the principles of completeness, materiality and responsiveness set out in the AA1000 standard, the reference for corporate responsibility in terms of taking stakeholder expectations into account (www.accountability21.net).

completeness
Identifying our stakeholders' expectations is a decisive element in our process of identifying the challenges of sustainable development. The list of stakeholders with whom we carry on a structured dialogue is on page 12.
In this report, we have chosen to describe our actions relating to our key challenges, as shown on pages 24-34. The roadmaps on pages 50, 54 and 58 of the report provide a more complete view of our progress in achieving our various commitments.

materiality
In selecting the sustainable development challenges that we consider to be the most significant for our activities, we have taken into account our stakeholders' stated expectations as well as our internal prioritization of risks, which we review regularly (see page 10 for more details).

responsiveness
Identifying the sustainable development challenges that are significant for our activities helps us prepare action plans, which are reviewed annually and are described on pages 50-51, 54-55 and 58-59 of this report. Our report is an essential response to our stakeholders' stated expectations. Published annually, it explains our impacts and the progress we have achieved in meeting the commitments made to these stakeholders. We take into account the suggestions for improvement sent by our readers, as well as the conclusions of the audit process in order to improve the quality of our reporting.

message from Didier Lombard

Chairman and Chief Executive Officer

Sustainable development is no longer a debate among specialists, or a fashionable trend.
Today, our customers, the public authorities and society as a whole are increasingly aware of these issues and expect companies to take the challenges of sustainable development into account in a responsible manner. We manage these expectations on a daily basis through the interchanges we carry out with our different stakeholders.

As a global telecommunications operator, we have a key role to play in helping our customers meet the challenge of sustainable development.
This challenge also brings opportunities for innovation and the creation of value, which we are determined to seize. We wish to aid our customers in reducing their own impacts, by promoting more environmentally friendly products and services. Our telecommuting, automobile fleet management and server virtualization services thus contribute in a very tangible manner to the fight against climate change, while at the same time improving our customers' operating efficiency. We also provide innovative solutions to better respond to health and dependency challenges.

We also wish to set an example
in reducing our own environmental impacts and acting as a responsible company with our employees and our external stakeholders, in accordance with the principles of action set out in our Code of Ethics. In 2007, we thus continued our efforts to improve our quality of service, promote proper usage of telecommunications, disseminate the principles of sustainable and responsible development among our suppliers and subcontractors, respond to concerns about the impact of our products and services, reduce our energy consumption, and optimise our waste management. Through our Foundation and together with our partners, we are also acting within the company by contributing in particular to assisting persons afflicted with communicative disorders, the fight against illiteracy or the schooling of girls in developing countries.

All these actions are possible only thanks to the efforts of our employees,
the chief players and the guarantors of our initiative. As new uses and new communication technologies emerge, we must restructure our business units in depth and facilitate further deployment towards future functions. As part of the act: programme and with the support of intensified social dialogue, we are implementing suitable mechanisms to integrate employees along as the Group's business units change and achieving its transformation together. We are also furthering occupational safety and health, and encouraging diversity in our staff.

The many awards earned this year attest to our staff's commitment and encourage us to continue along this path. Progress remains to be achieved, of course. Progress in the protection of children or in the fight against the digital divide is part of international action undertaken with our partners and public authorities. That is why we are supporting the industry initiatives begun by the ETNO* and GSM Europe, and we are working with our competitors and suppliers to ensure that the challenges of sustainable development are better taken into account throughout the sector.

Sustainable development is a long-term commitment. The entire France Telecom Group and its partners are fully and enduringly committed to contributing to it.
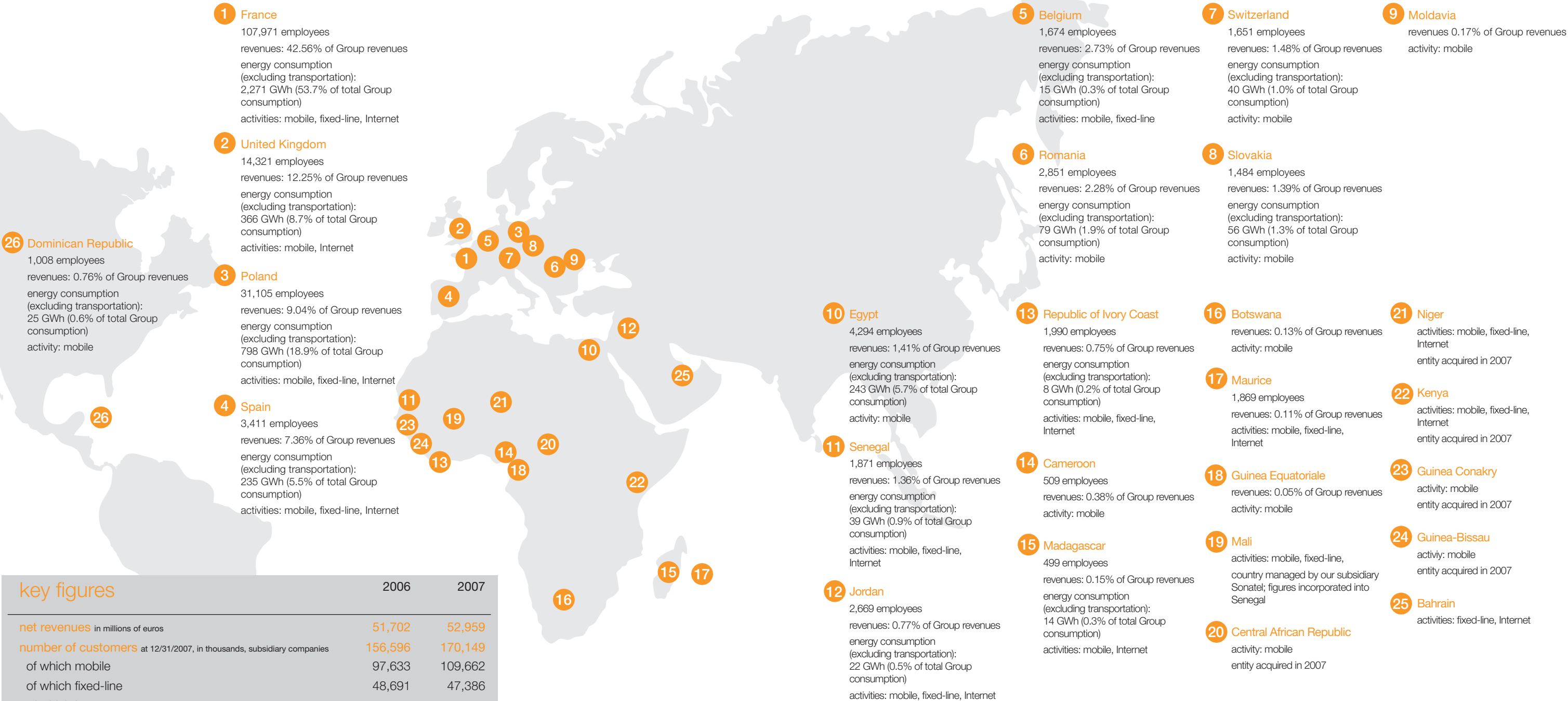
an international group

France Telecom is one of the world's top telecommunications operators. The Group serves more than 170 million customers across five continents, two thirds of them under the Orange brand. France Telecom posted consolidated revenue of 52.9 billion euros in 2007.

Orange Business Services

Operating in 166 countries, Orange Business Services is meeting the needs of its customers in 220 countries and territories. We provide 3,750 multinationals with network and IP services and a million companies with mobile solutions.
- number of employees at 12/31/2007: 19,439 people distributed throughout the different countries
- revenues account for 13,78% of Group revenues
- energy consumption: 18 GWh excluding France, i.e., 0.4% of total Group consumption

1 France
107,971 employees
revenues: 42.56% of Group revenues
energy consumption (excluding transportation): 2,271 GWh (53.7% of total Group consumption)
activities: mobile, fixed-line, Internet

2 United Kingdom
14,321 employees
revenues: 12.25% of Group revenues
energy consumption (excluding transportation): 366 GWh (8.7% of total Group consumption)
activities: mobile, Internet

26 Dominican Republic
1,008 employees
revenues: 0.76% of Group revenues
energy consumption (excluding transportation): 25 GWh (0.6% of total Group consumption)
activity: mobile

3 Poland
31,105 employees
revenues: 9.04% of Group revenues
energy consumption (excluding transportation): 798 GWh (18.9% of total Group consumption)
activities: mobile, fixed-line, Internet

4 Spain
3,411 employees
revenues: 7.36% of Group revenues
energy consumption (excluding transportation): 235 GWh (5.5% of total Group consumption)
activities: mobile, fixed-line, Internet

5 Belgium
1,674 employees
revenues: 2.73% of Group revenues
energy consumption (excluding transportation): 15 GWh (0.3% of total Group consumption)
activities: mobile, fixed-line

6 Romania
2,851 employees
revenues: 2.28% of Group revenues
energy consumption (excluding transportation): 79 GWh (1.9% of total Group consumption)
activity: mobile

7 Switzerland
1,651 employees
revenues: 1.48% of Group revenues
energy consumption (excluding transportation): 40 GWh (1.0% of total Group consumption)
activity: mobile

8 Slovakia
1,484 employees
revenues: 1.39% of Group revenues
energy consumption (excluding transportation): 56 GWh (1.3% of total Group consumption)
activity: mobile

9 Moldavia
revenues 0.17% of Group revenues
activity: mobile

10 Egypt
4,294 employees
revenues: 1,41% of Group revenues
energy consumption (excluding transportation): 243 GWh (5.7% of total Group consumption)
activity: mobile

11 Senegal
1,871 employees
revenues: 1.36% of Group revenues
energy consumption (excluding transportation): 39 GWh (0.9% of total Group consumption)
activities: mobile, fixed-line, Internet

12 Jordan
2,669 employees
revenues: 0.77% of Group revenues
energy consumption (excluding transportation): 22 GWh (0.5% of total Group consumption)
activities: mobile, fixed-line, Internet

13 Republic of Ivory Coast
1,990 employees
revenues: 0.75% of Group revenues
energy consumption (excluding transportation): 8 GWh (0.2% of total Group consumption)
activities: mobile, fixed-line, Internet

14 Cameroon
509 employees
revenues: 0.38% of Group revenues
activity: mobile

15 Madagascar
499 employees
revenues: 0.15% of Group revenues
energy consumption (excluding transportation): 14 GWh (0.3% of total Group consumption)
activities: mobile, Internet

16 Botswana
revenues: 0.13% of Group revenues
activity: mobile

17 Maurice
1,869 employees
revenues: 0.11% of Group revenues
activities: mobile, fixed-line, Internet

18 Guinea Equatoriale
revenues: 0.05% of Group revenues
activity: mobile

19 Mali
activities: mobile, fixed-line, country managed by our subsidiary Sonatel; figures incorporated into Senegal

20 Central African Republic
activity: mobile
entity acquired in 2007

21 Niger
activities: mobile, fixed-line, Internet
entity acquired in 2007

22 Kenya
activities: mobile, fixed-line, Internet
entity acquired in 2007

23 Guinea Conakry
activity: mobile
entity acquired in 2007

24 Guinea-Bissau
activiy: mobile
entity acquired in 2007

25 Bahrain
activities: fixed-line, Internet

key figures	2006	2007
net revenues in millions of euros	51,702	52,959
number of customers at 12/31/2007, in thousands, subsidiary companies	156,596	170,149
of which mobile	97,633	109,662
of which fixed-line	48,691	47,386
of which Internet	12,282	13,102
Group employees active employees on definite – and indefinite – term contracts at 12/31/2007	192,751	188,138

The countries shown on this map account for 98.86% of the Group's revenues and for 95% of its employees.
For revenues, the 1.14% not shown concern Orange Netherlands (1.06%), which was sold in mid-2007, and several smaller countries accounting for 0.08% of Group revenues.
For employees, the 5% not shown concerns essentially Orange Business Services and Orange Labs.

Integrating sustainable development challenges into our strategy and policies contributes to improving overall performance by furthering the creation of value over the long term.

Our corporate responsibility strategy is based on the search for a fair balance between economic competitiveness, social and societal development, and concern for the environment.

It ensures that sustainable development challenges are taken into account by all our staff in close cooperation with our external stakeholders.

It is reflected in commitments which, year after year, demonstrate our intentions to act as a responsible company.

a responsible group

our commitments

an ethical approach

Our commitment to responsible growth is rooted in our values, which are set out in the Group's Code of Ethics. Firmly anchored in our corporate culture, these values guide our individual behaviour and our principles of action with regard to our customers, shareholders, employees, suppliers, competitors and the environment in the countries where we are present.

The cornerstone of our corporate responsibility approach is our Code of Ethics, which is part of our fundamental principles, such as those of the Universal Declaration of Human Rights, the International Labour Organisation, the United Nations Global Compact, and the OECD.

The Group's Ethics Committee, composed of four members appointed by the Chairman, oversees the consistent application of the Code's principles and advises entities on their implementation. It examines special situations submitted to it by Group staff or by their superiors, under conditions ensuring confidentiality.

A network of ethics advisers in each country and entity helps foster this initiative, taking into account the specific regulatory environment and the local culture.

To facilitate the assimilation of this Code, an e-learning module available in eight languages enables each employee to become more sensitive to ethical conduct by applying it to practical situations. Specific examples of situations that may arise at work are also covered in on-the-job training sessions.

In 2007, the Code was brought in line with the Group's new graphic identity. It restates the principles of individual action and behaviour that were in the first version but in a more personal and convivial form. The announcement made regarding the launch of this new version of the Code has reinforced awareness of ethics, at both the Group and the country level, with the support of management and the network of ethics correspondents.

To learn more, our Code of Ethics is available on our website

www.orange.com/en_EN/responsibility

convictions confirmed by external commitments

We pay the greatest heed to the impact that our activities may have for current and future generations. This commitment to sustainable development has been reflected for many years in convictions that have been confirmed internationally: a signatory to the ETNO* Environmental Charter since 1996, we were also one of the first companies to join the UN* Global Compact in July 2000. We take part in numerous initiatives to promote sustainable development principles in the telecoms sector, such as the Global e-Sustainability Initiative (GeSI*), the Mobile Phone Partnership Initiative (MPPI*) and the ETNO* working groups for sustainable development, energy and climate change.

observance of the rules of corporate governance

Our organisation takes into account the corporate governance standards and recommendations in force in Europe and in the United States.

Group governance is centred on the Board of Directors, its activities and the various committees that govern strategy, while ensuring that the Code of Ethics is followed.

In order to implement the recommendations of the Medef/Afep[1] report of October 2003, our Board of Directors adopted internal by-laws that set out the guidelines by which it is to function and the methods by which it is to perform its mission.

The Group is not in full compliance with the recommendations of the Medef/Afep report as regards the number of independent directors on the Audit Committee or on the Remuneration, Selection and Governance Committee. This situation reflects the special legal rules that govern the composition of our Board of Directors and which mean that on the date of this document, eight Board members (the Chairman and CEO, three government representatives, three employee representatives, and one employee shareholder representative) cannot, by definition, meet the independence criteria set out in the Medef/Afep report.

To learn more about our governance structures, see our reference document or our website

www.orange.com/en_EN/Group

(1) MEDEF: national association of French employers and industry.
AFEP: French association of private companies.

risk management

Each entity has produced a map of its major risks. This process is part of a Group initiative, led by the audit and risk control department. Our key risks are regularly examined by the boards of directors of our various entities. Then they are prioritized and assigned appropriate action plans. Our process of stakeholder dialogue also allows us to identify emerging risks.

In order to effectively confront crises and incidents that may affect our activities as an operator (in particular those that affect networks), we have defined crisis management procedures.
A critical infrastructure mission further aims to ensure service continuity under extreme conditions, such as earthquakes, cyclones, floods or pandemics (flu, bird flu). A business continuity plan in the event of a pandemic was defined in 2006 and deployed in 2007 throughout all the entities of the Group.

To learn more about our risk management, our 2007 reference document is available on our website

www.orange.com

refreshing

dynamic
friendly
straightforward
honest
innovative
trusted
responsible

values of the Group as illustrated
in our Code of Ethics

key dates

in our commitment to sustainable development

- 1996: ETNO* Environmental Charter signed

- 2000: UN* Global Compact joined

- 2003: Group's Code of Ethics formalized

- 2004: ETNO* Sustainable Development Charter signed

- 2006: Group agreement on respect for human rights signed with the UNI* (Union Network International)

- 2007: European reference framework for safer mobile phone use by adolescents and children signed

our approach

identifying our challenges

We have implemented a process at the Group level for identifying significant sustainable development challenges in our activities, based on several additional factors:
- analysis of the expectations of our various stakeholders, identified in direct exchanges and regular internal and external studies (see page 12);
- measurement of the environmental, social and economic impact of our activities;
- our participation in numerous industry working groups dedicated to corporate social responsibility (see page 13);
- study of our competitors' commitments and practices;
- regular internal evaluation of risks and opportunities in terms of sustainable development, at Group level and in the principal countries.

Our assessment of the importance of the challenges takes into account the extent of the risks and our stakeholders' level of expectation. It is re-evaluated regularly as conditions change.

deploying our programmes

Integrated into our development strategy, our corporate responsibility objectives extend through the various Group policies (customer relationships, human resources, environment, corporate philanthropy, etc.) and are taken into account in key management processes such as purchasing, security, network deployment, strategic marketing, and R&D. They help define our roadmaps for each area, which are summarized on pages 50-51, 54-55 and 58-59.

organisation by networks

Attached to the Group's executive secretariat, the Committee for Corporate Responsibility and Sustainable Development (CR&SD) is responsible for steering and driving forward our initiatives in this regard. It relies on a network of correspondents at our various entities (country and functional management).
A CR&SD steering committee brings together business and country correspondents and regularly reviews progress on this initiative. In 2007, three seminars defined the priorities for action and for reinforcing the communication and interchange of best practices within the Group.

dedicated steering and management tools

A number of tools allow us to steer the implementation of our initiatives:
- our Indicia reporting tool measures changes in performance at our entities using qualitative and quantitative questionnaires. The corporate data are gathered via the RH Info tool;
- a methodology for evaluating the economic, corporate, societal and environmental impacts of our products and services allows us to integrate sustainable development criteria right from the design stage of our new projects (see page 26);
- our QREDIC® tool regularly evaluates our suppliers' overall performance and allows us to define plans for improvement if necessary (see page 38);
- environmental management systems based on the ISO 14001 standard are currently being deployed throughout all our entities. (see page 62);
- a dedicated extranet allows each member of the network to access useful documentation and to share best practice.

In 2007, we upgraded our Indicia reporting tool to facilitate information gathering at the country level and interpretation of the results at the Group level. We also defined key performance indicators by area, and produced two self-assessment matrices allowing each entity to evaluate the deployment success of its initiative along with its performance by area in order to produce appropriate action plans.

sample evaluation of a corporate responsibility initiative
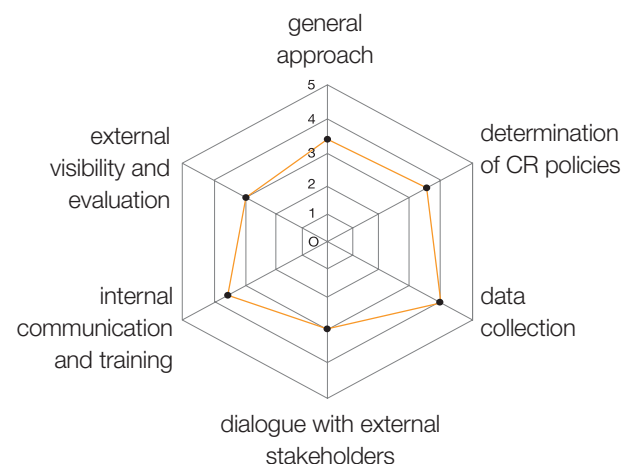
advertisement from our Green IT campaign

poster from our internal CSR campaign "Caring for the future"

increasing staff awareness

Initiatives to increase awareness and communication help each of our employees integrate responsible-growth objectives into his daily activities. Special emphasis is placed on increasing awareness among management, which plays a key role in relaying them to staff. Dedicated training has been provided since 2005. In 2007, five training sessions raised awareness of our corporate responsibility initiative among 65 managers of several countries. A training manual on the corporate responsibility initiative is currently being produced and will be circulated in 2008.

To reinforce the sharing of best practices in corporate responsibility within the Group, an internal multi-country competition was launched in 2007 entitled "Let's care for the future". 12 000 employees from 16 countries participated in choosing the projects most emblematic of our corporate responsibility commitments. The projects that won are indicated in the pages devoted to actions in our countries.

To learn more about how our initiative is organized, go to our website

www.orange.com/en_EN/responsibility

our approach

dialogue with our stakeholders

Dialogue with our stakeholders is central to our corporate responsibility efforts. In order to identify stakeholder expectations for the Group, we have regular exchanges with the following main stakeholder groups:

	examples of dialogue tools used
customers and consumer associations	Internal and external customer satisfaction surveys (see pages 30-31 and 52-53). Customer Value Analysis Programme: multi-country analysis of mass market customer expectations. Measurement of business customer satisfaction via our Customer Loyalty Index. Regular meetings with the principal consumer associations.
shareholders and investors	Dedicated information portals for shareholders and investors. Investor relations department reachable by phone or e-mail. Club France Telecom. *Shareholder Letter,* shareholder webzine. Inter@action shareholder chat room. Regular meetings with financial analysts and rating agencies (e.g., Investor Conference held on the 5th of December 2007). Specific dialogues with the top investment funds and SRI rating agencies (questionnaire responses, meetings organized to introduce the Group's CR&SD initiatives).
corporate staff and partners	Nearly 400 presentations by staff within the Group. European Group Works Council. Regular exchanges with the UNI* (Union Network International) within the framework of the Group agreement signed in 2006. Staff information and dialogue tools: Intranet, in-house magazines, innovative participation tools.
suppliers	Dialogue about the Group's values and commitments during the bid phase and as part of contract monitoring. Corporate Responsibility and Sustainable Development questionnaires. The QREDIC® tool (see page 38). Meetings and work groups to develop product eco-design.
public and local authorities	Dialogue with European bodies – the Group has a permanent delegation in Brussels. Ongoing dialogue with the regulatory bodies for telecommunications in each country (e.g., ARCEP* in France, CMT* in Spain, OFCOM* in the United Kingdom, and Uke in Poland). Consensus with local authorities on the installation of relay antennas (see pages 40-41). Dialogue with associations of elected officials (e.g., French mayors association).
NGOs and other associations	The Orange Foundation engages in corporate philanthropy, through partnerships with UNICEF, the SAMU Social International, and PlanetFinance (see pages 42-43). Local partnerships in the principal countries (see pages 14-19). Specific work on the proper use of services with associations such as the INSAFE network, European Schoolnet, and The Family Online Safety Institute. Group partnership with Business Action for Africa.

In addition to these direct exchanges, in 2006, with the help of a specialized consultancy, we carried out a study of our stakeholders' expectations in mobile telephony and the Internet in our principal countries. Similar local studies will be conducted in 2008 in our principal countries.
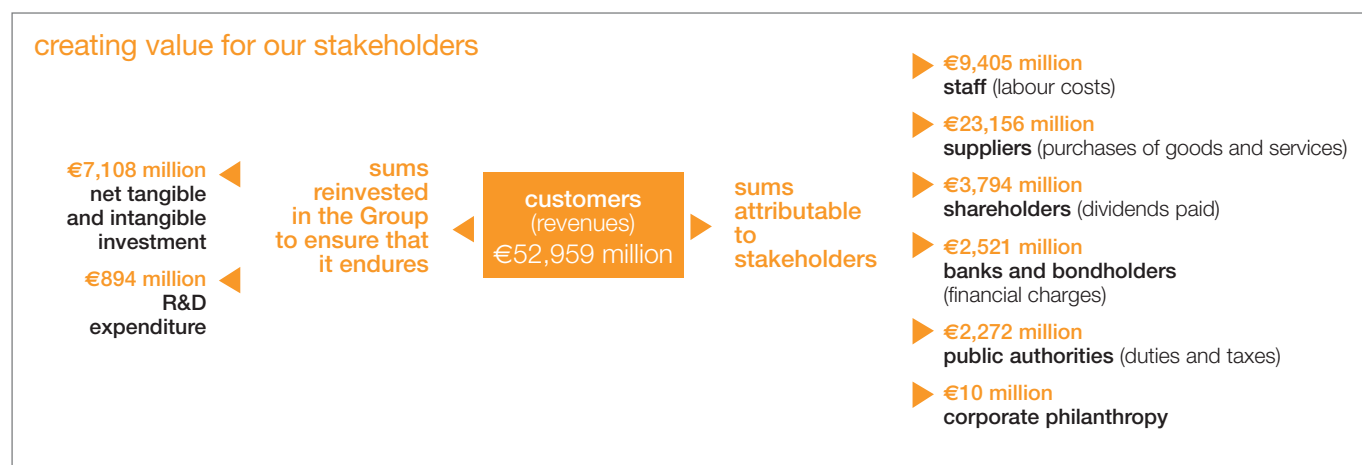
We make various communication tools available to the general public: Internet sites, corporate responsibility reports, specific publications available in numerous countries such as family guides (see pages 31-32), information guides on the effects of electromagnetic fields – EMF – (see pages 40-41) and information leaflets (France and United Kingdom).

We participate in various reflection groups on corporate responsibility, such as CSR Europe, Business for Social Responsibility, and the Observatoire sur la Responsabilité Sociétale des Entreprises (ORSE). Our involvement in large telecoms sector initiatives such as GeSI*, MPPI* and ETNO* work groups also allows us to exchange ideas with other large groups on challenges and best practices in sustainable development.

In 2007, our staff in France actively contributed to the "Grenelle de l'Environnement" debates, an extended forum bringing together representatives from government, trade associations and NGOs concerned with the environment and sustainable development. We also invited Internet users to contribute to the discussions via our website www.orange.com by organizing online voting on the Grenelle propositions and a chat with Mr. Borloo, the Minister for Ecology, Sustainable Development and Planning.

"In 2007, France Telecom Spain launched a strategic planning process to develop its corporate social responsibility programme in association with the Ecología y Desarrollo (ecology and development) foundation. This process was based on participatory workshops bringing together representatives from all areas of the Company. These workshops produced self-assessments, which allowed France Telecom Spain to identify its stakeholders, its impacts, and the risks and opportunities of its activities in terms of sustainable development. On this basis, the priority objectives and actions were defined to form the 2008-2011 master plan. Being able to contribute to the Company's developing a proactive and responsible attitude toward the impacts of its activities was a very gratifying experience."

Eva Ramos, Director of the Corporate Social Responsibility Programme, Ecología y Desarrollo foundation (www.ecodes.org).

creating value for our stakeholders

€9,405 million
staff (labour costs)

€23,156 million
suppliers (purchases of goods and services)

€3,794 million
shareholders (dividends paid)

€2,521 million
banks and bondholders (financial charges)

€2,272 million
public authorities (duties and taxes)

€10 million
corporate philanthropy

€7,108 million
net tangible and intangible investment

€894 million
R&D expenditure

sums reinvested in the Group to ensure that it endures

customers (revenues) €52,959 million

sums attributable to stakeholders

deployment
by country

France

The France Operations' corporate responsibility programme is based on:
- deploying the Group's Code of Ethics in the business units;
- listening to, and dialogue with, its stakeholders;
- implementing an environmental management system to reduce the ecological footprint of our activities;
- increasing awareness by our staff, customers and stakeholders of our corporate responsibility ambitions and values.

A dedicated team of ten people is in charge of driving this programme. It relies on a network of correspondents in our various business and operating units.

deploying the ethics initiative

After updating the Group's Code of Ethics, France's operations management undertook significant efforts in raising staff awareness. Strong management involvement enabled us to raise awareness among 60% of our employees by the end of 2007 via Group or individual training and the online awareness module developed by the Group (see page 9). The Code of Ethics was sent personally to each of our employees. The objective for 2008 is to extend the specific rules of conduct that it dictates to codes of ethics for business units.

dialogue with stakeholders

At the end of 2007, we undertook a broad consultation with our stakeholders among business sectors and the general public. The action plans defined by the departments involved will be published on our website and implemented in 2008.

Working with public authorities and other associations, we signed a commitment in 2007 on the quality of advertising in the electronic communications sector.

We have continued frequent interchanges with consumer associations. Three plenary meetings were organized, including, in particular, an update on the implementation of our agreements with the Conseil National de la Consommation (France's National Consumer Council).

society

As part of the Group's ongoing partnership with UNICEF, Orange France helped finance educational programmes in developing countries by running two "SMS*-sharing" campaigns. On the 15th of September and the 20th of November 2007 (the anniversary of the signing of the Convention of the Rights of the Child), we contributed 5 euro cents for each SMS* sent from an Orange mobile phone. The collected funds financed a drinking water supply and sewage system for 40 schools in Madagascar and 20 schools in Senegal, increased resources for teachers and for the Ministry of Education in Mali, and restarted schooling in emergency areas in the northwest region of the Central African Republic.

environment

In 2007, we continued our partnership with the WWF to encourage our private customers to switch to electronic billing. Nearly 3 million customers (fixed-line and mobile) signed up, which allowed us to save 380 tons of paper over the year. This partnership will be renewed and extended to other environmental concerns in 2008.

We also continued our efforts to increase the effectiveness of our waste processing facilities, in particular for WEEE* waste (see page 46).

The last building of the head office of Operations France, the Orange Village at Arcueil completed in November 2007, complies with HEQ (High Environmental Quality) requirements.

These examples are just part of a broad programme within our environmental management framework.

To learn more, go to the "Responsible Orange" link on our website

www.orange.com

activities

fixed-line, mobile, Internet, and digital services

- no. 1 mobile operator, with a 43.8% market share (excluding MVNOs) and 24.2 million customers
- no. 1 fixed-line telephony operator with 42.1 million customers
- no. 1 High-Speed Internet provider, with a 49.4% market share
- no. 1 voice over IP operator
- no. 1 ADSL* television operator
- 684 France Telecom stores and 169 Orange "Mobistores"

United Kingdom

Orange UK's corporate responsibility programme revolves around three major commitments:
• promote the safe and responsible use of telecoms services;
• reduce the environmental impacts of our activities;
• contribute to the development of communities and community spirit.

A team specifically dedicated to corporate responsibility is in charge of driving this programme. A working team composed of management from all areas of the Company meets three times a year to update the initiative's deployment, analyse stakeholder expectations, and set objectives for the following year.

responsible use of services

In order to promote the safe and responsible use of telecoms services, we launched a dedicated website in 2007 (www.orange.co.uk/safety). It provides users with helpful information about key aspects of Internet and mobile telephone use, and offers practical tips on how to use these services safely. This website completes our existing information sources, such as the user guide for parents available since 2007 at all Orange stores within the country.

We also launched a film aimed at raising young people's awareness of harassment by SMS*. This film is now used in 43% of the country's schools to facilitate discussion on this subject. We also participated in a working group aimed at developing a code of conduct for the responsible use of social networking sites.

Our "Orange Ambassadors" programme also allows staff volunteers to become involved in raising awareness in schools about the proper use of telecommunications. More than 370 employees are already participating in this programme.

corporate philanthropy

In 2007, we disbursed more than 670,000 euros to the Sense NGO, our national partner in corporate philanthropy, which works to help people who are hearing or visually impaired. Over 450 staff have agreed to pay part of their salary to Sense under the "Last Hours' Salary" programme.

environment

Our network accounts for approximately 60% of our electricity consumption. We make sure to supply our transmission centers from energy sources (co-generation) with low greenhouse gas emissions. For isolated sites, we are developing the use of renewable energies, such as our Elan relay antenna in Wales supplied by wind and solar energy.

At our stores and offices, we are collecting used mobile handsets with the assistance of the company Fonebak (www.fonebak.co.uk). Mobile handsets in good condition are overhauled and resold at low prices in developing countries. Those that cannot be overhauled are dismantled and their components are recycled.

For our customers, we have developed an electronic billing service that enables us to reduce our paper consumption. We also offer a preferred "SIM card only" rate to customers who keep their old mobile phones.

At all of our offices, we have implemented a waste recycling programme (cans, paper, and plastic cups). In 2007, we recycled 632 tons of waste this way.

To learn more, go to the "corporate responsibility" link on our website

www.orange.co.uk/responsibility

activities

fixed-line, mobile, Internet

• 4th largest mobile operator with a 21.5% market share and 15.6 million customers

• 1.14 million ADSL* customers

• 5th largest High-Speed provider with a 7.6% market share

• 336 Orange stores

deployment
by country

Poland

Our Polish subsidiary is historically highly committed to sustain-able development and is one of the first companies in Poland to join the UN* Global Compact.

reducing the digital divide

As a telecoms operator, our primary commitments are to contribute to the development of an information society in Poland and allow access to education by large numbers.

To reduce the digital divide, we are working at the same time to develop access and user training.

With the financial support of the European Union, we are cooper-ating with local authorities to develop High-Speed Internet access in rural areas.

As part of our "Education with TP's Internet" programme, we offer Internet access at very reduced rates to schools and assist with teacher training. To date, 13,500 schools enjoy High-Speed Internet access at reduced rates.

We are also participating in the "Internet Republic" project in order to foster Internet use in rural areas (see page 28).

violence-free schools

Faced with the growing problem of violence in schools, we have launched the "violence-free schools" programme to raise aware-ness among pupils, parents and teachers and help them imple-ment preventive programmes. Nearly 5,000 schools have already signed up for this programme. This initiative was awarded the Best Educational Campaign prize as part of the 2007 Golden Clip awards, a national public relations contest.

responsible use of services

We are also very mindful of the need to promote safe Internet use among young people with a free security package for schools, the "ok! Internet" competition and the "Child on the network" campaign developed in collaboration with the No One's Children Foundation, etc. Our actions have made us the only ISP in Poland to be called "Child Friendly" by the Child's Rights Protection NGO. In 2007 we extended our actions to mobile phones by signing a Code of conduct with the other operators in the country regarding age verification, access controls, and the rating of content.

environment: limiting the visual impact of antennas

Churches and their clock towers are often the highest points and thus most suitable for installing mobile telephone relays. But these installations do not need to disfigure the sites, which are often historic sites. This project has allowed solutions to be found for integrating antennas in the best possible way by using the existing architecture. It received first prize in the environment category in the Group's "Let's care for the future" competition.

To learn more, go to the "corporate responsibility" link (in Polish) on our website

www.tp.pl/prt/pl/o_nas/edukacja/

activities

fixed-line, mobile, Internet, and digital services

• market leader in mobile phones
  in Poland with a 34.1% market share
  and 14.2 million customers

• no.1 Internet Service Provider (ISP)
  with 2.2 million customers

• 9.5 million fixed-line telephony customers

• no.1 telephony distribution network
  with over 1,000 stores

Spain

In Spain, the year 2007 was devoted to enhancing how we manage corporate responsibility. We strengthened our organisation by appointing 15 coordinators covering all company areas, and setting up a committee charged with approving our corporate responsibility strategy. Six workshops focused on customers, employees, society, suppliers, the environment, and regulatory bodies to define our corporate responsibility objectives, in line with Group guidelines.

responsible use of services

In order to strengthen measures for the protection of minors, we signed an agreement in 2007 with the Children's Ombudsman for the Community of Madrid. In December, along with other mobile operators, we signed the Spanish version of the European reference framework for the safe use of mobile phones by adolescents and children (see page 31). We were also the first Spanish operator to publish a family guide to raise parental awareness of the proper use of telecoms services by their children.

network sharing

In October 2006, we signed an agreement with Vodafone to share our mobile telephone networks in Spain in communities of less than 25,000 inhabitants. This project allows us at the same time to extend our 3rd generation mobile services to sparsely populated areas and to limit the impact of our facilities on the countryside and on biodiversity.

social dialogue

We signed a new agreement in 2007 with our corporate partners, focusing primarily on employee benefits, career advancement, and work/life balance. In 2007, we were among the 63 best companies to work for in Spain, according to a survey by CRF International. Orange Spain also received OHSAS certification in 2007 for its occupational health and safety management system (see page 35).

corporate philanthropy

As part of the Orange Foundation, we contribute to numerous projects aimed at facilitating access to information for all. For example, we have set up a guided visits tool in sign language at the Reina Sofía National Museum, and are now extending this to the Museum of Roman Art in Merida.

environment

ISO 14001 certification was extended to all our buildings in 2007 and its extension to our fixed-line telephony network is in progress. Our "Efecto Orange" consciousness-raising campaign has enabled us to raise staff awareness of the consequences of climate change and ways of dealing with it, along with practical tips on saving energy and paper in offices.
We are also participating in the European Energy Trophy challenge (www.energytrophy.org) aimed at promoting energy savings at offices.

To learn more, go to the "corporate responsibility" link on our website

http://acercadeorange.orange.es/responsabilidad_corporativa/

activities

fixed-line, mobile, Internet, and digital services

- 2nd largest mobile operator with 11.1 million customers

- 3rd largest High-Speed operator (since the acquisition of Ya.com in July 2007), with a 15% market share at the end of 2007 and nearly 1.2 million customers

- more than 4,000 points of sale

deployment
by country

Europe and Middle East

The year 2007 was an opportunity to complete our correspondents' network, improve our reporting, and carry out actions in four main areas: proper use of services, employees, corporate philanthropy and the environment.

Six out of seven countries have their own dedicated corporate responsibility correspondents, Moldavia having agreed to staff itself accordingly in 2008. In addition to the annual Group seminar, two EME seminars were organized in 2007 to communicate the Group's action priorities, share experiences and best practices, and better understand changes in the region.

responsible use of services

The EME entities came together in 2007 to implement the measures recommended by the European reference framework prepared by operators for the safer use of mobile phones by children (see pages 31-32).

In particular, Orange Slovakia carried out a major study in 2007 on the use of mobile phones and the Internet by children, with the help of a specialized psychologist. The results of this study led to a large information campaign aimed at raising awareness among parents and schools of the risks associated with the improper use of mobile phones by children.

employees

Our key employee relations achievements involved:
- setting up an employee forum in Slovakia, in line with the policy that led to their implementation in Switzerland and Romania;
- the deployment of a certified (OHSAS 18001*) health and safety management system in Egypt and the launching of similar projects in Belgium and Romania;
- developing staff skills via the Talent management tool launched at the end of 2007 in the region and being deployed throughout all EME entities.

corporate philanthropy

The countries in this region are strongly involved in supporting visually or hearing impaired or learning disabled people, often as part of joint actions with the Orange Foundation (see pages 42-43).

As an example, we might mention measures implemented by Orange Switzerland for the blind and deaf, by Mobistar in the area of autism, by Mobinil in education for girls (in partnership with the Orange Foundation and the SAMU Social International), and by Orange Dominicana to provide emergency aid after the passing of hurricane Noel.

The action undertaken in Romania in partnership with the Light into Europe Foundation also took the Orange Foundation's special prize in the internal "Let's care for the future" challenge.

environment

On environmental matters, our efforts have given priority to:
- deploying Environmental Management Systems (EMS*) in accordance with the ISO 14001 standard, with the launching of projects to this effect in Belgium and Romania;
- the fight against climate change (see pages 44-45);
- managing products at the end of their life cycle (see pages 46-47).

references

- In this report, the EME region (Europe and Middle East) includes seven countries: Switzerland, Belgium, Romania, Slovakia, Moldavia, Egypt and the Dominican Republic. In 2007, we sold our mobile and Internet activities in the Netherlands.

- Orange is now a leader, being number 1 or 2 in all its markets in the region and has 32.2 million customers.

Africa, Middle East and Asia

The year 2007 also allowed us to successfully complete actions on the environment, employee and society fronts, and to restructure our network of corporate responsibility correspondents in these countries.

Orange's policy in this region is fully in line with Group commitments. Our priorities in Africa, the Middle East and Asia take into account the specific characteristics of our markets: basic services (information, health, and financial services), the digital divide (rural communities and low-income populations), and human rights (freedom of expression, cultural rights, and corruption).

customers

Our priorities in terms of actions on customer relationships have focused largely on reducing the digital divide and continuously improving our quality of service.

We are accordingly developing products for people on low incomes (see page 27) and offering mobile services to rapidly open up areas where access is difficult. For example, we have hooked up over 2,000 villages in remote areas of Senegal using CDMA* technology by offering the service at prices equivalent to fixed-line tariffs.

We are also implementing mobile banking services to allow African emigrants to send money more easily to their families in their countries of origin (see pages 44-45)

In Madagascar, the rationalization of the indirect distribution network initiated by Orange, based on the "Botika" concept, has contributed greatly to professionalizing the sector and has allowed for stabilizing the number of employees.

employees

This year, our employees have been able once again to benefit from training suited to different business lines (Group programmes Marketing Excellence and ITN Excellence) to better aid them in their work and help them advance toward the business lines of tomorrow.

The most talented among them have not stayed put: the Talent Sharing programme has sent 186 employees from the AMEA region (including 75 in 2007) to a European entity to deepen their skills, share their experiences and promote the convergence of know-how within the Group. As part of this, the exchange between Equatorial Guinea and the Île-de-France West distribution agency took the Employee prize in the internal "Let's care for the future" challenge.

society

In Cameroon, the Orange Action Handicap project is contributing to the social and professional integration of physically disabled people. This project took the Society prize in the internal "Let's care for the future" challenge. An anti-corruption awareness programme was also provided for managers in 2007 in sensitive countries.

environment

On environmental matters, our efforts have given priority to:
• developing the use of renewable energies, particularly in Senegal and Madagascar (see page 45);
• implementing projects aimed at optimising waste management in Jordan and Madagascar (see pages 46-47).

references

- The AMEA region (Africa, Middle East and Asia) currently includes 16 countries with fixed-line, mobile and Internet activities.

- In 2007, we expanded the region to include six new countries: Bahrain, Guinea-Bissau, Guinea Conakry, the Central African Republic, Niger and Kenya.

- We are the market leader in most of these countries and have over 15 million customers.
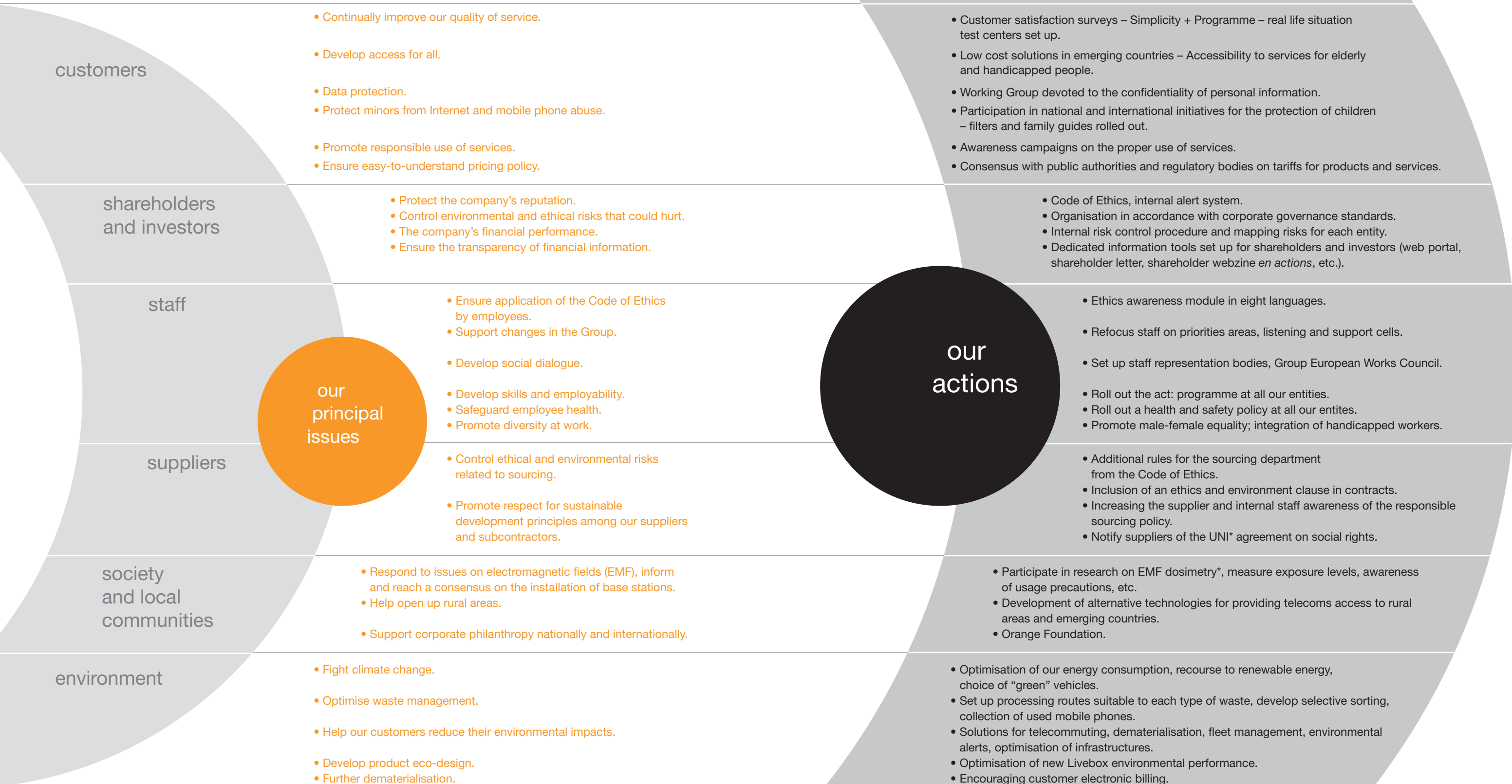
Our activities as a telecoms operator lie at the heart of our sustainable development issues. They play a key role in the economic development of industrialized and emerging countries and in opening up rural areas.

They provide concrete solutions to the challenges posed by climate change, dematerialisation, and health and dependency.

They also raise questions we need to answer, particularly as regards to child protection, data protection and electromagnetic fields. As with every activity, they bring environmental impacts that we strive to limit.

In this report, we have chosen to set out our ambitions and actions relating to nine key issues corresponding to our stakeholders' main expectations.

our key sustainable development issues

our key sustainable development issues

our principal issues

our actions

customers

- Continually improve our quality of service.
- Develop access for all.
- Data protection.
- Protect minors from Internet and mobile phone abuse.
- Promote responsible use of services.
- Ensure easy-to-understand pricing policy.

- Customer satisfaction surveys – Simplicity + Programme – real life situation test centers set up.
- Low cost solutions in emerging countries – Accessibility to services for elderly and handicapped people.
- Working Group devoted to the confidentiality of personal information.
- Participation in national and international initiatives for the protection of children – filters and family guides rolled out.
- Awareness campaigns on the proper use of services.
- Consensus with public authorities and regulatory bodies on tariffs for products and services.

shareholders and investors

- Protect the company's reputation.
- Control environmental and ethical risks that could hurt.
- The company's financial performance.
- Ensure the transparency of financial information.

- Code of Ethics, internal alert system.
- Organisation in accordance with corporate governance standards.
- Internal risk control procedure and mapping risks for each entity.
- Dedicated information tools set up for shareholders and investors (web portal, shareholder letter, shareholder webzine *en actions*, etc.).

staff

- Ensure application of the Code of Ethics by employees.
- Support changes in the Group.
- Develop social dialogue.
- Develop skills and employability.
- Safeguard employee health.
- Promote diversity at work.

- Ethics awareness module in eight languages.
- Refocus staff on priorities areas, listening and support cells.
- Set up staff representation bodies, Group European Works Council.
- Roll out the act: programme at all our entities.
- Roll out a health and safety policy at all our entites.
- Promote male-female equality; integration of handicapped workers.

suppliers

- Control ethical and environmental risks related to sourcing.
- Promote respect for sustainable development principles among our suppliers and subcontractors.

- Additional rules for the sourcing department from the Code of Ethics.
- Inclusion of an ethics and environment clause in contracts.
- Increasing the supplier and internal staff awareness of the responsible sourcing policy.
- Notify suppliers of the UNI* agreement on social rights.

society and local communities

- Respond to issues on electromagnetic fields (EMF), inform and reach a consensus on the installation of base stations.
- Help open up rural areas.
- Support corporate philanthropy nationally and internationally.

- Participate in research on EMF dosimetry*, measure exposure levels, awareness of usage precautions, etc.
- Development of alternative technologies for providing telecoms access to rural areas and emerging countries.
- Orange Foundation.

environment

- Fight climate change.
- Optimise waste management.
- Help our customers reduce their environmental impacts.
- Develop product eco-design.
- Further dematerialisation.

- Optimisation of our energy consumption, recourse to renewable energy, choice of "green" vehicles.
- Set up processing routes suitable to each type of waste, develop selective sorting, collection of used mobile phones.
- Solutions for telecommuting, dematerialisation, fleet management, environmental alerts, optimisation of infrastructures.
- Optimisation of new Livebox environmental performance.
- Encouraging customer electronic billing.

innovative solutions serving sustainable development

our ambitions

- **Help our customers meet the challenge of sustainable development.**
- **Respond to new health and dependency challenges.**
- **Develop eco-design products.**

helping our customers meet the challenge of sustainable development

Beyond reducing our own environmental impacts, our entity Orange Business Services provides concrete solutions for our business customers:

- **limiting travel:** we offer a wide range of telecommuting solutions (mobile access to the work environment, tele- and video-conferencing, Internet-based collaborative work tools, etc.). Our Business Everywhere solution, which allows to access work environment while on the move and regardless of which network is available, already has over 850,000 users around the world;
- **improving vehicle fleet management:** with our machine-to-machine solutions (M2M*), such as Fleet Advanced, our customers can reduce their CO_2 emissions by optimising routes and servicing their vehicle fleets remotely (reducing travel distance, with better tuned and therefore less polluting engines);
- **dematerialising exchanges:** we offer a wide range of dematerialisation solutions, such as electronic billing, Web EDI, Contact Everyone, etc.;
- **optimising infrastructure** by linking servers and creating virtual workstations. On average, a virtual workstation lasts longer than an ordinary PC (five years instead of two) and uses ten times less electricity. In using fewer electronics, it is easier to recycle;
- **helping local authorities prevent environmental risks:** we offer services for ecological risk prevention, and for natural resource and energy savings based on M2M* technology;
- **improving people's daily lives:** with solutions such as Point Visio Public (see page 28), affording remote access to public administrations, we make people's daily lives easier and thereby also help reduce travel by them.

our 2007 achievements

an energy-saving Livebox
A recent magazine survey of *60 millions de consommateurs* on the electricity consumption of "boxes" ranked our Livebox 1.1 as the most economical.

eco-design
Eco-design work done on the new generation of Livebox (1.2 or "mini" marketed starting in 2008) has allowed for reducing its environmental footprint by 20%:
- reducing its size by 35% meant realizing savings on materials;
- reducing the size of its packaging box by 30%;
- using just one type of plastic, making it easier to dismantle and recycle when it reaches the end of its life;
- reducing energy consumption by 25% compared to the current 1.1 model.

the "Green IT" campaign
To raise our business customers' awareness of the challenges of sustainable development, we launched a press campaign across France in 2007, relayed by setting up a dedicated website in both French and English: www.orange-business.com/green and www.orange-business.com/greener. We will extend this campaign to other countries in 2008.

health
Launched in 2007, the "Connected Hospital" service is a modular solution offering new ergonomic workplace solutions, for the safety and comfort of health-care professionals and their patients.
Available in France since April 2007, our "Connected Emergency" solution permits better communication between all services involved in emergency care (including ambulances, regional coordinators, local antennas, hospitals) via a secure mobile portal that provides real-time information.

indicators

% of customers receiving electronic bills, residential services

	France	Spain	Switzerland	Slovakia	Egypt
2006	4	82	2	6	8
2007	26	82	1	12	8

■ 2006   ■ 2007
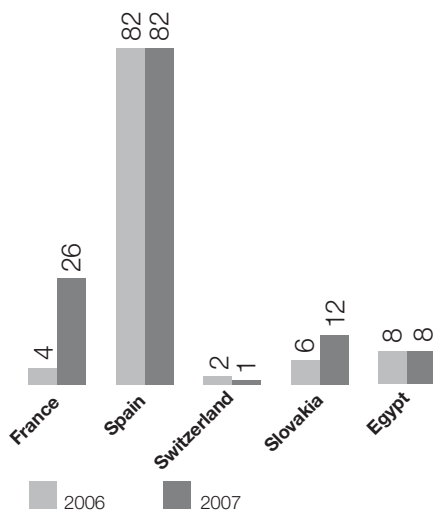
responding to new health challenges

For over ten years, we have been implementing solutions suited to the new health and dependency challenges. Our ambition in this area is illustrated by our launch in 2007 of a dedicated service line for e-health, Orange Healthcare.

A wide range of services is already available in France, the United Kingdom, Switzerland, Spain and Poland, such as, for example:

• M2M* applications allowing people who need regular medical monitoring to avoid permanent hospitalization (for example, diabetics or asthmatics);
• Columba by Orange is a solution that improves healthcare for Alzheimer's patients thanks to geolocalization;
• our Autonomie Visio solution allows elderly people to maintain social and medical ties from home;
• solutions for managing chronic illnesses, such as diabetes and cardiovascular conditions, are in the trial stages;
• the Hostonautes® programme allows children to stay linked to their schools and homes from seven hospitals in France.

sustainable city: a new service for local authorities

A new environmental data gathering service called "sustainable city" is being trialled in the town of Cagnes-sur-Mer. Based on M2M* technology, it allows the municipal government to automatically monitor the parameters of its natural environment in real time, including temperature, noise pollution, UV indices, etc. This trial opens up the possibility of developing a wide range of services for local authorities for improving safety, comfort and respect for the environment.

innovation: four awards for the Group

On the 25th of October, Orange took the 2007 "Best Innovator" Prize, awarded by the strategic consultancy A.T. Kearney in partnership with the magazine *Les Échos.* This award recognized the Group's new innovation chain and more specifically the creation of the Technocenter. On the 16th of November, we were awarded the Frost & Sullivan prize for European Green Excellence in Product Innovation.

We have also been recognized by the "2007 Carrefour participatory innovation" initiative, for mobilising our staff and for the simplicity of our innovations. Between February and December 2007, 10,000 of our staff submitted 23,000 ideas, and nearly a thousand of them are now being trialled.

Lastly, an innovation straight out of our own R&D – optimised ventilation – received the ADEME energy-saving and non-polluting technologies award in the "large companies" class in November 2007 (see page 44).

remotely managed light measurment tool by the seaside in Cagnes-sur-Mer

innovative solutions serving sustainable development

"

developing eco-design

Since 2004, we have been developing a methodology for taking into account the economic, social and environmental impacts of our products and services, right from the initial R&D design stage.

Based on using a method for evaluating the impact of our solutions, this initiative involves the Group's various departments and in particular strategic marketing to integrate sustainable development requirements into the project launch process.

We are working closely with our suppliers to develop eco-design initiatives for the products we distribute.

In November 2007, we signed a strategic partnership with Sagem Communications to design products that will have significantly less environmental impact. This partnership covers the Livebox, TV decoders and fixed-line phones supplied by Sagem Communications.

To learn more about our responsible products, go to our website

www.orange-business.com/green

Two years ago, when we launched 12 initiatives as part of our overall programme for responsible and sustainable development, video-conferencing immediately became part of our toolbox. Not only did it meet the very high expectations of our staff, but it also let us reduce our carbon footprint while reducing our transportation costs. This has meant better quality of life and higher productivity. Thanks to its simplicity, we have been able to roll out our Orange Business Services solution to our 31 regional sites, as well as to our training centre and Paris office in just three months, including the pilot phase. The system is used daily for up to three video-conferences a day per centre."

Hélène Valade, Deputy Director of Sustainable Strategy and Development, and Laurent Chevallier, Director of Information Systems.

our capacity for innovation

The Orange Labs network is the France Telecom Group's worldwide innovation network. It brings together 5,000 employees (including 3,800 researchers) across four continents and boasts a portfolio of 8,500 patents. In addition to the Technocenter and to the Explocenter, both based in Paris, and the eight R&D laboratories based in France (at Issy-les-Moulineaux, Belfort, Caen, Grenoble, Lannion, La Turbie, Rennes and Sofia Antipolis), there will be eight R&D laboratories in Beijing, Seoul, Tokyo, London, Madrid, Warsaw, Boston and San Francisco, a new centre in Cairo, Egypt (opening in early January 2008) and a Technocenter in Amman, Jordan (opening in late February 2008). Each Orange Lab is thus integrated into its own geographical ecosystem, enabling it to seize and anticipate technological advances and changes in usages throughout the world.

To learn more about our ability to innovate, see our Annual Report or go to the "Innovation" link on our website

www.orange.com

developing access for all

our ambitions

- **Battle the digital divide.**
- **Contribute to local economic development.**
- **Ensure that our solutions are accessible to the disabled.**

developing rural areas

To battle the digital divide that afflicts certain isolated areas, we are continually extending the coverage of our high-speed, fixed-line and mobile phone networks. We are also financing specific projects that provide developing countries with access to a communication infrastructure.

Internet

We have deployed one of the largest high-speed Internet networks in Europe, with over 11.6 million private customers at the end of 2007. In regions not served by ADSL* (the leading high-speed technology), we use alternative solutions to connect as many people as possible to the Internet. For example:

- in France, the Pack Surf Wi-Fi Site package allows communities in areas not served by ADSL* to enjoy the benefits of fast Internet service. We are currently working on new solutions to shorten the distance between the customer's home and the telephone exchange by installing a new access node known as "blackout-area subscriber access node".
- on Reunion Island, we launched an "RE-ADSL*" technology-based service that affords 5,000 previously ineligible households high-speed Internet access.
- in Mali, we are offering wireless local loop-based Internet services.

In addition to the technical initiatives, we are promoting Web use by providing free instruction on using the Internet, for example, in Poland and Romania.

In Jordan, the "Jordan Education Initiative" also helps students gain access to the Internet and develops online educational tools for Arabic language classes (e-learning).

mobile phones

We are trying to offer access to mobile phone services to as many people as possible.

For example, in Madagascar, the Botika network is a new indirect distribution concept for mobile services. These stores, under the Orange banner, are opening up the most remote rural areas and contributing to rapid economic development in Madagascar. Today, 55 Botikas are operational. This project won the "Customers" prize in our internal "Caring for the future" challenge. It is currently being exported to other countries in the Africa, the Middle East and Asia region.

public telephones, solutions suited to remote areas

Regardless of the place where we offer our services, we facilitate access to public telephones through a wide range of innovative solutions:

- in Senegal, we are installing phone booths free of charge in certain villages;
- in Romania, we have committed ourselves to fostering access by rural areas to information and communication technology by developing telecentres that offer public telephone, fax and Internet services. In 2007, we opened 29 new telecentres and are currently setting up seven more.

adapting our services to low-income groups

To give the greatest number of people access to telecommunications solutions, we are developing rate plans suited to low-income users, especially in emerging countries.

We have therefore developed a credit transfer plan for the Africa – Middle East region that allows users to transfer part of their pre-paid cards to others.

In Senegal, we are rolling out a low-cost fixed-line service intended for low-income people in remote areas, accessible without subscription via a terminal subsidy. In 2007, we also tested a low-cost mobile phone service, which we intend to extend to other African countries.

In Jordan, since 2007, we have been deploying a low-cost secure Internet service specially designed for children and students. Known as Edufun, this service also allows users to buy a low-cost computer and offers services and secure content for families.

developing
access for all

contributing to local development

Besides deploying our infrastructure, we are supporting the economic development of the territories where we provide our services by promoting new telecoms use, particularly in disadvantaged areas.

In Poland, we are contributing to the economic and social development of the country's rural areas via the "Internet Republic" project in collaboration with the United Nations.

In Romania, we are also supporting an economic development project aimed at the rural areas of Transylvania.

In France, the EAZ (Economic Activity Zone) plan aims to bring very high-speed services to 2,000 economic activity areas dotted with small, mid-sized and large enterprises, at competitive rates. At the end of 2007, a little over 900 ZAEs had been opened up.

We also support research into the socio-economic impact of communication technology. As part of this effort, Orange Cameroon has participated in a study to better understand its impact on the local economy.

taking into account the needs of disabled people

Steered by the Group's Accessibility Committee, our "Design for all" strategy aims to take into account the specific needs of the elderly and the disabled in the design of our products and services for the general public. Three priorities drive our R&D in this field:
• evaluating the accessibility of each product and service before we launch it;
• designing simple and ergonomic services that can be used by all;
• adapting the distribution network and dedicated training for sales representatives, webmasters and technicians.

In France, we publish a comprehensive catalogue twice a year entitled *Independence Services, a solution for everyone.* These adapted products and services are available at 150 stores as "Disabled solutions," including three fully dedicated Arc-en-Ciel agencies, via a service reachable by phone (toll-free number 0800 11 22 33), fax (toll-free number 0800 24 69 96), e-mail (offre.

our 2007 achievements

Poland

Our "Internet Republic" project won the award for the Best high-speed project as part of the 2007 High-speed competition organized by the weekly magazine *Computer-world.* This project is the largest privately funded rural aid programme in the country. It aims to reduce the digital divide holding back Poland's poorest rural areas by encouraging Internet use in education, development and tourism. Since the project began, we have financed 170 local development projects costing a total of 1.4 million euros, and have trained 28,000 people free of charge in how to use the Internet.

France

Ideal partners for opening up rural areas:
• on the 10th of October 2007, the Auvergne Regional Council and France Telecom signed a partnership to reduce blackout areas without high-speed Internet access. This "Auvergne high-speed" plan is the first public-private sector partnership of its size in the telecoms sector.
• in December 2007, France Telecom and the General Council of Morbihan signed a pilot agreement to trial the "Blackout Area Subscriber Access Node" technology to provide high-speed Internet access in areas not eligible for ADSL*.

point Visio-Public® takes first prize in the 2007 Broadband Awards

At the beginning of 2007, the European Commission put out a call for projects to select the most groundbreaking European digital initiatives of the future, underscoring the key role of information technology in opening up and promoting economic and social development. Out of 163 projects submitted, 51 were selected, and the first prize went to Point Visio Public®, which was deployed by the Auvergne region starting in 2005. A Group innovation, Point Visio-Public® is an interactive communication tool bringing citizens and public services together in a secure and user-friendly environment.

autonomie@francetelecom.fr) or via our website www.france-telecom.fr.autonomie. Nearly 3,400 sales representatives, webmasters, and technicians have taken a training programme on services for the disabled.
Our solutions for disabled people are currently being deployed in Poland, the United Kingdom, Italy, Belgium, Spain and Luxembourg. In Spain, the Mensavoz service, for example, offers visually impaired customers audio readouts of SMS* or MMS messages. A similar service called "Cronos" will soon be offered in Romania.

We are also rolling out a project to improve the accessibility of our internal and external Internet sites. Our researchers have developed OCAWA, a free tool for evaluating the accessibility of websites for visually-impaired people. The Group's design charter now includes the international standards on website accessibility.

"

We are grateful for the enormous contribution of Orange experts in rebuilding our website www.retina.fr. For several years we have wanted to make our website more accessible to the visually impaired, in line with today's standards. For over a year, Orange has been developing our association's website with the active involvement of staff at Retina France's head office. This collaboration, the result of teamwork, was recently introduced by our webmaster Nicolas Graner, who is visually impaired himself. This is an unqualified success for those of us who are visually impaired, and I am very pleased with it. Thanks again to all the players."

Jean-Jacques Frayssinet, Honorary President of Retina France (www.retina.fr).

mobile banking services in emerging countries

Orange is collaborating with Planet Finance to develop mobile banking services for low-income groups in emerging countries. After a first test in the Republic of Ivory Coast, we launched feasibility studies in 2007 in Egypt, Jordan and Senegal. This project will later be deployed in other African countries.

customer service accessible in sign language

In November 2007, we launched a trial for direct contact via the Internet.
Access is easily. The customer logs on to www.autonomie.francetelecom.fr and selects a method of communication to talk directly to an advisor, in either French sign language (via videoconference with possible subtitles), or text (via Chat). This trial was extended until April 2008 and may be rolled out across the board.

Voice assistant: a new mobile service for visually impaired people

Chosen from among the Group's flagship products for our Spring 2007 collection, Voice Assistant is an application available on SPV C100 mobile phones that allows the visually impaired to use a "general public" mobile phone independently thanks to voice synthesis software. Modifiable display parameters (governing font size, colour contrast, etc.) ensure improved information visibility for the visually impaired.

Voice assistant interface on an SPV C100 handset

meeting our customers' expectations

our ambitions

- Become the operator of reference for service quality.
- Guarantee data protection.
- Promote reliable and responsible telecommunications services.

quality of service, a priority

regular performance monitoring

In order to improve, we regularly measure the quality of service in our various markets through internal and external surveys.

product development support

Before launching a new product, we review customer needs in order to provide all the necessary information about installation, utilization and after-sales support.

We also develop specific assistance programmes to support the launch of new services, such as Orange TV and the VoIP Business service.

Our Simplicity+ programme aims to guarantee simplicity throughout the entire customer experience, for both private and business customers. For this, we have set up customer test centers allowing us to observe and analyse customer feedback in real-life situations. At the end of 2007, two centers are operational in France and one in Poland. Other centers will be set up in 2008 in Spain, Jordan, and Egypt.

percentage change in customer calls to technical support centers, 2006-2007, principal countries

fixed*	Internet**	mobile***	average
−11%	−6%	−14%	−10%

* France, Poland
** France, Poland, United Kingdom, Spain
*** France, Poland, United Kingdom
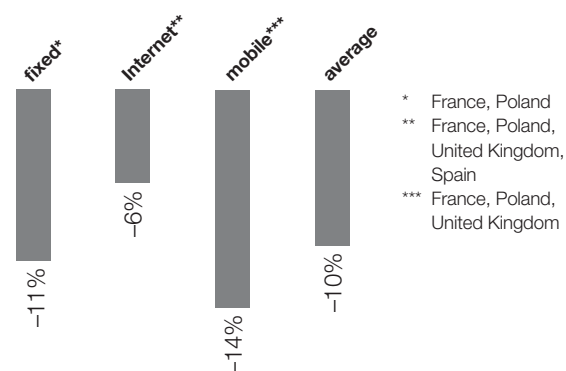
guaranteeing data protection

Data protection is an important issue for our customers, and to manage it, we comply with ISO 27001, the standard of excellence in the management of information security. At each of our subsidiaries, we implement all that is necessary to ensure the integrity and confidentiality of the information entrusted to us:

our 2007 achievements

increasing customer satisfaction

In 2007, we made remarkable progress in our principal markets. In our four key countries (France, Poland, the United Kingdom and Spain), we had on average 10% fewer customer calls to our technical support centers in 2007. This improvement was especially strong in ADSL* services in France with calls down by some 40% in the last months of the year.

quality of service recognized by numerous awards in 2007:

- for the second year running, Orange Business Services won the best global operator prize at the 2007 World Communication Awards;
- Belgium: Mobistar was singled out in October 2007 for the quality of its ADSL* support service;
- Spain: Qualytel took the gold medal for best customer service among telecoms sector call centers as part of the 2007 CRC awards organized by the IFAES and the Contact Centre Expert Association;

- France: Orange was ranked "lowest in dissatisfaction" (source: AFUTT) and "highest in quality" (source: Witbe/SIVM);
- Poland: Neostrada TP won the "gold statuette for brand reliability" in the Internet category;
- United Kingdom: Orange was one of ten companies to win four stars from the European Foundation for Quality Management;
- on 7th of December 2007, Orange Botswana was voted best mobile operator in South and East Africa by Africa Telecom People.

- we include information protection in our employment contracts. We make our employees aware of the risks related to data protection and require them to report any breach immediately;
- we limit and clearly identify the people who are authorized to access our databases;
- we monitor user identity through strict authentication methods;
- we have implemented malicious software detection and prevention tools and firewalls that track all connections;
- we also have backup systems in order for our services to be made operational again very quickly in case of a network failure.

A privacy officer has been appointed for the Group.
A working Group dedicated to the challenges of protecting our customer's personal information, created within the R&D department, reviews all new risks and determines the appropriate solutions. We also have regular exchanges on information confidentiality and freedom of expression issues with external stakeholders, partnering with Business for Social Responsibility and the Privacy Enhanced Technology Partnership. In 2007, we also took part in a multi stakeholder process bringing together ICT companies, NGOs and academia with the aim of developing privacy principles. A Group policy has been defined and will be implemented starting in 2008. Our responsible marketing guides also aim to ensure that personal information is not used for commercial purposes without the customer's consent. We are including these requirements in contracts with our business partners.

promoting a safe and responsible use of services

We are diligent in informing our customers and the general public about the dangers of improper use of our services, and ways of guarding against it. Our website has a section dedicated to the proper use of services, offering practical advice on issues such as how to guard against mobile phone theft as well as unsolicited messages, and emphasizing the importance of not making calls while driving. Local versions are currently being implemented at each of our European entities.

protection of children, a priority

For mobile Internet, we offer a free parental control service that limits access by young users to content that is not suitable for their age group. Already available in Spain, France and the United Kingdom, it is being deployed across all our European entities. We allow parents who so wish to completely block Web access on their child's mobile phone. We provide moderation for all our discussion forums and put in place age verification methods for online services unsuitable for minors. On our websites, we make

signing the GSME Mobile Framework

In February 2007, we signed the European Framework for Safer Mobile Use by Younger Teenagers and Children along with 14 other mobile phone operators and content suppliers brought together by GSM Europe. A voluntary initiative by the sector, this agreement aims to advance the deployment of national codes of conduct for the protection of children.
All our European entities worked hard in 2007 to put the recommended measures in place.

GSMA Alliance to Combat Online Child Pornography

In 2007, we took an active role within the GSM Association in developing the Alliance to Combat Online Child Pornography, officially launched in February 2008.

studies to better understand family needs

In 2007, we carried out studies in France and the United Kingdom to better understand the needs of families in relation to child protection and our services.
Orange Slovakia also carried out a major study on child mobile and Internet use (see page 19).

customers aware of the proper use of services and specify how to report misuse to our customer service department and governmental authorities.

For PC Internet use, parental control are also available in Spain, France, the United Kingdom and Poland, something we expect to extend by the end of 2008 to all our European entities.

A parental control service is also available for our Internet television services.

Besides technical measures, we are expanding a widespread programme to increase awareness among parents, children and schools. We have produced guides that give parents simple and effective tips for their children to be able to use their mobile phones and the Internet in safety. These guides are now available in seven languages and can be downloaded for free from all our European sites, except Belgium and Poland.

We work in partnership with trade associations, such as European Schoolnet and the Family Online Safety Institute, to increase awareness of this subject among parents and schools. In the United Kingdom, we ran an awareness programme in 2007 dealing with the phenomenon of harassment by mobile (see page 15). We are also collaborating with providers of social networking sites to put in place child protection measures.

We have produced responsible marketing guides to ensure that our advertising campaigns comply with international codes of conduct and do not target children.

To learn more, go to the "responsible use" link on our website

www.orange.com/en_EN/responsibility/responsible_use

"The mobile phone has opened a vast new universe of communication, creativity and self-expression over recent years. As an organisation that works with teachers across Europe to open new horizons in education, it is our responsibility to help them integrate innovative technologies and tools in their everyday practice while ensuring that technology is used ethically, effectively and safely.

Orange is a standard-setter in the mobile industry. Not only does it implement its own safeguards to educate and protect users, it has proved a staunch partner to European Schoolnet in its broader educational pursuits. It is supporting us to tackle the everyday issues teachers grapple with as youngsters explore the multi-facetted world opened by new information and communication tools."

Marc Durando, Executive Director,
European Schoolnet (www.eun.org).

minor protection measures in place at our principal entities

activities	France	United Kingdom	Spain	Poland	Belgium	Switzer- land	Slovakia	Romania
family guide	yes (1)	yes	yes	yes	yes	yes	yes	yes
awareness raising in schools	2008	yes	2008	yes	2008	2008	yes	2008
local Code of conduct for mobile internet acces	yes	yes	yes	yes	2008		yes	yes
content classification for mobile internet acces	yes (2)	yes (2)	yes	2008	yes (3)		yes	2008
age verification for mobile internet acces	yes	yes	yes	2008	yes	yes	yes	2008
content filter/parental controls for mobile internet acces	yes	yes	yes		2008			
total block of Internet access for mobile internet acces	yes	yes				yes	yes	
parental control for PC internet acces	yes	yes	yes	yes				
age verification for Internet TV	yes	2008	na	2008	na	na	na	na
chat room moderation	yes	yes	yes					

(1) AFOM guide (French Association of Mobile Operators) – (2) by an independent body – (3) operators Code – na: not applicable

mobilising our staff

our ambitions

- **Support our staff in transforming the Group.**
- **Create, develop and maintain dynamic social dialogue at all levels.**
- **Develop the skills of our staff and enhance their professional value.**
- **Make occupational health and safety a daily reflex.**
- **Promote diversity within the company.**

supporting the transformation of our Group

As part of the NEXT plan, we are committed to completely recasting our organisation to make it more effective and innovative in our various markets and strengthen our resources in value-added activities. Business forecasts over the period 2006-2008 involve a net reduction in staff of about 17,000, of which 16,000 are in France. This change in France is based on having some 6,000 new hires along with 22,000 leavers. The leavers are made up of people retiring, moving to the public sector, and voluntary departures. In France in 2007 we had 1,600 staff retiring, 1,073 leaving voluntarily to set up their own businesses or other personal projects, and 1,061 moving to the public sector.

We will also be continuing our internal mobility and recruitment policy aimed at key business areas, particularly in customer service, business services, and technical innovation and management of networks and information systems. There were 14,649 new employees recruited around the globe in 2007, including 1,916 in France.

promoting social dialogue

Social dialogue is an essential development tool in our Group, which must be adapted to local conditions. The international character of our Group is a key growth driver, and it must be reflected in our social dialogue. For this reason, our Group European Works Council meets at least three times a year and participates in quarterly telephone conferences. 19 countries are represented: Germany, Austria, Belgium, Denmark, Spain, Finland, France, Greece, Italy, Ireland, Luxembourg, Norway, the Netherlands, Poland, Portugal, the United Kingdom, Romania, Slovakia and Sweden. Switzerland participates as an associate member.
Along the same lines, we have decided to launch negotiations to set up a group world works council.

Locally, over 400 staff representation bodies are in place in the Group, mainly in Europe, but also in Africa.
The agreement on fundamental social rights that the Group signed with Union Network International (UNI*) at the end of 2006 also reaffirms the importance of social dialogue. In the event of difficulties, the UNI* and France Telecom undertake to strive together to find common solutions before taking recourse to external initiatives.

developing staff skills, a key priority

Our act: programme (anticipation and competencies for transformation) aims at developing our employees' skills and making personalized solutions available to them to optimise their career development. It is being rolled out progressively throughout all

change in number of employees*
2006-2007

	2006	2007
France	110,946	107,971
United Kingdom	13,967	14,321
Poland	33,052	31,105
Spain	3,429	3,411
Group total	192,751	188,138

* active employees at 31/12/2007
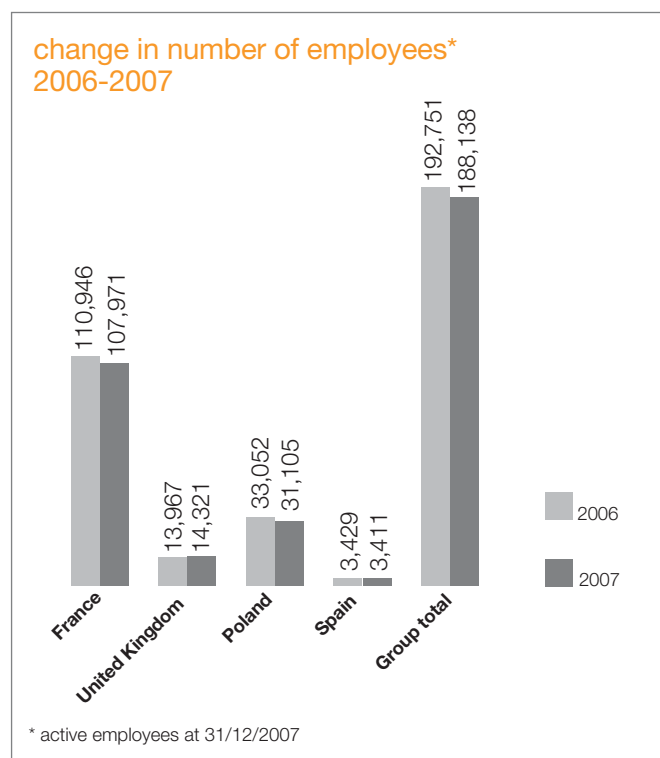
mobilising
our staff

the entities of the Group.

clearly identified opportunities for each function

Making employees visibly aware of the growth opportunities offered to them is a major aspect of our programme.

In France and in Spain, a chart of functions and a list of job openings are accessible to all over the intranet. Our other entities are putting in place similar solutions adapted to local conditions.

personalized career development tools

We are progressively putting tools in place allowing each employee to put together his own career plan, consistent with the Group's strategy:

• in France and in Poland, career counsellors at Development Spaces help employees anxious to improve their performance, skills and growth prospects. Eleven Development Spaces are in place in France and five in Poland;

• in the United Kingdom, coaches are available for employees wishing to optimise their careers;

• in Spain, the emphasis is on individual training.

Attracting and retaining talent is a key priority. At all our entities, we are implementing measures to identify promising candidates and offer them motivating career development opportunities.

strengthening the management team's commitment

Implementing the act: programme requires sustained support by our managers. To help them attract the support of their staffs and encourage them to advance, management schools have been set up in France, Spain, Poland, the United Kingdom, Jordan, the EME region and our entity Orange Business Services.

Most of the countries have put in place performance evaluation measures according to various methods.

In France, an employee's career development plan is based on his personal commitment to career growth. A similar approach is being rolled out in Spain.

an ambitious training programme

The act: programme is supported by a huge increase in our training plan. Between 2006 and 2008, we anticipate increasing our global training effort across the entire Group by 25%. At the end of 2007, the number of training hours provided in France increased by over 25% compared to 2006. In the rest of the Group, this increase was over 11%.

our 2007 achievements

setting up an employee forum in Slovakia

Created in March 2007, this new employee forum met twice during the year to go over the company's results and debate employees' expectations.

committing to negotiations to set up a global group works council

In 2007, preliminary discussions took place with the UNI* to look into means for setting up a venue for dialogue covering all of the Group's sites. These negotiations will continue in 2008.

stress management

Our Group has been committed for several years now to a major transformation likely to trigger difficult situations for some employees. That is why, in January 2000, we set up a commission dedicated to preventing stress, which brings together representatives from labour organisations and management. It works to propose specific measures to improve the working environment.

In order to better manage the complexity of individual situations, we decided in 2007 to set up, for all of France, listening and support teams to respond to work situations that are creating anxiety. With their interdisciplinary composition, they provide confidential personal assistance and capitalize on existing actions to find solutions that are more preventive, lasting and innovative.

number of hours of training France Telecom SA

Year	Number of hours of training	Average Nb. of hours/employee
2004	1,615,071	15
2005	207,712	20
2006	2,613,300	26
2007	2,779,887	29

— number of hours of training

▪ average Nb. of hours/employee

occupational health and safety: constant vigilance

Safeguarding employee and subcontractor health by ensuring their safety at the workplace is a major commitment clearly stated in our health and safety policy.

Our health and safety department ensures that our occupational health and safety management plan is steadily rolled out, assisting our entities in implementing their action plans.

"As a technology company, we represent advancement; people expect us to set an example for them to follow.

We are committed to protect our staff by providing a safe and healthy work environment that meets or exceeds local and international standards. It is one of our core values and is clearly expressed in our environment health and safety policy. The OHSAS certification recognized the improvements and work done to implement the health and safety system.

Implementing a structured health and safety system has already brought many benefits:

- reduced work-related accidents, illnesses and their related cost;
- enhanced company image as a leader in corporate responsibility;
- improved operational efficiency;
- reduced risk of citation or penalties by assuring compliance to local legislation

Our performance is measured and checked through regular field inspections of cellular sites, offices and warehouses, as well as reporting progress of ongoing health and safety programmes. The inspection criteria were developed by members of the staff; this is to ensure a realistic and effective activity in true cycle of continual improvement."

Sherif ISSA, Senior Manager,
Health and Environmental Affairs, Mobinil

To learn more: Go to our "stress management" folder, www.orange.com/fr_FR/presse/dossiers/att00003781/DPstressvDEF.pdf

staff shareholding: kudos for company commitment

For the fourth year running, the French federation of employee shareholder associations (FAS) has been highlighting best practices at companies promoting employee shareholding in France. The Group received the special prize for the strongest increase in 2006-2007.

Spain and Egypt receive OHSAS certification

In 2007, Orange Spain and our Egyptian entity Mobinil were both certified OHSAS (Occupational Health & Safety Assessment Series), the internationally recognized occupational health and safety standard.

infection prevention campaign

Brochures in English, French and Spanish explaining in simple and clear terms how to wash hands effectively to prevent viral and bacterial infections (flu, colds, gastroenteritis) were sent to all Group entities in 2007.

mobilising
our staff

rate of frequency and severity of occupational accidents – France Telecom SA

rate of frequency
(Nb. of accident
stoppage/million
work hours)

rate of severity
(Nb. days
of stoppage/thousand
work hours)

5.11% 5.34% 4.2% 4.1%

0.28% 0.3% 0.23% 0.23%

2004 2005 2006 2007
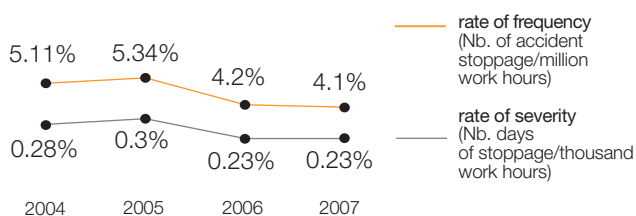
considering the differing definitions and methods of calculation in other countries, this indicator cannot be consolidated at the Group level

A network of health and safety managers has been set up at all entities with more than 1,000 employees. A bimonthly telephone conference works to develop objectives, action plans, campaign and share experiences and best practices. In November 2007, a two-day seminar reinforced this exchange. It will now be held every year.

Since 2006, the Group has followed a policy aimed at each entity's setting up an occupational health and safety management system in accordance with its professional activities, local conditions, and the regulatory framework concerning it. In France, an audit evaluation was carried out in the second half of 2006 and during 2007. An analysis of the audits enabled an action plan to be developed, the implementation of which will be continued in 2008.

As part of prevention, Orange Madagascar has been committed to a programme to fight AIDS since 2006. 25 specially trained educators have the role of informing their employees of the risks of spreading AIDS and measures for preventing this pandemic, making them aware of screening and educating them not to stigmatize colleagues who may have caught it. 80% of the employees at Orange Madagascar have participated in this voluntary and confidential screening programme. The company has also extended this awareness programme to its customers and the general public.

To learn more about our entities' actions, go to our website

www.orange.com/en_EN/responsibility/

% of women employees in management positions, principal countries, 2006-2007

2006 2007

	France	United Kingdom	Poland	Spain	Belgium	Romania	Switzerland	Egypt	Slovakia	Dominican Republic	Senegal	Jordan	Republic of Côte d'Ivoire	Cameroon	Mauritius
2006	31	29	31	23	22	39	16	25	14	38	28	16	21	22	14
2007	29	29	26	23	22	38	15	28	14	34	30	15	22	23	16
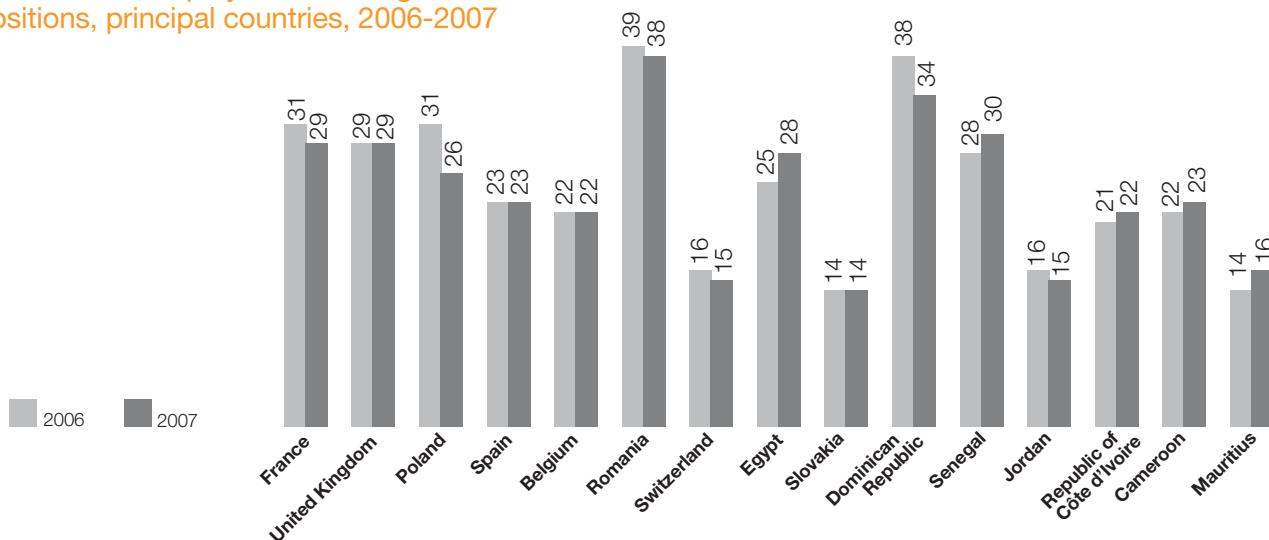
diversity, an advantage for the Group

With a presence in over 140 countries, our employees bring to the Group all the diversity of their origins and cultures. We are deeply convinced that the diversity of our staff is a growth driver for our company. This is the reason why we signed the company diversity charter in 2004.

Two large programmes are a sign of our commitment.

promoting equality between men and women

Since its launch in 2005, we have actively participated in the Women's Forum for the Economy and Society. We are also members of the Cercle InterElles, created in 2001 by a number of women heads of business, including a former member of our Group's Board of Directors, which works to promote equal employment opportunity.

At the end of 2007, we joined the European Professional Women's Network (EPWN), a reflection and proposal body aiming to increase the percentage of women in positions of responsibility.

professional integration of handicapped people

In France, the aim of Mission insertion handicap is to promote the recruitment, integration and permanent employment of handicapped workers. Special information resources are made available to handicapped candidates. A number of measures facilitate this integration: adapted work stations, keyboards in Braille, voice synthesis, image magnification software, training and financing of sign-language services, etc. Awareness workshops are also regularly held to demystify the concept of handicap within the company and further the integration of handicapped workers.

our 2007 achievements

France: new agreements promoting diversity

On 24th of October 2007, a professional equality agreement was signed between France Telecom SA and five labour organisations (CFDT, CFTC, CGT, FO and SUD) for the period 2008-2010.

A new company agreement to promote the employment of handicapped persons was also signed on 29th of November 2007 with its corporate partners. It sets out targets for the period 2008-2010 in terms of the recruiting, integration and retention of handicapped workers.

Poland: a partnership to promote the employment of handicapped workers

In 2007, TP signed a cooperation agreement with the company WYG International to accept physically handicapped people for three-month internships. Four interns have already been accepted into the customer service department at TP.

Orange is committed to promoting the integration of young people into the world of work

Orange participates with the Paris Institute for Political Studies in an experimental programme geared for secondary school students in Seine-Saint-Denis and aimed at removing barriers that might prevent them from staying in school longer when they have the potential to do so.

As part of the Telecom Passport Circle, Orange supports students to help them get into specialized competitive universities.

Orange is also a partner of Our Talented Communities, an initiative founded by a Group employee to help young secondary school graduates from disadvantaged neighbourhoods find their first job: these young people are often victims of "neighbourhood discrimination" and lack points of reference for deciphering employment practices. Our communities puts them in touch with experienced managers who can counsel them and open up their address books for them.

promoting responsible sourcing principles

our ambitions

- **Control our sourcing-related ethical, societal and environmental risks.**
- **Influence our suppliers and outsourcers to better address the principles of sustainable development.**
- **Strengthen the expertise of sourcing partners on the requirements and opportunities provided by sustainable development.**

a contractual commitment

We emphasize to our suppliers right from the bidding stage how important it is to us to observe sustainable development objectives.

All our supplier contracts referenced at the Group level contain an Ethics & Environment clause. Our objective is to include it going forward in all our local contracts. That is already the case in France, Spain, Poland and Switzerland. In Senegal, a supplier ethics Code was prepared in 2007 and will now be attached to all bidding terms.

performance assessment

In addition to the quality-deadlines-costs triad, supplier assessment takes in account, in particular:

- compliance with applicable laws and regulations;
- compliance with confidentiality, fairness and subcontracting rules;
- the existence of clearly stated commitments and principles of action;
- consumption of energy and natural resources;
- actions to control environmental and societal risks.

The bidding stage includes questionnaires suitable to the purchasing category. These questionnaires concern the supplier's organisation and location, as well as the procedures implemented to assess environmental and societal risks. Their analysis influences in particular the scoring of bids and any necessary negotiations.

In monitoring contracts, our QREDIC® tool allows us to analyse suppliers' overall performance.

The tool is deployed in all the Group's purchasing contracts, covering sites in many countries. Each contract is evaluated once or twice a year, with the support of the principal countries. The results are presented to the suppliers and are subject to an improvement plan if necessary. Since 2007, the results can be broken down country by country. A local breakdown via QREDIC® is being rolled out in the United Kingdom and Poland.

For certain critical or high-risk purchasing categories, a Company Responsibility – Sustainable Development questionnaire is sent each year.

These evaluations are adapted according to the main types of purchasing that we do. For example, we take into account the new European REACH regulations on chemical substances, and we have discussed the new European rules on electrical and electronic waste with our equipment suppliers.

All supplier evaluations are accessible in all countries via the Group's intranet.

In order to securely integrate Asian suppliers into the Group's procurement, our purchasing staff in China (eight people) has set up an additional procedure:

- identifying potential suppliers and evaluating their ability to meet France Telecom's expectations;
- monitoring suppliers after the contract is signed to ensure they properly understand the Group's expectations.

raising internal awareness

To properly deploy our responsible purchasing policy, we also need to raise awareness among the players involved in the procurement process (buyers, order givers). A training module has been specially designed to raise these players' awareness of the risks and opportunities of sustainable development and of the Group's policy. Forty-nine people attended the five sessions organized in 2007.

Out of 356 Group contracts
evaluated

67%

of the suppliers have
implemented an
Environmental Management
System or related measures

31.7%

have an ISO 14001 or EMAS*
certified Environmental
Management System (EMS*)

25%

have measures in place attested
to by a certificate, label, or
agreement recognizing
their social performance (OHSAS,
SA 8000* or ILO OSH 2001*)

our 2007 achievements

measures aimed at "risky" suppliers

In 2007, we reviewed the procurement risk
chart produced in 2006 to focus our efforts
on the sourcing categories considered to
be risky. Only the suppliers in these sourcing
categories were involved in the global
Corporate Responsibility – Sustainable
Development initiative during the 2007
campaign. This allowed us to improve the
rate of return from 67% suppliers in 2006 to
71% in 2007.
The aim of the 2007 campaign was to:
• understand the supplier's approach to
  sustainable development;
• evaluate their positioning vis-à-vis the
  previous year, and vis-a-vis regulations;
• update the environmental and societal
  risks chart.

announcing the UNI* agreement
to our suppliers

The Group's agreement with the UNI* on
fundamental social rights signed in 2006
includes three obligations directly affecting
suppliers and to which they need to commit
if they want to work for the Group:
• prohibition of child labour;
• mesures against all forms of obligatory or
  forced labour;
• non-discrimination.

This agreement can be viewed on our
website

http://www.orange.com/en_EN/
responsibility/stakeholders/

We have asked all countries to roll out the
UNI* agreement as soon as possible and to
announce it to their local suppliers.

responding to concerns about electromagnetic fields (EMF)

our ambitions

- **Inform stakeholders via adapted communication tools and respond clearly to concerns about electromagnetic fields and communication technologies.**
- **Encourage users and countries to adopt good practice.**
- **Ensure international monitoring of scientific studies into electromagnetic fields and facilitate stakeholder access to the principal research findings.**
- **Apply international recommendations on exposure levels where there are no national regulations.**

enhancing local dialogue

Beyond regulatory obligations, we promote information sharing and dialogue with the local and neighbouring authorities that are affected by our antenna installation or modification projects. In France, the United Kingdom, Switzerland and Spain, we apply Codes of best practice issued by local and national authorities and mobile operator associations, and we measure exposure levels of antennas, on request, using independent monitoring agencies. These measurements are then made public on national government sites, such as the National Frequency Agency in France (www.cartoradio.fr), the Office of Communications (OFCOM*) in the United Kingdom (www.sitefinder.ofcom.org.uk) or the Ministry of Tourism and Commerce in Spain (www.mityc.es/nivelesexposicion).

suitable communication tools

We encourage all our entities to strengthen and standardize their communication tools regarding the impact of electromagnetic fields. Most of our entities in Europe, as well as Mobinil in Egypt, are already making scientific, regulatory and technical information available on their websites, as well as links to bodies and associations of reference in the field.

In Spain, Egypt, France, Romania, the United Kingdom and Switzerland, guides providing information on these topics are provided for local authorities and the general public at community meetings and at certain points of sale.

We rely on and communicate the recommendations of the World Health Organisation (WHO) and national health authorities.

Our Group policy on electromagnetic fields includes the requirement that we display a mobile's SAR* (Specific Absorption Rate, referring to the maximum level of exposure to which the user may be exposed) at our points of sale and on our websites. This helps to raise customer awareness concerning responsible use.

A website for the general public about electromagnetic fields is also being further developed by the Group.

our 2007 achievements

increased Group support

A number of actions have reinforced and structured the way we take into account the challenges associated with electromagnetic fields (EMF) at our various entities:

- nominating a dedicated EMF manager at the Group level, setting up a network of EMF correspondents within all the Group's entities, and holding regular meetings on the subject;
- formalizing the Group's EMF policy and the system for steering EMF actions to help put actions plans in place for each country;
- facilitating access to information for all entities via an extranet;
- organizing an internal multi-country seminar to present the key challenges, develop action plans and exchange best practice.

14th annual conference on EMF

In 2007, we organized our 14th annual external conference on electromagnetic fields, to which scientists and delegates from local authorities and from industries in the sector were invited. The aim was to discuss current research, new wireless technologies and future research programmes.

France: measurements well below regulatory limits

In France, Orange carried out 416 field measurements in 2007 at the request of communities, landlords and local authorities near its relay antennas. The 2007 National French Frequency Agency (ANFR)

monitoring exposure levels

Our objective is for all our entities to comply with the exposure limits set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP*) and by the European Council in the absence of local regulation.

Our base stations are designed to ensure that we are in compliance with these limits.

All mobile phones sold by Orange comply with the ICNIRP* standards and have an SAR* less than 2 W/kg.

monitoring research

We constantly monitor all international scientific research into electromagnetic fields and support the programmes that are part of the World Health Organisation programme.

Our researchers have been working over ten years to better understand electromagnetic fields to measure the impact of the solutions developed (antennas, mobile terminals, WiFi installations). In particular, they have designed software for 3D visualization of electromagnetic fields, EMF Visual, which allows the necessary perimeter around a relay antenna to be defined. We have also developed an individual exposure meter to readily measure the intensity of electromagnetic energy emitted into the environment from antennas.

We are members of the Radiofrequency and Health Foundation (www.sante-radiofrequences.org) in France and the Swiss Mobile Communication Research Foundation (www.mobile-research. ethz.ch). In the United Kingdom, we support the Mobile Telecommunications and Health Research programmes (MTHR). In this regard, we are contributing to the independent international epidemiological study CEFALO on children and young adolescents. Concerning measuring exposure following, after the ADONIS project to analyse dose exposure by children, we are now part of the MULTIPAF project at the National Research Agency on dose analysis or new signals and exposure to multiple signals.

We are also participating in the work of international standardization bodies in the sector, such as the European Telecommunications Standards Institute (ETSI), the International Electrotechnical Commission (IEC) and the European Committee for Electrotechnical Standardization (CENELEC) with the aim of reinforcing transparency and traceability of certification methods for the installation of telecoms equipment.

Overview shows that average field measurements of networks are less than 2% of the limits set by the decree of May 3, 2002, which regulates public exposure to electromagnetic fields. All the results are below the regulatory thresholds and 97% of measurements are less than 10% of these limits. All measurements are provided on their website www.cartoradio.fr.

Romania: new online training

In Romania, an online training module has been developed to allow employees to better understand electromagnetic fields and respond to questions from the public. The priority was training for customer service and Orange store staff.

measurement of electromagnetic fields being taken near a base station

supporting community involvment

our ambitions

- Address the isolation of people who have difficulty in communicating.
- Join in the fight against illiteracy and contribute to the education of girls in developing countries.
- Support vocal music groups.
- Promote employees involvement in charities and sponsorship.

the Orange Foundation, twenty years of commitment to philanthropy

Since its creation in 1987, the Orange Foundation has been deeply committed to corporate philanthropy that is consistent with the company's mission, which is to promote communication in all its forms, particularly by fighting against sensory and social isolation and by supporting cultural expression.

The Foundation's philanthropy is focused on three specific areas:
- health/disability, by helping people who are autistic, and contributing to improving independence and quality of life of people with visual or hearing impairments;
- education, by participating in the fight against illiteracy and promoting the education of girls in developing countries;
- culture, by encouraging collective vocal music initiatives.

To choose its projects, the Orange Foundation has set up committees of experts. These committees meet two to four times a year and are composed of individuals selected for their expertise in the field concerned.
A major aspect of the Group's philanthropy is the involvement of its employees in charities and sponsorships. Volunteer work started as part of the Foundation in 1991 through the Volunteers for Autism Association. Volunteers gave their free time to share leisure activities with autistic people and help relieve their families. A second association, Orange Solidarité, was created in 2007 to allow employees to invest in other areas of philanthropy.

more than **500** agreements signed in 23 countries

372

of them in France for a global total of 10 million euros.

A sponsorship policy also allows staff to pair their personal commitment with the company's by proposing projects run by an association in which they are charitably involved.

In addition to its activity in France, the Orange Foundation federates and coordinates all the Group's philanthropy efforts around the world. Projects are being supported or will soon be in 27 countries (10 of which have foundations) in Europe, Asia, the Middle East and Africa. The Orange Foundation works in all these countries with NGOs and local and international associations in its focus areas (health/disability, education, culture) taking into account the particular culture and the strategic needs of each country.

To learn more about the Foundation's work, go to

www.orange.com/foundation

classroom where girls are being educated in Mali

our 2007 achievements

Some examples of projects the Foundation supported in 2007.

health/disability

Autism: in 2007 the Foundation supported 103 projects and 17 grants and research programmes on autism.

In Belgium, our Mobistar subsidiary launched the Participate! project in association with seven centers for the study of autism and two autism parents' associations to improve the quality of life of autistic people and their families. In 2007, an autism awareness and information website was developed: www.participate-autism.be.

Visual impairment: the Orange Foundation supports as a priority those projects that are intended to improve the quality of life of people who are totally, profoundly or severely blind by helping them have access to education, information and culture, and helping them become more independent. In 2007, 19 projects benefiting visually impaired people were supported. We can also mention the partnership with the Association for Blind Intellectuals or Ambylopes to promote the Daisy system enabling access to books in audio-digital format, the audio description of performances in a number of opera houses as well as films in theatres and on DVD, various projects aimed at improving access to cultural sites, such as the new tactile gallery at the Louvre Museum.

Hearing impairment: in 2007, the Orange Foundation supported 37 projects connected with access to education, information and culture with the key objective of contributing to teaching and spreading communication modes such as French sign language and cued speech. We should mention its support for the Louvre Museum in creating a multimedia guide enabling deaf visitors to have an explanation of the works in sign language, and subtitling of films, thus enabling hearing-impaired movie lovers to rediscover the joy of cinema.

education

In 2007, the Orange Foundation supported 74 projects in the fight against illiteracy in France, Madagascar and the Ivory Coast and 21 projects promoting the education of girls in developing countries.

In Egypt, the Orange Foundation and local subsidiary Mobinil supported a project to reach reading and writting skills to 550 adults who had never been to school, most of them women.

In Senegal, Mali, the Ivory Coast and Madagascar, more than 10,000 girls are given schooling each year thanks to the Orange Foundation.

In China, The Colours of China association's project finances education at secondary school and university scholarships for 50 girls from among Chinese minorities in the provinces of Guangxi and Guizhou in the south of China.

In Mali, The Electricians Without Borders association's project, sponsored by an employee of the France Telecom Group, has brought electricity to a 12-class school with over 1,000 pupils at Sido Soninkoura in the Circle of Segou.

culture

In over twenty years the Foundation has supported more than 100 choirs, vocal ensembles and groups performing medieval, baroque, contemporary and world music. The Matheus ensemble, Les Cris de Paris, Musicatreize, Accentus, Le Concert d'Astrée, Le Cercle de l'harmonie and the Sotto Voce and Crea d'Aulnay-sous-Bois children's choirs have benefited from Foundation aid.

In January 2008, the Foundation received the French Ministry of Culture and Communication's Grand Mecene Award for philanthropy in recognition of its commitment to culture and particularly music as a powerful driver in linking human beings.

The professional integration of young singers and accessibility to music for isolated areas are also priorities in our philanthropic efforts. Over 70 music projects were supported in 2007.

fighting climate change

our ambitions

Reduce our greenhouse emissions per customer by 20% between 2006 and 2020 by:
- **limiting energy consumption by our networks and buildings;**
- **reducing CO_2 emissions from our fleet of vehicles and from business travel;**
- **increasing the proportion of energy from renewable sources.**

continuous efforts to reduce our networks' energy consumption

Operating telecoms networks accounts for 69% of our total energy consumption. Using a network energy consumption modelling tool developed by Orange Labs, we produced a master plan for reducing electricity consumption in our data processing centers by several means:
- optimising the size and location of equipment can provide energy savings of 10% to 50% at certain sites;
- virtualising servers: in France, a programme aims to reduce the number of physical servers by 40% between now and 2010;
- sharing applications to reduce hosting needs: over 600 local applications have been eliminated since 2006;
- switching to High Voltage Direct Current (HVDC), a solution that we recommend as standard, could further reduce energy consumption by about 10%.

We are also the project leader in the European OPERA-Net research initiative (Optimising Power Efficiency in mobile RAdio Networks), which aims to optimise the energy consumption of mobile networks.

more energy-saving buildings

We are rolling out various types of measures to optimise energy consumption in buildings, along two lines:
- optimising the energy use of equipment (energy audits, preventive maintenance, low-consumption lighting, adjusting temperature settings in air conditioning systems, etc.);
- reducing the energy needs of buildings by better use of insulation, optimised ventilation and heat accumulators.

our 2007 achievements

virtualising servers
Nearly 300 servers were virtualized in 2007. These virtual servers use 10 times less power. In 2007, this means we saved the energy equivalent of lighting 3,000 offices.

an award for optimised ventilation
Our optimised ventilation system won first prize in the "Large Company" category at the 2007 "Economic and Clean Technologies" awards bestowed by ADEME and the magazine *"Industries et Technologies."*

a less polluting fleet
The Group's "clean vehicle" fleet now includes electric vehicles, hybrids, flexible fuel vehicles running on biofuel, and vehicles equipped with a "Stop-Start" system and small HDI type cylinders. What do they have in common? Low CO_2 emissions. Since 2006, 15,000 new vehicles have been acquired, 50% of which emit less than 130g of CO_2/km.

reducing business travel
In 2007, holding 520,000 CoopNet meetings (internal videoconferencing service using the Intranet) avoided 1.7 million business trips, which is the equivalent of 34,000 tons of CO_2.

mobistar honored for its "green" fleet management
In 2007, our Belgian subsidiary Mobistar was nominated in the "best ecological innovation" category at the Europe Fleet Awards.

renewable energy
Our Oryx project aims to deploy solar power in rural areas. Rolled out in 2007 at 35 sites in Senegal, this project extends mobile network coverage to areas that have no electrical power, with a reduced impact on the environment and low operating costs, while creating local employment. We expect to expand it to 500 new sites in Ivory Coast, Madagascar, Guinea and Mali between now and the end of 2009.

Among these measures, optimised ventilation is a system developed by Orange Labs, which exploits the natural temperature variations and thermal inertia of buildings. This system not only uses 6 to 7 times less energy than classic air conditioning systems, but it also removes the need for environmentally harmful freons. This has been deployed at 400 technical sites in France.

reducing transportation emissions

We have a fleet of 50,000 company vehicles, which accounts for about 12% of our CO_2 emissions. Our global objective is to achieve average emissions of 130g CO_2/km by:
- replacing vehicles more regularly (every three years), while also reducing our overall fleet;
- making available a range of low-emission "clean" vehicles;
- putting an incentive scheme in place to encourage managers who have company vehicles to switch to one of these "clean" vehicles.

A number of entities have put systems in place to limit individual vehicle use (company travel schemes, car sharing, financing of public transportation vouchers, etc.).
We are making a range of solutions available to our staff to limit business travel (videoconferencing, teleconferencing, telecommuting tools, etc.). As part of this, 5,000 managers use our Business Everywhere solution, facilitating telecommuting.
We also offer our customers various solutions that allow them to reduce their greenhouse gas emissions (see page 24).

promoting renewable energy use

For over thirty years, our R&D has carried out research on the application of renewable energy to our activities, which led to the rollout of solar-powered sites since 1975. Today there are concrete projects underway at many entities.
In Senegal, Madagascar and Egypt, a number of sites are powered by solar energy.
The relay antenna at the Elan site in Wales is powered by solar energy and wind.
We are also trialling the use of fuel cells that could be used as emergency energy sources instead of electricity generators.

KPI: kg of CO_2 (any source)/ Nb. customers

7.69
7.33
2006 2007
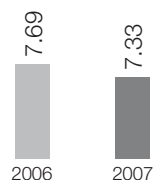
energy consumption in toe*/thousand customers

7.21
6.36
2006 2007
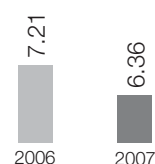
2007 total energy consumption by energy source

6% vehicles: 59,785 toe

4% fuel oil: 42,758 toe*

19% gas: 209,241 toe

71% electricity: 766,648 toe

0% green energy: 2,630 toe

0% other (coal): 175 toe
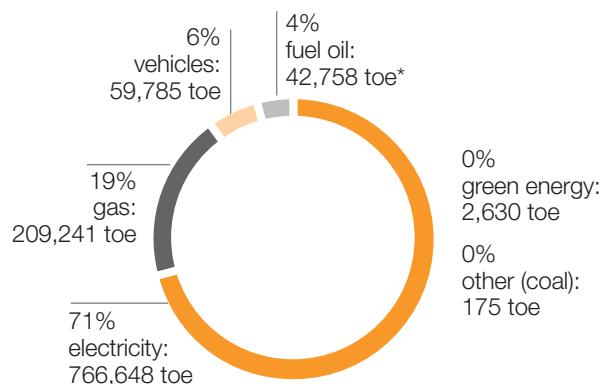
* toe: tons of oil equivalent (1 toe = 11,628 kWh)

thinking more broadly about products

Besides making efforts to reduce our own energy consumption, we are encouraging the development of telephone handsets that use less energy via our eco-design partnerships (see page 26).
We also support the principle of an "intelligent universal charger", which would automatically stop charging when the battery is full, reducing waste.

optimising waste management

our ambitions

- **Put in place collection and treatment systems adapted to each type of waste in all our entities, taking into account regulations and local conditions.**
- **Ensure waste traceability up to its final treatment.**
- **Promote the processing of electronic equipment at the end of its life.**

clearly identified main treatment channels

Our activities generate three main categories of waste:

- waste from the networks: cables, poles, fluorescent tubes, batteries, waste of electrical and electronic equipment (WEEE*), other hazardous and non-hazardous waste;
- waste from our offices and call centers: computer equipment (and other WEEE*), ink cartridges, paper and cardboard, other general waste;
- customer waste collected at our stores or at our customers' premises: WEEE*, batteries and accumulators.

For each type of waste, we identify the most appropriate treatment routes and give preference to solutions offering the best balance between environmental efficiency and cost. We are also careful that the providers to whom we entrust our waste comply with environmental regulations.

Our purchasing division has therefore produced a chart of treatment routes for the main types of waste collected in France. This chart took the environment prize in our internal "Let's care for the future" challenge. Our roadmap for 2007-2011 includes structuring these routes and charting them in all the countries concerned.

promoting the processing of electric and electronic equipment at the end of its life

The aim of the European directive on waste electronic and electrical equipment (WEEE*) is to limit the quantities of WEEE* in landfill sites by encouraging their re-use or recycling. In our European entities concerned by this regulation, customers can return their telecom equipments to the stores, or even by regular mail in the United Kingdom. The collected units are then sent to authorized treatment organisations.

Other countries not directly concerned by the WEEE* directive nevertheless contribute by supporting WEEE* recycling measures. Thus, in Switzerland, Orange is a member of the eco-body SWICO, which ensures the disposal of defective electronic equipment while protecting the environment.

our 2007 achievements

setting up a portal dedicated to waste on the Group extranet

Since 2007, a dedicated section on waste has been available on the Group's extranet. It allows members of the environmental network to access useful documentation (guidelines, chart of treatment routes, key performance indicators, etc.), to understand objectives and action plans and share best practices between subsidiaries.

collecting computer equipment at the end of its life

The entity responsible for managing employee computer equipment at all the sites in France has implemented a collection, dismantling and recycling route for computer equipment at the end of its life. This operational programme enabled the recycling of 920 tons of computer equipment at the end of its life in 2007, including over 40,000 PCs and over 18,000 PC screens.

defining Group waste management guidelines

In 2007, we put in place a "waste management" work Group bringing together correspondents from each entity and function in the Group. Its objective is to draw up Group waste management guidelines and to specify the minimum requirements in the absence of local regulations. It has defined three key principles for waste management in all countries:

- measure the quantity of waste generated by our activities, and carry out an inventory at all our entities according to the

a second life for mobile phones

In a growing number of countries, our customers' and employees' mobiles and accessories (in particular chargers) are collected, then sent to appropriate treatment organisations.

Reusable handsets are reconditioned and sold to new customers at attractive prices. Mobiles that can no longer be used are dismantled and the various components recycled at plants adapted to each type of material.

In both cases, we help mobile phones get a second life.

In order to better monitor the outcome of these mobiles, we are setting up a system to track reuse and recycling volumes.

encouraging selective sorting of office waste

Most of our entities are putting in place selective sorting systems for office waste (examples: paper and cardboard, ink cartridges). Communication programmes, such as the "Green actions" campaign, regularly raise awareness among our staff of the importance of sorting. Simple measures, such as putting printers on front/back settings, also contribute to reducing waste production at the source.

40,000
mobiles collected each month in the United Kingdom

16,000
in France

12,000
in Belgium

8,000
in Switzerland

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waste KPI: tons of all internal waste treated per million euros of revenue

2006	0.61
2007	0.84

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classification defined at the Group level;
- organize the processing of this waste at plants suitable to local conditions;
- ensure the traceability of the outcome of this waste, and extend the principle of treatment routing initiated in France.

These guidelines will allow waste management to be optimised at all our entities, in particular in countries where the absence of local regulations makes it difficult to set up suitable collection procedures. Several actions are already underway at our entities in Africa and the Middle East:

- a waste recycling project has been launched in Jordan in collaboration with the NGO Jordan Environment Society;
- in Madagascar, a partnership agreement signed with the store chain Jumbo Score aims to replace plastic bags at the cashier with recyclable bags and *Sobikas*, large baskets woven from plant materials, which are practical, solid and biodegradable, made by local artisans;
- in Egypt, the waste recycling procedure put in place since 2001 for office waste is being extended each year to other types of waste. For example, mobile phone batteries are collected and sent for processing to the United Kingdom. Mobinil is also helping to set up waste collection systems in disadvantaged communities via the "Clean up the world" initiative.

The Sobika bag, an ecological alternative to plastic bag

Monitoring our economic, social and environmental performance is a key part of our efforts to continuously improve our corporate responsibility programme.

The following annexes show the achievements made in our objectives for 2007, the prospects for 2008, and our entities' key social and environmental data.

Additional items regarding our commitments and performance in terms of corporate responsibility are available on our website: www.orange.com.

reporting on our progress

economic performance

2007 report

objectives	deadline	status	key achievements for 2007
quality of service			
improve customer satisfaction in our various markets and define action plans targeting items to be improved	2007	☺	drop in the number of customer calls to technical assistance centers by –13% in France and by –12% in the United Kingdom ☑ (see p. 30)
safety			
deploy a safety management system (SMS*) complying with international standards	2007	→	formalize the Group's safety policy ☑
			2 Group reports made on 16 entities (9 countries and 7 operating divisions) in 2007 in compliance with the ISO 27001 standard
shareholders relations			
strengthen dialogue with SRIs at regular meetings	2007	☺	three meetings organized with SRI analysts
responsible sourcing			
structure our initiative in the principal countries to extend our CR&SD approach and roll it out to a significant number of local suppliers	2007-2008	→	set up a CR/sourcing dialogue within countries
			notify suppliers of our UNI* agreement (see p. 38-39)
			update and deploy a sourcing code of conduct by distributing it to countries (see p. 38-39)
adapt local contracts to control risks inherent to the particular country context and be consistent with local policy and strategies	2007-2008	→	following the UNI* agreement, distribution of a sample ethics clause to country purchasing managers – deployment in contracts in progress ☑ (see p. 38-39)
follow the action plans implemented after preparing the sourcing risk map	2007-2008	→	12 action plans monitored – action in progress
solutions furthering sustainable development			
for 2007, launch a new range of solutions for remote management of chronic illnesses	2007	☺	trial of a remote diabetes management solution
			launch of a remote management solution for high blood pressure with AXA
continue adapting our products and distribution networks to the needs of handicapped and elderly customers	2007-2010	→	launch of the Vocal Assistant (see p. 29)
			trial of a dedicated remote commercial service accessible to the deaf and the hearing impaired (see p. 29)
network deployment			
continue deploying very high-speed fibre optic residential connections in France and Slovakia	2007-2008	→	France: commercial deployment of fibre optics in the Paris region and five provincial towns – 146,000 households covered at the end of 2007
			Slovakia: launch in September 2007 of a fibre optic service – nearly 200,000 households covered at the end of 2007

☑ item reviewed by Deloitte   ☺ objective achieved   → project in progress

2008 roadmap

objectives	deadline
solutions furthering sustainable development	
extend the Green IT initiative to the international market	2008
provide our customers with a tool to calculate their carbon dioxide footprint and evaluate the gains associated with Green IT solutions	2008
e-health: continue developing products for remote management of chronic illnesses	2008-2009
digital inclusion	
set up a "digital inclusion" working Group; launch studies to better understand the needs of the populations concerned and include these issues in the development of products and services	2008
cover all municipalities in Senegal with Code Division Multiple Access (CDMA) technology	late 2008
roll out the Botika remote network concept developed in Madagascar to other countries in the Africa, Middle East and Asia region	2008-2009
offer low-cost money transfer services by mobile and landline phone in more countries	2008
accessibility for the elderly and handicapped	
set up an international network of Accessibility correspondents continue deploying products for the disabled within countries	2008-2009
audit and make the Group's internal and external websites accessible	2010
make the Group's major fixed-line, mobile and Internet services accessible	2008-2009
quality of service	
continue deploying the Simplicity+ programme within countries by opening new test centers in Spain, Jordan, Egypt and the United Kingdom	2008
continue deploying action plans to improve quality of service	2008
data protection	
deploy the safety management system in the largest countries and continue Group reporting	2008-2009
collaborate with the key stakeholders concerned to develop standards for freedom of expression and the confidentiality of personal informations	2008
develop Group guidelines for advertising and group networks	2008
strengthen staff training on the data protection policy	2008
responsible sourcing	
identify a responsible sourcing correspondent within each local sourcing team	2008
implement a structured and systematic approach in Europe and in other countries	2008
continue to include an ethics and environment clause in local contracts	2008

economic
performance

our performance
as seen by rating agencies

SAM/Dow Jones Sustainability Index (DJSI)
Since 2002, France Telecom has undergone evaluations by SAM, which shows progress in our corporate responsibility activities, particularly in the environmental area (+13 points in 2007). In 2007, overall performance was up by 7 points. In February 2008, we were included in the "SAM Silver Class" and in their "2008 Sustainability Yearbook".
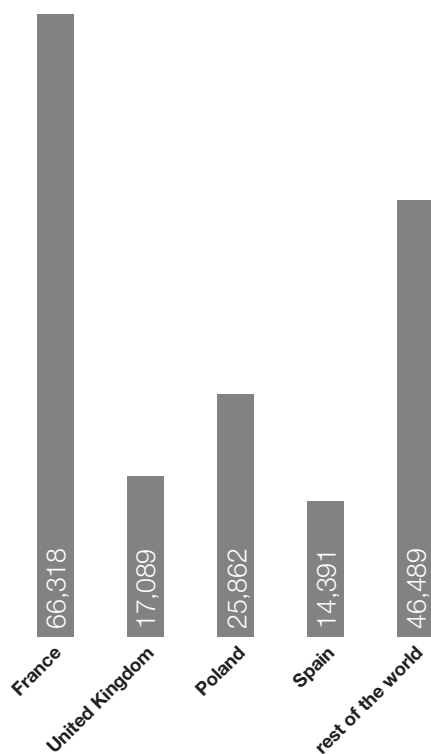
EIRIS/FTSE4Good index
France Telecom has been included since 2002 in the FTSE4Good index.

Vigeo/ASPI Eurozone Index
France Telecom has been included in the ASPI Eurozone Index since June 2006.
Vigeo ranks France Telecom among the most committed companies in our sector in the areas of contributing to communities (sector leader) and respecting human rights and human resources.

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number of customers (in thousands) at 12/31/2007

Country	Customers
France	66,318
United Kingdom	17,089
Poland	25,862
Spain	14,391
rest of the world	46,489

2007 revenue distribution by business unit

- 14% business
- 53% mobile
- 33% residential (fixe & Internet)
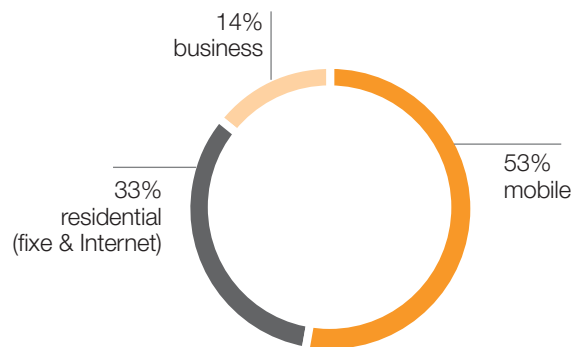
definitions

customers
- The number of mobile customers is the number of SIM card owners and prepaid card holders having made at least one call.
- The number of fixed customers is the total of standard analogue lines and RNIS accesses in service, including the total split lines sold, public booths and the Group's own consumption, as well as the number of very high-speed accesses (without subscribing to basic telephone service).
- The number of Internet customers is the number of paid (flat-rate) monthly subscriptions.

mobile telephone customers' satisfaction – 2005-2007 (CVA data, in %)

	France	Poland	Spain	Belgium	Romania	Switzerland	Slovakia
2005	67	75	61	81	91	77	79
2006	70		61	86	92	77	75
2007	74	71		86	91	82	77

2005 2006 2007
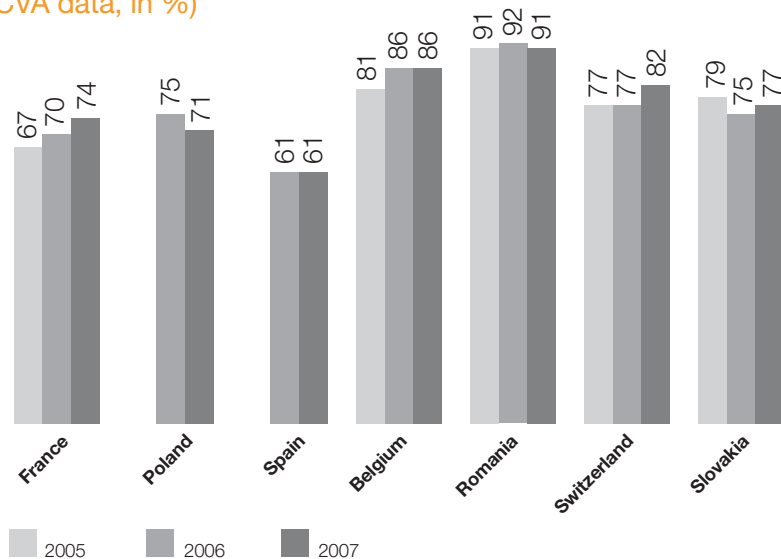
High-Speed Internet customer satisfaction rate, 2nd half 2007 (CVA data, in %)

France	United Kingdom	Poland	Spain
73	69	58	67
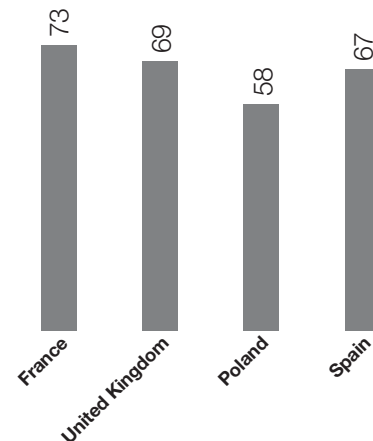
top 10 most important customer priorities: network services data*

	Orange Business Services 2006	Orange Business Services 2007
network reliability	32.42%	31.3%
network availability	28.13%	17.4%
secure data transfer	31.04%	35.8%
fault reporting process	16.66%	18.6%
accurate bills	13.67%	10.0%
ability to meet requirements	18.00%	23.3%
no hidden extras in bills	18.54%	14.0%
installation guarantees	23.73%	25.1%
installation on schedule	18.80%	15.8%
value for money	1.99%	12.7%

☐ poor   ▨ acceptable   ▨ good   ▨ excellent   ▨ outstanding

*Source: extract from "Global dataVPN: Issue 4 – Win, Keep and Nurture" (March 2008) and "DataVPN Executive Briefing" (April 2008) of Telemark (www.telemarkservices.com).

social and societal performance

2007 report

objectives	deadline	status	key achievements for 2007
HR management			
strengthen our commitment to diversity	2007-2008	→	France: signature of an agreement on male-female equality ☑ (see page 37)
			France: new enterprise agreement in favor of the employment of the handicapped (see page 37)
social relations			
strengthen social dialogue within the Group	2007-2008	☺	implementation of an employee forum in Slovakia ☑ (see page 34)
			undertaking negotiations for the implementation of a global Group committee
skills development			
continue with the commitment for growth of + 25% in global training efforts during the 2006-2008 period	2006-2008	☺	for France, an average of 27 hours of training per employee (19.9 hours in 2005) with growth of 35% (see page 35)
health and safety			
strengthen exchanges of good practice between subsidiaries in terms of occupational health and safety	2007	☺	implementation of an international network of health and safety managers (see page 36)
			organisation of a health and safety seminar to share good practice (see page 35)
raise awareness among employees and management on the importance of health and safety issues	2007-2008	☺	launching of several awareness-raising actions within the largest entities
			OHSAS certification in Spain and Egypt
			viral and bacterial infection prevention measures awareness campaign with posters available in English and in French to all the entities (see page 35)
responsible marketing			
deploy family guides on the use of mobiles by children throughout all our European entities	2007	→	guide adapted in seven languages, put online on the European country Internet sites (except Belgium and Poland), available in paper format in our three largest markets (France, United Kingdom and Spain), as well as in Slovakia (see page 32) ☑
ensure that our responsible marketing guides are taken into account in the design of new products and services	2007	→	creation of a working Group on the protection of children and personal information with the R&D department to ensure that these two issues are systematically taken into account in the development of products and services

☑ item audited by Deloitte   ☺ objective achieved   → project in progress

2008 roadmap

objectives	deadline
social relations	
finalize the implementation of the global Group committee	2008-2009
skills development	
continue the deployment of the act: programme amongst all of our entities	2008-2009
formalize the Group's policy on talent management	2008
health and safety	
continue defining the Group's framework on the management of health and safety (basic principles common to the different entities)	2008-2009
implement central reporting for all major and fatal accidents involving our employees, subcontractors and outside visitors occurring on our sites	2008
diversity	
formalize the Group's policy on the subject of managing diversity	2008
responsible marketing	
develop a website devoted to the responsible use of services for all of our European entities	2008
protection of minors	
continue to distribute the family guide in all countries	2008
implement the measures recommended by the European framework or safer use of mobiles by children amongst all of our entities	2008-2009
implement the GSMA Alliance's recommendations to combat online child pornography	2008-2010
finalize plan for the deployment of Internet filters in all countries	2008
make materials on internet safety available to teachers in all European entities	2008
electromagnetic fields	
finalize EMF action plans for all countries	2008
launch the Group EMF Internet site	2008
implement a Group EMF management group to ensure the same level of information is available in all countries	2008
respect for human rights	
continue to dialogue with stakeholders concerned about human rights to better understand the risks associated with communications technologies and how to manage them	2008

social data

countries		corres-pondance GRI*	reporting scope, as a percentage of the overall Group's Headcount	France	United Kingdom	Poland	Spain	Belgium (EME)	Romania	Switzerland (EME)	Egypt	Slovakia	Dominican republic	Senegal (AMEA)	Jordan	Ivory Coast	Cameroon	Madagascar	Mauritius	total reported headcount
total headcount (permanent & fixed term employees at end 2007)	total 2007	LA1	95%	107,971	14,321	31,105	3,411	1,674	2,851	1,651	4,294	1,484	1,008	1,871	2,669	1,990	509	499	1,869	**179,177**
	2006		95%	110,946	13,967	33,052	3,429	1,820	2,539	1,613	3,717	1,448	874	1,793	3,048	1,938	578	414	1,854	**183,030**
male / female split (permanent employees at end 2007)	men	LA2	95%	67,713	7,948	16,713	1,987	1,095	1,222	1,147	2,995	935	481	1,280	2,109	1,150	327	223	1,269	**108,594**
	women	LA2	95%	38,578	6,158	13,496	1,394	576	1,211	449	1,299	455	526	591	486	537	182	205	416	**66,559**
	total	LA1	95%	106,291	14,106	30,209	3,381	1,671	2,433	1,596	4,294	1,390	1,007	1,871	2,595	1,687	509	428	1,685	**175,153**
	% of women 2007	LA2	95%	36.29%	43.7%	44.7%	41.2%	34.5%	49.8%	28.1%	30.3%	32.7%	52.2%	31.6%	18.7%	31.8%	35.8%	47.9%	24.7%	**38%**
	2006	LA2	95%	36.87%	44.9%	44.9%	40.8%	34.2%	48.6%	27.9%	29.0%	35.9%	52.6%	30.3%	17.4%	31.9%	36.5%	47.5%	25.0%	**38%**
male/female split in management headcount (permanent employees at end 2007)	men	LA2 ; LA13	95%	17,719	1,975	2,369	318	515	328	616	617	400	27	385	58	155	140	17	98	**25,737**
	women	LA2 ; LA13	95%	7,204	799	828	93	145	202	112	242	66	14	167	10	43	43	2	19	**9,989**
	total	LA1	95%	24,923	2,774	3,197	411	660	530	728	859	466	41	552	68	198	183	19	117	**35,726**
	% of women 2007	LA2 ; LA13	95%	28.91%	28.8%	25.9%	22.6%	22.0%	38.1%	15.4%	28.2%	14.2%	34.1%	30.3%	14.7%	21.7%	23.5%	10.5%	16.2%	**28%**
	2006	LA2 ; LA13	95%	30.57%	28.5%	31.1%	23.2%	22.1%	39.3%	15.9%	25.0%	14.5%	38.5%	28.0%	15.6%	20.8%	22.2%	ND	14.3%	**28%**
health & safety	number of fatal accidents	LA7	95%	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**1**
	existence of anti-stress measures		95%	yes	yes	no	no	yes	yes	no	no	yes	no	no	no	no	no	–	yes	**NA**
social dialogue	existence of social dialogue structure		94%	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	no	yes	yes	–	–	**NA**
employment	average age of staff	LA2	95%	44.9	32.7	39,4	35.7	36.3	29.4	35.7	28.7	31.7	28.0	40.5	35.9	39.8	35.4	31.7	40.4	**41.4**
	number of departures (excluding retirements, early retirements and accidental departures)	LA2	95%	6,315	4,036	6,921	328	263	375	367	609	191	197	81	670	80	27	32	44	**20,536**
	%	LA2	95%	5.9%	28.6%	22.9%	9.7%	15.7%	15.4%	23.0%	14.2%	13.7%	19.6%	4.3%	25.8%	4.7%	5.3%	7.5%	2.6%	**12%**
	number of external recruitments		95%	1,369	4,507	1,932	271	273	652	324	1,419	219	323	152	276	117	69	100	169	**12,172**
	%		95%	1.3%	32.0%	6.4%	8%	16.3%	26.8%	20%	33.0%	15.8%	32.1%	8.1%	10.6%	6.9%	13.6%	23.4%	10.0%	**7%**
diversity	Existence of a diversity policy		95%	yes	yes	no	yes	yes	no	no	no	no	no	no	no	no	no	no	no	**NA**

☑ item audited by Deloitte   –: not available   NA: not applicable

permanent employees workforce:
• employees on sick leave for over 105 calendar days at the end of the previous month are considered inactive and are thus not accounted for among active employees.

OBS Headcount:
• the figures for OBS are included in the figures for each country.

• the above data derive from the HR reporting system and include the entire Group except for 23 subsidiaries: Corsica high-speed, SPM Telecom, Ten, Groupe Diwan, Wirefree Services Belgium + Netherlands, Orange Dominica, Atlas Services Belgique, FT Espana ISP, Orange Liechtenstein, Vanuatu Telecom, Sofrecom Services Maroc, Sonatel Business Solutions, Orange Centrafrique, Silicomp Canada + Belgium + Benelux + Asia PTE + Malaysia + India + Taiwan, Telecom Systems, and Feima.

• the data are consolidated taking into account all of the subsidiary's employees, regardless of France Telecom's financial interest.

environmental performance

2007 report

objectives	deadline	status	key achievements for 2007
environmental management			
continue the deployment of environmental management systems (EMS*) in compliance with the ISO 14001 standard	2007-2008	→	in late 2007, 14 countries undertook the deployment of EMS* based on the ISO 14001 standard, i.e., 83% of the Group's revenues
			the scope certified represents 13% of the Group's business
			the coverage of uncertified EMS* accounts for 44% of the Group's business
deploy actions for awareness of "green practices" at our main European entities	2007	→	support for raising awareness of "green practices" disseminated by the Group in all countries
climate change			
continue efforts to reduce greenhouse gas emissions, focusing on networks, vehicles, transportation and buildings	2008-2012	→	6% reduction in the use of energy (not including transportation) between 2006 and 2007 (see pages 60-61) • implementation of a Group catalogue of "green vehicles" • deployment of optimised ventilation at over 223 sites in France ☑ • deployment of the Oryx project to install solar plants in Senegal • test utilization of fuel cells in France and the United Kingdom • green data centre study • audit of building heating systems
paper consumption			
continue the efforts undertaken to reduce our consumption of paper	2007-2008	→	continued deployment of electronic billing: • in France, 33% of our residential customers • in Slovakia, 12% of our residential customers • Poland: launching in late 2007 in 2007, Orange Business Services save 6.5 million sheets, or close to 15 tons of paper by dematerialising customer relations
waste management			
prepare and implement Group waste management guidelines	2006-2008	→	creation of an interdisciplinary "Waste Management" working Group; preparation of Group guidelines and determination of action plans by country ☑
environmental performance of products			
test an initial line of eco-friendly products in our distribution channels	late 2007	···	launch pushed back to late 2008

☑ item audited by Deloitte   → objective achieved   ··· project cancelled or pushed

2008 roadmap

objectives	deadline
environmental management	
continue the development of environmental management systems (EMS*) in compliance with the ISO 14001 standard in the four major countries, as well as in Jordan, Senegal, Ivory Coast, Madagascar, Cameroon, Egypt, Slovakia, Belgium and Romania	2008-2011
manage the primary environmental risks and impacts: 40% of the entities in 2008	
make personnel aware of the environmental impacts associated with their activities: 50% of the entities in 2008	
evaluate EMS* implementation and performance through management reviews: 40% of the entities in 2008	
climate change	
continue reducing our energy consumption in order to reduce our CO_2 footprint by 20% between 2006 and 2020:	2008-2011
• improve energy consumption and energy efficiency indicators for buildings, networks and transportation (obtain all the invoices in 2008)	
• continue upgrading the fleet of vehicles to achieve average emissions of 130 g CO_2/km (upgrade 2,000 vehicles in 2008)	
• deploy solutions using renewable energies and increase their share of overall energy consumption (acquire 60,000 tons of CO_2 equivalent in 2008 in renewable energies or green certificates)	
paper consumption	
progressively reach electronic billing of over 40% in all countries between now and the end of 2009	2008-2009
increase the use of FSC or recycled paper	
reduce internal paper consumption by making personnel aware of saving paper and by configuring printers recto-verso	
waste management	
implement waste management actions for the four major countries in 2008 and progressively in the others between now and 2011, along the following three axes:	2008-2011
• finalize the inventories	
• continue to structure waste treatment by signing contracts with partners and formalizing the complete process	
• tracing waste sent to treatment channels by making a map outlining the entire process	
environmental performance of products	
develop eco-design procedures in partnership with our suppliers	2008
evaluate the environmental performance of construction products	2008
post the environmental performance of some thirty products at our distribution offices in France in partnership with the WWF	2008
launch the new "mini" Livebox 1.2 (offering optimised environmental performances) on our different markets	2008-2009
prepare an eco-design guide for Technocenter product managers	2008
undertake work with our industrial partners to reduce the volume and weight of packaging and inserts for products distributed under the Orange brand by one third	2008-2009

Legend: ▮ uncomplete or not available ▮ non applicable, not concerned ☑ data reviewed by Deloitte

indicators	units	correspondance GRI*	reporting scope, as a percentage of the overall Group's turnover	France (1)	United Kingdom	Poland	Spain	Belgium (EME)	Romania	Switzerland	Egypt	Slovakia	Dominican Republic	Senegal	Jordan	Ivory Coast	Madagascar	Orange Business Services and Others (4)	Total Group 2007	recall 2006
facilities presenting a risk																				
fuel tanks	units		86.6%	1,902	24	1,498	248	0	228	8	800	12	655				13	238	**5,625**	*3,994*
energy consumption																				
fuel (buildings)	m³	EN3	93.3%	21,866	42	3,905	1,748		109	39	13,825	12	1,052	1,779			352	186	**44,914**	*51,155*
gas	m³		95.9%	18,416,819	2,316,130	4,094,072	0	544,838	133,352	0		0					12,000		**25,517,211**	*30,560,242*
coal	tons		100.0%			284													**284**	*213*
electricity	GWh	EN4	95.5%	1,836	342	712	215	9	76	40	90	56	13	20	22	8	10	16	**3,465**	*3,661*
of which green energy	GWh		97.0%	7	0	0	0		0	0	0	0				0	0	4	**12**	*392*
total energy excluding transport	GWh		94.9%	2,271	366	798	235	15	79	40	243	56	25	39	22	8	14	18	**4,230**	*4,515*
total emitted CO₂ excluding transport	tons	EN16	94.9%	176,425 ☑	164,030	492,665 ☑	87,147 ☑	3,588	32,495	1,060	79,582	13,760 ☑	10,629	20,188	14,688	3,326	7,471	6,820	**1,113,874**	*1,131,815*
gazoline + GPL for company's vehicles	liters		88.9%	986,269	273,715	7,813,380	83,339	0	790,862	204,111	705,600	576,206	728,080	617,109	250,000		9,002	750,000	**13,787,673**	*13,629,839*
diesel gazoline for company's vehicles	liters		87.4%	33,239,413	960,477	2,732,856	299,423	1,949,322	363,948	135,872		246,888			1,393,000		171,574	1,767,000	**43,259,773**	*43,376,589*
flight distances for business trips (2)	km		100.0%	123,372,432	23,835,511	4,890,628	11,474,255	1,259,682	3,782,240	795,707		1,268,331	3,586,728				0	92,250,595	**266,516,109**	*204,842,974*
train distances for business trips (2)	km		100.0%	57,421,466	20,275,307	126,718	976,368	790,621	0	1,145,600								2,570,000	**83,306,080**	*66,402,279*
total emitted CO₂ due to transport	tons		94.1%	116,644 ☑	9,172	27,004 ☑	3,137 ☑	5,626	3,564	1,007	1,679	2,279 ☑	2,378	1,479	4,426		493	23,506	**202,385**	*192,580*
total emitted CO₂	tons		95.5%	293,069 ☑	173,202	519,669 ☑	90,284 ☑	9,214	36,059	2,067	81,261	16,039 ☑	13,007	21,657	19,114	3,326	7,964	30,326	**1,316,258**	*1,324,395*
KPI: electricity consumption/customer	kWh/customer		95.5%	27.68	19.99	27.54	14.96	2.29	7.79	26.40	8.38	19.41	6.43	4.07	10.06	2.92	8.30		**20.38**	*21.97*
KPI: CO₂ due to electricity consumption/customer	kg/customer		94.5%	1.24	9.33	18.31	5.73	0.64	3.26	0.63	3.95	4.79	3.77	3.18	6.87	1.18	5.36		**5.66**	*5.33*
KPI: total energy consumption/customer	toe/1,000 clients		94.5%	9.28	5.63	8.05	3.46	2.16	1.97	6.12	3.15	4.61	2.28	1.39	3.04	0.65	2.27		**6.36**	*7.21*
KPI: CO₂ emitted (all energies)/customer	kg/customer		94.5%	4.42 ☑	10.13	20.09 ☑	6.27 ☑	2.34	3.67	1.37	7.54	5.60 ☑	6.28	4.46	8.94	1.18	6.54		**7.33**	*7.69*
consumed water (m³)	m³	EN8	89.0%	1,759,093	99,840	790,981	13,528		25,258	15,200	23,711	13,680	540	146,025	40,313	0	5,652	24 537	**2,958,358**	*4,045,056*
paper & carboard, internal (office) and external (marketing, invoicing, directories, packaging…)	tons	EN1	47.0%	18,352	7,969	3,503	1,251	0	1,115	352	200	1,071	20					25	**33,859**	*43,093*
treated internal waste	tons	EN22																		
common industrial waste (general waste)	tons		73.1%	8,566	2,261	0	0		505			33						41	**11,407**	*6,309*
internal (network & tertiary) WEEE*	tons		80.4%	1,634 (2)	1,098	65	4	0	0	0	16	37						31	**2,885**	*1,996*
metal poles	tons		82.0%	1,625		0													**1,625**	*415*
wooden poles	tons		98.0%	9,848		1,013													**10,861**	*11,830*
cables	tons		98.0%	6,378		728													**7,106**	*4,663*
batteries	tons		98.0%	2,142	156	54	15		101	9	86	9						39	**2,611**	*2,188*
fluorescent tubes	tons		82.3%	4	1	1	6		0	0	2	0						4	**18**	*0*
paper - carboard	tons		82.9%	1,677	777	145	28		48	124	15	146						34	**2,993**	*746*
printer cartridges	tons		78.6%	43	3	5	2		5	0	0	1						1	**59**	*262*
other hazardous waste	tons		69.1%	213		8	0		0			12						2	**235**	*8*
other non-hazardous waste	tons		40.0%	0	0	829	0		0			108						0	**937**	*2,376*
total internal waste treated	tons		80.2%	32,130 (3)	4,296	2,848	55	0	659	132	119	347						151	**40,736**	*29,296*
KPI: all internal waste treated	tons/M€ of turnover		91.5%	1.427 ☑	0.663	0.595 ☑	0.014 ☑		0.547	0.169	0.159	0.471 ☑						0.021	**0.841**	*0.609*
WEEE* collected from customers	tons		83.0%	1,709 (2)	48	169	29	2	0	4	0	0						0	**1,961**	*1,632*
KPI: WEEE* collected from customers	kg/1,000 customers		78.7%	25.769 ☑ (2)	2.814	6.535 ☑	2.019 ☑	0.518	0	2.387	0	0.112 ☑							**14.725**	*17.880*
KPI EMS*: importance of ISO 14001 certified scope	%		83.0%		0.0%	14.0%	90.0% ☑	0.0%	0.0%	0.0%	95.0%	100.0% ☑		0.0%	0.0%	0.0%	0.0%		**12.9%**	
KPI EMS*: importance of non-certified EMS* scope	%		83.0%	56.0%	76.3%	21.8%	4.8%	52.3%	48.0%	0.0%	5.0%	0.0%		0.0%	50.0%	39.2%	0.0%		**43.4%**	

energy: energy consumption by datacenters and networks shared with other operators is reported as a proportion or as a whole. Energy consumption of mixed equipment in France (network and mobile) is allocated in full to the indicator that covers consumption by non-mobile networks. Energy consumption of premises, in particular stores, for which the France Telecom Group is not billed directly, is not reported. Energy consumption by district heating plants is not included due to the difficulty of estimating the associated CO₂ emissions. Energy consumption data for Orange UK do not include Orange UK stores.

transport: rail and air transport data are provided by the company Carlson Wagon Lit, which covers over 80% of the kilometres travelled by employees. Kilometres travelled by rail and air are estimated on an orthodromic basis (the shortest distance between two points on the surface of the earth). The CO₂ emission factor for "short haul" air transport in the GHG Protocol (180g CO₂ / passenger km) has been used for all flights. The CO₂ emission factor for rail transport is derived by the "Bilan carbone®" carbon evaluation tool when available for the particular country. In other countries, a standard factor of 100g CO₂ per passenger-kilometre has been used. This change from the methodology used for the 2006 financial year produces slightly different figures for CO₂ emissions.

CO₂ emissions: all emission factors are provided using the GHG Protocol, except for the electricity generation emission factor in France provided by EDF. The emission factor for Orange Business Services entities covering multiple countries corresponds to the "world" factor in the GHG Protocol.

customer WEEE*: WEEE* collected from "private users" corresponds to the WEEE* reported for the Group's stores. This indicator includes Group employees' mobile phones. In France, WEEE* from "business customers" is comprised of telephones only and does not include network equipment and devices.

waste processing: for commercial space and network waste unrelated to customer WEEE*, in France, only waste from providers who have signed a framework agreement with France Telecom Group is reported. The quantity of metal poles corresponds to the quantity removed, and not to the quantity processed. For sites that are rented, household and similar waste are not reported, as the lesser is responsible for managing it. The data relating to Orange UK internal waste do not include Orange UK stores.

Environmental Management System (EMS*): the coverage rate of an EMS* is derived by weighting the presence or absence of an EMS* by the electricity consumption over the scope covered.

(1) France scope covers FTSA, Orange France, the Group's head office, FT Marine, FT R&D, and the Orange Business Services entities operating on French territory. All the data for France, except for the data relating to PCBs* and road, rail and air transport, do not include sites in Corsica or French overseas departments and territories. (2) The French scope does not include the Orange Business Services entities in France. (3) Only Equant reports some data, for the Orange Business Services entities in France (4) The "Orange Business Services and Other" scope includes Orange Business Services locations outside of France.

The significant change in some environmental indicators compared to 2006 is due in part to the improvement in the reporting process and the increased comprehensiveness implemented in 2007. The average values for Group KPIs have been calculated excluding Orange Business Services world and other.

environmental performance

a Group approach to the management of environmental impacts

Although our activities have a limited impact on environment, we work to manage risks and reduce impacts to ensure the trust of our stakeholders. Our environmental management system is based on the ISO14001 standard, an effective and internationally recognized reference.

We have a Group framework for environmental management which applies to all countries where we operate and helps countries to implement the ISO14001 standard. It includes key indicators and processes and a phased-in deployment method.

As a result of the framework, in two years, the number of countries implementing the ISO14001 standard has significantly increased.

Two key performance Indicators are used by the Group to assess EMS* deployment:
1. Importance of ISO 14001-certified sites or activities.
2. Importance of sites or activities building an EMS* according to ISO 14001 but not certified.

1. The fact of becoming ISO 14001-certified was not a Group objective in 2007. The choice was left up to the countries and areas in keeping with the specific expectations of their local stakeholders.
2. The importance of the EMS* under construction is evaluated by taking into account two criteria:
   • the relative importance of the scopes concerned by such EMS*,
   • the level to which the ISO 14001 requirements are taken into account in such scopes, as evaluated by the Group EMS* reference framework indicators.

number of countries implementing an ISO 14001 environmental management initiative

2005	2006	2007
6	9	14
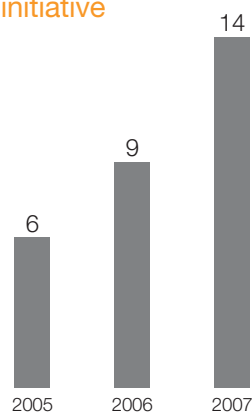
percentage of Group revenues made by countries having an ISO 14001 environmental management initiative in progress (december 2007)

17% rest of Group

83% Group countries implementing an ISO 14001 initiative
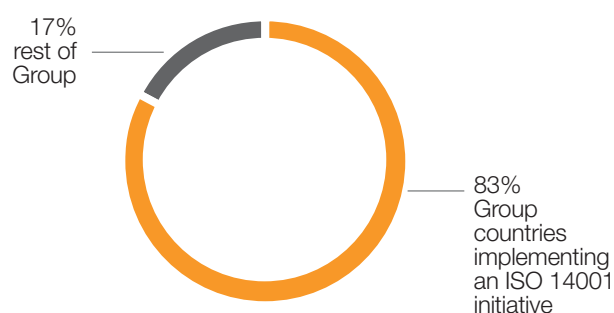
external verification

Statutory Auditors' report on the limited review of corporate responsibility reporting principles, as well as a selection of corporate responsibility achievements and indicators

(This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers.)

At the request of France Telecom and in our capacity as Statutory Auditors, we have performed a limited review with the aim of providing moderate assurance on the "corporate responsibility reporting process and on selected corporate responsibility information" published in the France Telecom corporate responsibility report ("the Report") for the year ended December 31, 2007, including:

At Corporate level:
– the corporate responsibility reporting process with regards to the principles of materiality, completeness and responsiveness of the Accountability AA1000 Assurance Standard (AA1000 AS).

At corporate and entities level:
– achievements on corporate responsibility roadmap selected by France Telecom and identified by the symbol ☑ among the information published on pages 50, 54 and 58 of the Report;
– a selection of corporate responsibility key performance indicators selected by France Telecom and identified by the symbol ☑ among the information published on pages 56, 57, 60 and 61 of the Report.

The corporate responsibility reporting process and the selected corporate responsibility information, which are the responsibility of France Telecom management, have been prepared in accordance with the following internal reporting criteria:
– description of France Telecom understanding and application of AA1000 AS materiality, completeness and responsiveness principles, among the information published on pages 2 and 60-61 of the Report;
– action plans and policies relating to the selected achievements on the corporate responsibility roadmap;
– set of procedures relating to the reporting of environmental and social indicators.

These criteria are available for consultation at the corporate responsibility and sustainable development office, on the website, and are summarized on pages 56, 57, 60 and 61 of the Report.
It is our responsibility to express a conclusion on the selected corporate responsibility information and reporting process (as defined above), in accordance with the ISAE 3000[1] standard, and based on the work we performed.

nature and scope of our work

We performed a limited review with the aim of providing moderate assurance on the fact that the corporate responsibility reporting process at corporate level and the selected corporate responsibility information reported by the selected entities do not contain any material misstatement. A higher level of assurance would have required more extensive work.
• We assessed each reporting criteria used to prepare the selected corporate responsibility information and reporting process with regard to their relevance, reliability, neutrality, understandability, and completeness.
• We met the people responsible for the application of the reporting criteria at France Telecom headquarters (corporate responsibility and sustainable development office and in departments such as corporate human resources and management control), and in a sample of entities and divisions in the following countries: France (FT Marine, FTSA, Orange France), Poland (TP SA and PTK Centertel), United Kingdom (Orange UK), Spain (Orange Spain), Jordan (Orange Jordan) and Slovakia (Orange Slovensko), representing 81% of the France Telecom headcount and 88% of the energy consumed, 85% of the CO_2 emissions, 91% of the waste electric and electronic equipment and 99% of the internal waste (tertiary and network) published by the Group[2].
• We performed validation tests on the selection of corporate responsibility achievements and key performance indicators, at corporate level and at entity level for the selected entities.
• We carried out an analytical review and consistency tests at corporate level in the France Telecom headquarters and in the selected entities in order to examine, on a sampling basis, the calculations and reported data.
• We analysed and tested, at corporate level, the key structures, processes, procedures and controls relating to:
– identification of stakeholders and their expectations,
– identification of material corporate responsibility issues,
– implementation of corporate responsibility policies and guidelines.
• We reviewed the content of the Report with regards to the findings of our work.

(1) International Standard on Assurance Engagement 3000: assurance engagements other than audits or reviews of historical financial information.

(2) These percentages are estimated, as some countries with minor economic weight inside the Group did not report on all the environmental indicators.

external verification

In order to assist us in conducting our work, we referred to the environment and sustainable development experts of our firm.

comments on the reporting criteria

France Telecom has prepared, at corporate level, a set of corporate responsibility practices and guidelines and a reporting process to be deployed throughout the countries where the Group operates, and on which we have the following comments:

Completenes

• France Telecom has identified the main categories of stakeholders and expectations, at corporate level and for its activities in France. The process for selecting stakeholder representatives for each category should be specified and completed in the other countries where France Telecom operates.

• The reporting scope is defined on pages 2, 56 and 60 of the Report. The rules for defining this scope should be clarified at entity level.

Materiality

• At corporate level, France Telecom has elaborated a process for identifying the corporate responsibility issues, based on a benchmark study of stakeholders' expectations, and has selected the main corporate responsibility issues using a risk assessment approach.

• France Telecom has deployed a range of guidelines and best practices in order to address the main material corporate responsibility issues. This approach should be reinforced at entity level in order to ensure a more consistent approach throughout the Group.

Responsiveness

• France Telecom has implemented a corporate responsibility correspondents' network, which covers the different functions at corporate level in France Telecom headquarters and in the main countries where the Group operates. The Group has established a set of corporate responsibility commitments covering the material corporate responsibility issues and has elaborated a coordinated corporate responsibility reporting process at corporate level.

• The main corporate responsibility issues relating to the Group's activity, as identified in the existing practices and guidelines for this sector, are presented in the Report. Some indicators concerning the corporate responsibility commitments could be consolidated at Group level in order to improve the monitoring of performances.

• The controls on the reporting scope and on the data reported by entities for environmental indicators should be formalized and reinforced.

conclusion

Based on the work performed, our conclusions in relation to each of the above-mentioned subject matters selected by France Telecom are as follows:

Corporate responsibility reporting principles at corporate level
Nothing has come to our attention that causes us to believe that the reporting processes at corporate level have not been established in all material aspects according to the above-mentioned reporting criteria.

Selected corporate responsibility achievements
Nothing has come to our attention that causes us to believe that the achievements described on pages 50, 54 and 58 of the Report and identified with ☑ are materially misstated.

Selected corporate responsibility key performance indicators
Regarding the social indicators, based on our review we did not identify any material anomalies likely to call into question the fact that the corporate responsibility indicators examined in the selected countries and identified with ☑ were prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

Regarding the environmental indicators reported by the United Kingdom and by Jordan, our testing noted potentially significant anomalies regarding the reporting scope and the availability of evidence supporting the underlying data, which prevent us from concluding on the indicators reported by these countries.

Regarding the environmental indicators reported by the other selected countries (France, Spain, Poland and Slovakia), except for the data collection method covering the quantity of internal waste reported by France which does not permit an exhaustive inventory of the total waste treated, we did not identify any material anomalies likely to call into question the fact that the corporate responsibility indicators examined for these countries and identified with ☑ were prepared, in all material respects, in accordance with the above-mentioned reporting criteria.

Neuilly-sur-Seine, April 30, 2008.
The Statutory Auditor
Deloitte & Associés
Étienne Jacquemin

to learn more

Group websites

France Telecom Group
www.orange.com

Principal entities

Orange Business Services
www.orange-business.com

Orange France
www.orange.fr

Orange United Kingdom
www.orange.co.uk

Orange Spain
www.orange.es

Orange Poland
www.orange.pl

Europe

Mobistar (Belgium)
www.mobistar.be

Orange Moldavia
www.orange.md

Orange Romania
www.orange.ro

Orange Slovakia
www.orange.sk

Orange Switzerland
www.orange.ch

Africa, Middle East

Orange Botswana
www.orange.co.bw

Orange Ivory Coast
www.orange.ci

Orange Cameroon
www.orange.cm

MobiNil (Egypt)
www.mobinil.com

Orange Equatorial Guinea
www.orange.gq

Orange Jordan
www.orange.jo

Orange Mali
www.orangemali.com

Orange Madagascar
www.orange.mg

Mauritius Telecom
www.mauritiustelecom.com

Orange Reunion
www.orange.re

Orange Central African Republic
www.orange.cf

Orange Senegal
www.orange.sn

Caribbean

Orange Caribbean
www.orangecaraibe.com

Orange Dominican Republic
www.orange.com.do

other sites

AFOM
www.afom.fr

ANFR
www.anfr.fr

ARCEP*
www.art-telecom.fr

Business for Social Responsibility
www.bsr.org

CMT*
www.cmt.es

European Commission
www.europa.eu.int

CSR Europe
www.csreurope.org

ETNO*
www.etno.be

GeSI*
www.gesi.org

Global Compact
www.unglobalcompact.org

GRI* (Global Reporting Initiative)
www.globalreporting.org

GSM Europe
www.gsmworld.com/gsmeurope

Mobile Phone Partnership Initiative (MPPI*)
www.basel.int/industry/mppi

OECD
www.oecd.org

OFCOM*
www.ofcom.org.uk

OMS
www.who.int/fr

ORSE
www.orse.org

PNUE
www.unep.ch

UKE
www.urtip.gov.pl

contacts

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glossary

ADSL (Assymetric Digital Suscriber Line)
Technology enabling high-speed data transmission across traditional telephone networks.
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ARCEP
French regulatory authority for post and electronic communications (Autorité de régulation des communications électroniques et des postes).
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CDMA (Code Division Multiple Access)
The CDMA technology, and more specifically its W-CDMA development, represents the foundation for the third-generation UMTS* mobile telephony standard.
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CMT (Comisión del Mercado de las Telecomunicaciones)
National telecommunications regulator in Spain.
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Dosimetry
Evaluation or measurement of the dose of radiation absorbed by a given substance or individual. Measurement method aiming for example to validate the compliance of radiotelephones and antennae released on the market depending on the specific absorption rate, DAS*.
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EMS (Environmental Management System)
A systematic and formalised system for businesses to monitor and minimise the environmental impact of their activities, prevent accidents and define an action plan to manage and reduce their environmental impact on an ongoing basis.
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EMAS (Eco Management and Audit Scheme)
Regulations created in 1995 by the European Commission. Revised in 2002, it allows any enterprise or organization that wants to, to evaluate, improve and report its environmental performance.
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ETNO (European Telecommunication Network Operators)
European association of telecommunications operators.
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GeSI (Global e-Sustainable Initiative)
Initiative backed by the International Telecommunications Union (ITU) and the UNEP* grouping together industrial players and telecommunications operators.
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GRI (Global Reporting Initiative)
International multi-party initiative launched in 1997, aiming to draw up and distribute guidelines for producing sustainable development reports for businesses looking to report on the economic, environmental and social dimensions of their activities, products and services.
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ICNIRP (International Commission on Non Ionizing Radiation Protection)
International Commission on Non-Ionizing Radiation Protection: linked to the WHO, this commission has defined exposure limits for protecting individuals against the health effects of electromagnetic waves. These limits are reflected in the European recommendation 1999/519/EC dated July 12, 1999.
• For relay antennae, the public exposure limits for electromagnetic waves are 41 v/m for GSM 900, 58 v/m for GSM 1800 and 61 v/m for UMTS.
• For mobiles, the power absorbed by a user's head must not exceed 2 W/kg. This represents the authorized specific absorption rate, DAS*.
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ILO
International Labour Organization

ILO OSH 2001
Guidelines concerning health and safety at work, developed by the ILO*.
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M2M (Machine to Machine)

Solutions that allow remote units of equipment to communicate between themselves by centralizing data on one platform and via fixed or mobile networks, without human intervention.

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MPPI (Mobile Phone Partnership Initiative)

Under UNEP, the MPPI groups together the main equipment manufacturers and operators, which, working together, want to contribute to the development of codes of good conduct for the collection, cross-border transfer and reconditioning of used mobile phones.

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OHSAS 18001

The international OHSAS 18001 specification, published in 1999, applies to all types of organizations (industrial businesses, service companies, etc.) irrespective of their size or activities, making it possible to evaluate and certify their health and safety at work management system.

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OEM (Electromagnetic waves)

Propagation of electrical and magnetic energy over the air, via the radio relay channel.

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OFCOM (Office of Communications)

National telecommunications regulator in the United Kingdom.

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PCBs (polychlorinated biphenyls)

Substances, such as askarel, virtually insoluble in water, that are chemically and thermally stable, used within France Telecom for insulation of transformers and certain condensers.

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SA 8000

SA 8000 is the first standard to set out the social responsibility of companies, based on agreements signed by the ILO*, the Universal Declaration of Human Rights and the UN* Convention on the Rights of the Child.

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SAR (Specific Absorption Rate)

Quantity of radiation absorbed by the human body (SAR on the entire body) or by the head (local SAR).

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SMS (Short Message Services)

Makes it possible to receive written messages displayed on a mobile telephone screen.

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UNI (Union Network International)

A global union federation which is the largest international grouping of individual trade unions.

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UN Global Compact

United Nations Global Compact.

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WEEE

European directive of January 27th, 2003 2002/96/EC, concerning waste electrical and electronic equipment (WEEE).

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