

corporate social
responsibility
complete report

France Telecom
2008



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message from Didier Lombard

Chairman and Chief Executive Officer



does the current economic crisis present a challenge to your corporate social responsibility approach?

In the current economic environment, practicing corporate social responsibility is more than ever at the core of our business strategy. In the face of this crisis, it is essential to review our economic models in depth, in order to promote sustainable modes of production and consumption. Information and communication technologies have a key role to play: cutting back on paper printouts, limiting travel and promoting new ways of collaborative working are some of the possibilities offered to our customers to optimize their productivity while reducing their environmental impact and improving the working conditions of their employees.

On the strength of this conviction, we are thus continuing our approach, which is built around our Code of Ethics and the international agreements that we have signed, especially within the framework of the United Nations Global Compact.

what are your priorities with respect to sustainability?

Our priorities can be summarized in three words: **include, preserve, care.**

- **Include:** we want to offer the benefits of information and communication technologies to the greatest number of people without neglecting anyone. To do that, we are developing alternative technologies for more isolated areas, we are offering special packages for people on modest incomes and we are pursuing a “designed for everyone” strategy aimed at helping seniors and disabled persons gain access to our products and services. Through the actions of the Orange Foundation, we also attempt to foster a greater sense of social purpose and accessibility throughout the world.
- **Preserve:** contributing to the protection of the planet by reducing our environmental footprint

and helping our customers reduce their own impact.

- **Care:** our goal is to use information and communication technologies for the well-being of people. To do that, we will make a constant effort to improve the quality of our services, strengthen our security level and promote the safe and responsible use of our offerings among customers, in particular by protecting minors against the dangers of improper use of the Internet and mobile telephony. We are implementing a policy of responsible sourcing with our suppliers. We are also responding to society’s concerns about the impact of electromagnetic fields, not forgetting the respect we owe our workers, who are the primary guarantors of the success of our approach.

is this approach compatible with your goals for economic profitability?

Absolutely! Our approach to corporate social responsibility and sustainability greatly contributes to the Group’s overall performance by promoting the creation of long-term value. This enables us to better manage our risks, it pushes us to innovate and allows us to seize the opportunities for growth linked to society’s latest expectations. It also helps to optimize our internal operating methods, making us more efficient. By saving energy, or cutting down on our use of paper, we are not only reducing our environmental impact, we’re also saving money!

could you describe the main projects you implemented in 2008 in terms of environmental protection?

In 2008, we implemented major projects to make our customers aware of environmental issues. For example we provided the free "Orange CO₂ savings tool" for calculating the CO₂ savings linked to telecommunications solutions, and we published the environmental performance of about thirty telephone handsets sold in France, with the assistance of WWF.

Internally, we set ambitious objectives in all our units. For example, we are committed to reduce our greenhouse gas emissions by 20% between 2006 and 2020. At the end of 2008, we installed more than 220 mobile solar stations in Africa, the Middle East and Asia. We also began a vast program aimed at reducing the energy consumption of our networks and our buildings, using solutions such as the virtualization of servers and optimized ventilation.

and in terms of social issues?

2008 saw the formalizing of our policy for managing diversity, which will allow us to strengthen and harmonize the practices of our various units to promote equal opportunities and combat discrimination. This is a major focus of our social policy and represents a key factor for the Group's success. With this in mind, we are contributing, for example, to numerous initiatives aimed at

encouraging young girls to pursue careers in science and technology.

We have also enhanced our efforts to prevent psychological and social risks by setting up a training module on stress management.

Naturally, skills development remains our core priority, with the deployment of our act: program.

what will be the focus of your efforts in 2009?

We have defined an ambitious strategy to become the leading telecommunications operator in terms of corporate social responsibility by 2012. To achieve this, we have asked all our entities to define action plans adapted to their activities. This is a major endeavour for 2009, one that will allow us to strengthen the foundation of our corporate social responsibility approach that is at the core of our various businesses. All the members of the Group's management committee are involved in this approach and are helping to impulse a responsible growth dynamic.

In more tangible terms, one of our priorities for 2009 will be to strengthen our offerings of "responsible" products and services, to help our customers meet sustainability challenges.

In the meantime, I invite you to read this report to learn more about our accomplishments and our goals for the upcoming years!

about this report

This report aims to provide a fair and balanced view of the overall performance of the France Telecom Orange Group for the 2008 calendar year.

It strives to meet the main expectations that our stakeholders (customers, shareholders, listing agencies, employees, suppliers, public authorities and local communities) have expressed in terms of reporting.

In order to reduce our own environmental impact, we have decided not to print this report. A summary of our expectations appears in our 2008 annual financial and sustainability report, available in printed form and on the Internet at www.orange.com.

reporting period and frequency

Every year since 2002, the Group has published an annual report on sustainability and corporate social responsibility.

This report covers the period from January 1 to December 31, 2008. It also includes some qualitative elements dated from the beginning of 2009 (noteworthy accomplishments).

reporting scope and methodology

The content of this report has been prepared on the basis of indicators chosen so as to take into account the key economic, social and environmental impacts of our activities. The indicators chosen also take into account the recommendations of key international organizations, such as the [Global Reporting Initiative](#) (GRI*), the United Nations [Global Compact](#)* and the [OECD guidelines](#)*.

The indicators have been collected, calculated, and consolidated using dedicated computerized reporting tools. The data presented cover all the main activities and countries of operation, except as duly mentioned.

For environmental data, the scope of reporting covers 98% of the Group's revenues. The entities in Moldova, Austria, Luxembourg, the Netherlands, Botswana, Cameroon, Mali, Guinea-Bissau, Guinea, Equatorial Guinea, Niger, Kenya, the Central African Republic, Vietnam, Vanuatu, Mexico and the multi-country entities, such as FCR, Sofrecom and the international R&D sites, did not upload data due to the newness of some entities, their small size, the lack of reporting procedures, or the impossibility of implementing procedures due to conditions in the host country. The scope of reporting of each environmental indicator is specified in the data table on pp. 86-87. For social data, the total staff and the breakdown of men and women cover the entire Group, except for 25 subsidiaries representing 2% of the staff on open-ended employment contracts and 0.3% of the Group's revenues (see p. 85).

audit of the report

As in previous years, we have asked one of our external auditors to review a selection of achievements described in our roadmaps (pages 25, 38-39, 57-58) and to audit 11 selected key performance indicators, as well as the application of the AA1000* APS (2008) principles. The externally audited items are identified by the symbol .

The audit conclusions are on pages 89-91.

application of the AA1000 principles

The procedure for preparation of our 2008 corporate social responsibility report adheres to the significant aspects of the three principles (inclusivity, materiality, and responsiveness) of the AA1000* APS (2008) standard, the reference for corporate social responsibility in terms of taking stakeholder expectations into account (www.accountability21.net).

inclusivity:

Identifying our stakeholders' expectations is a decisive element in our process of identifying the challenges of sustainability. The list of stakeholders with whom we carry on a structured dialogue is on page 12.

materiality:

In selecting sustainability challenges that we consider to be the most significant for our activities, we have taken account of our stakeholders' stated expectations as well as our internal prioritization of risks which we review regularly (see pages 6-7).

responsiveness:

Identifying the sustainability challenges that are significant for our activities helps us prepare action plans, which are reviewed annually and which are described on pages 36, 55 and 79 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.

compliance with the GRI* guidelines

This report was prepared with reference to the guidelines of the [Global Reporting Initiative](#) (GRI*) version G3.

Following the methodology for evaluation specified in the guide for levels of application of the GRI G3, the self-assessment in this report on the basis of the GRI G3 index leads to the B+ application level.

For further details, see the table corresponding to the GRI guidelines on pages 92-98.

Global Compact correspondence table

France Telecom joined the United Nations [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	Pages
human rights	
principle 1: businesses should use their sphere of influence to support and respect the protection of internationally proclaimed human rights; and	9; 77-78
principle 2: make sure that they are not complicit in human rights abuses	9; 77-78
labor standards	
principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	9; 69
principle 4: the elimination of all forms of forced and compulsory labor	9
principle 5: the effective abolition of child labor; and	9
principle 6: the elimination of all forms of discrimination in respect of employment and occupation	9; 70-72
environment	
principle 7: businesses should support a precautionary approach to environmental challenges	37-55
principle 8: undertake initiatives to promote greater environmental responsibility; and	37-55
principle 9: encourage the development and diffusion of environmentally friendly technologies	52-54
anti-corruption	
principle 10: businesses should work against corruption in all its forms, including extortion and bribery	9