

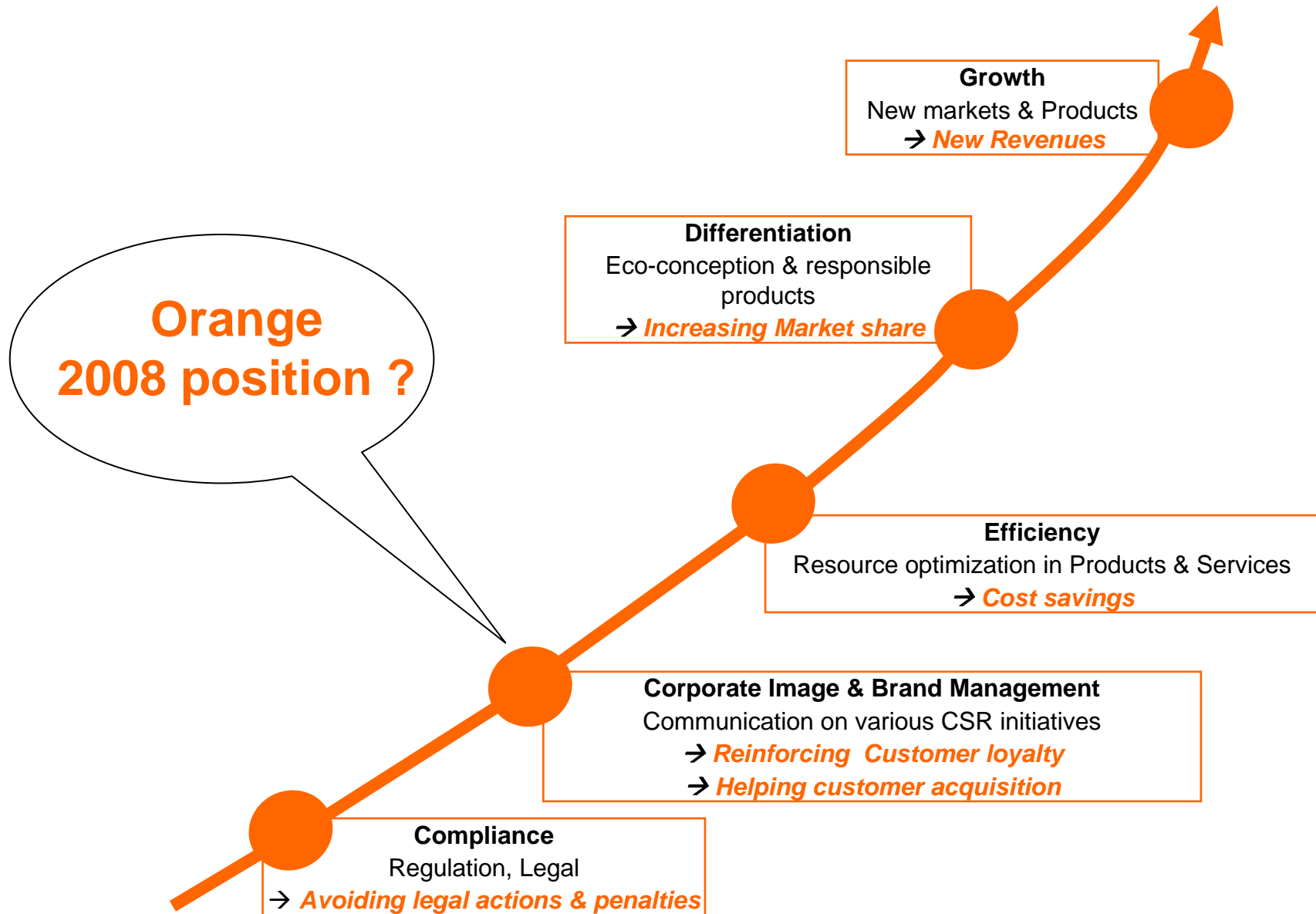
Corporate Social Responsibility

to be the CSR leader
amongst telcos by
2012

Marc Fossier
October, 2009

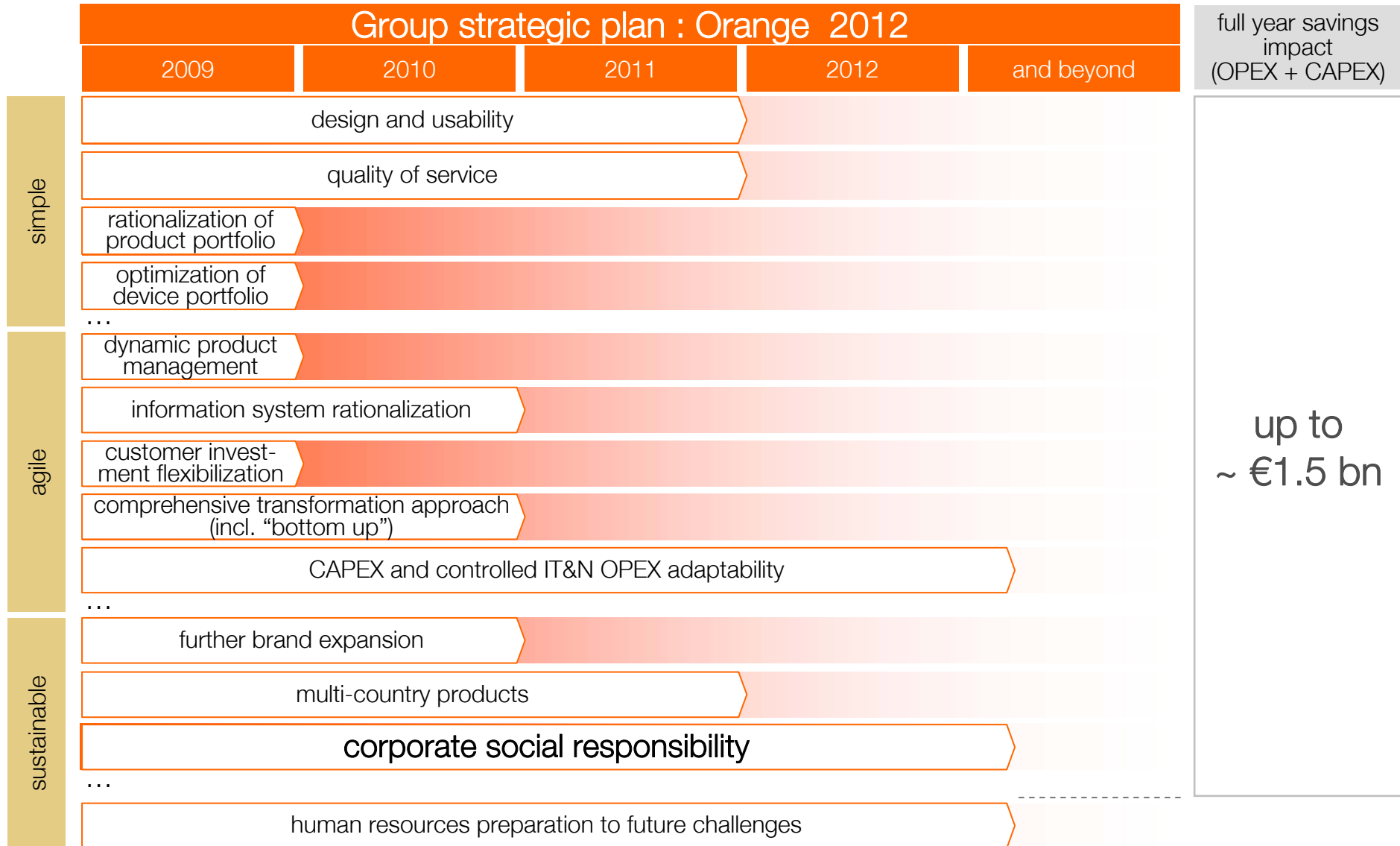


Corporate Social Responsibility is a means to create value for the Group and its stakeholders



CSR embedded in our organisation

CSR identified as one of the main lever for value creation



our ambition: to be recognized as the CSR leader amongst telcos by 2012

include ↓ fight for digital inclusion	<ul style="list-style-type: none">▪ geographical inclusion: give access to communication in remote areas
	<ul style="list-style-type: none">▪ economic inclusion: bottom of the pyramid approach
	<ul style="list-style-type: none">▪ physical inclusion: become a leader in offers for disabled and senior customers



preserve ↓ environment	<ul style="list-style-type: none">▪ decrease CO2 emission by 20% in 2020
	<ul style="list-style-type: none">▪ focus innovation and marketing on “environmental friendly” business solutions
	<ul style="list-style-type: none">▪ help customers meet the challenge of sustainable development

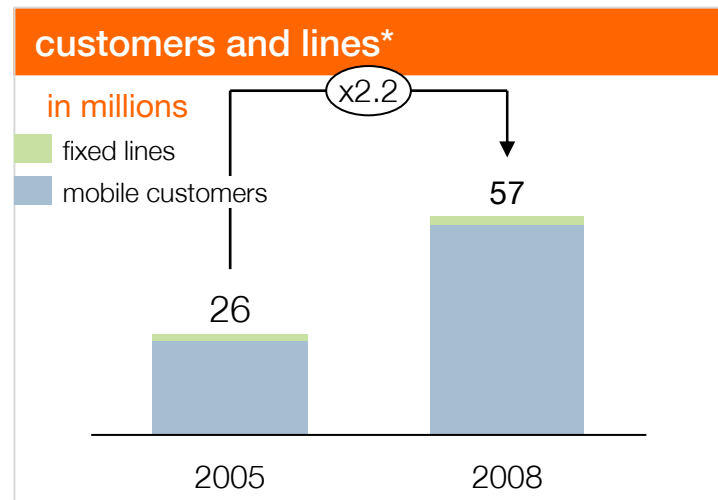


care ↓ turn risks into opportunities	<ul style="list-style-type: none">▪ anticipate sociological changes and regulations to create a differentiating competitive advantage
	<ul style="list-style-type: none">▪ be proactively protective on third party rights e.g. content, privacy, child protection
	<ul style="list-style-type: none">▪ EMF fears: transparency on information, best quality equipments, controls, financing independent research
	<ul style="list-style-type: none">▪ Act as a responsible employer



1

Include : fight for geographical inclusion develop new business model to provide access in isolated areas



97% of customer bases in market position 1 or 2

	inhab. (M)	mobile penetration	fixed	Internet	Orange mobile ranking
Egypt	82	57%			1
Ivory Coast	20	40%	✓	✓	1
Madagascar	20	18%			1
Senegal	13	46%	✓	✓	1
Mali	12	28%	✓	✓	1
Cameroon	18	28%		✓	2
Jordan	7	65%	✓	✓	2

* figures for Personal + Home ROW excl. UK, Spain) sub-segments and Netherland
** based on volume market share, company estimates

New business model

- develop coverage in remote areas through adapted technologies
 - Wimax internet access
- find the right approach – BOP solutions
 - low cost fixed-line service without rental fee launch in Senegal
 - mobile network deployment in rural off-grid areas (solar power plants with ventilated outdoor BTS cabinets)
- Offer a wide range of services (multimedia offers)

1 | Include : fight for economic inclusion through innovative marketing schemes

Service penetration*		
	mobile	banking
Western & Central Africa	30-40%	< 1%
Eastern Africa	55-65%	Up to 20%
Middle East	55-65%	Up to 30%

* In % of population

Insight

-  Orange money provide bank services to the unbanked people,
 - launched in 2008 in Ivory Coast-
 - other countries to follow (Senegal and Mali in 2009)

Insight

- « Net PC offer » (simple screen and broadband access) for low monthly subscription in some African countries
- Develop new offers in Western Europe in the contexte of economic downturn
 - BIC phone in France and Spain
 - RSA offer for mobile access dedicated to low income customers in France
 - Promote second hand devices usages in our shops

1

Include : fight for physical inclusion

broadband coverage increase foster new usage development

- Physical divide : develop accessibility for disabled people



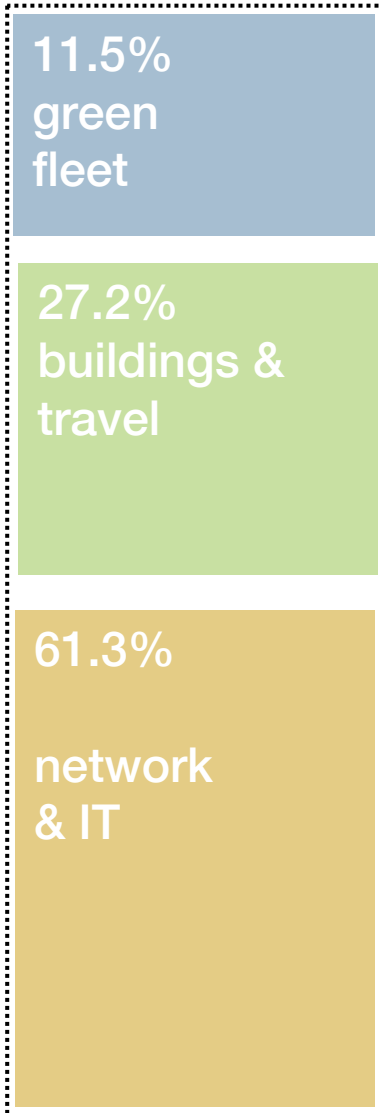
- design for all strategy for all our portfolio
 - Catalogue dedicated to disabled people in France – to be extended across our European footprint by the end of 2009
 - Specification send to industrial suppliers
 - 160 « Autonomie » stores in France ‘end 2008
 - 75% of our European web sites are compliant with AA label under WAI standards
- e-Health line of products : staying in touch with ill or dependent persons
 - Ambition to become the e-health leader by 2010
 - Dependant/chronic diseases patients assistance to remain at home thanks to monitoring through mobile phone



2

Preserve : - 20% CO₂ emission by 2020 dedicated solutions addressing all domains

Group energy consumption in 2008



- use of electric, hybrids, flex fuel, stop/start system vehicles
- accelerated replacement of vehicles to reach an average 130 g CO₂/km in 2020, vs 144 currently

- Avoid travel
 - 1.4 million audioconferences in 2008 (+8.2% for France)
 - 0.59 webconferences in 2008 (+12% group wide)
 - 75 400 Business Everywhere kits
- Implement HQE buildings (TP, Orange France headquarters)

- -40% servers by 2010 – 7 000 virtualized, out of 17000
- “optimized ventilation” system reduce energy consumption by a factor of 6-7 on 800 technical sites. More than 40% of French site
- sharing applications to reduce hosting needs: over - 600 local application since 2006
- switching to High Voltage Direct current (HVDC): -10% energy consumption
- Use 25% of solar energy for new radio stations in 2015 (mostly in Africa) 226 solar site installed at the end of 2008

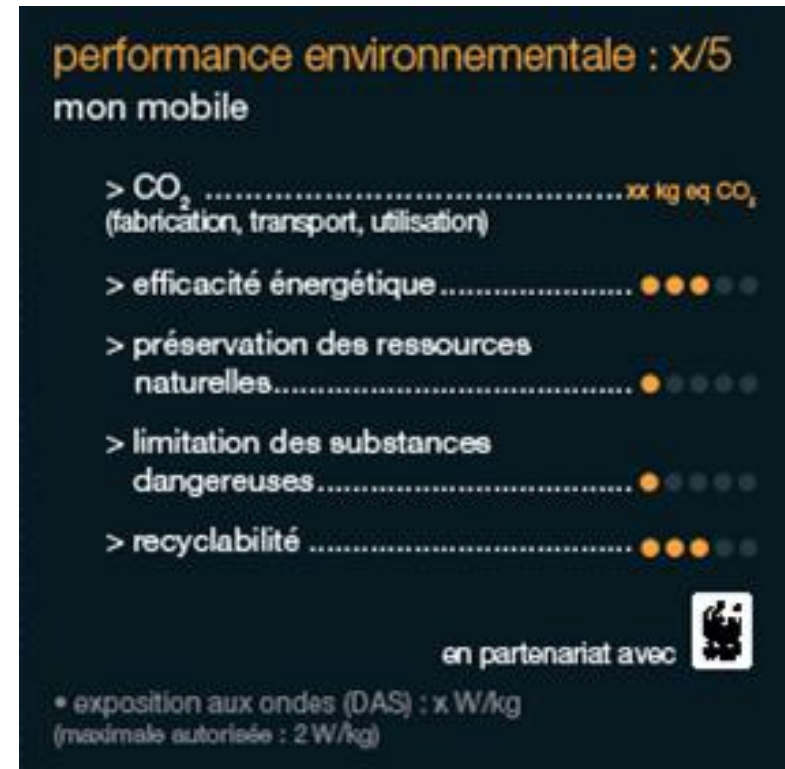


2

Preserve : help our residential customers to reduce their footprint

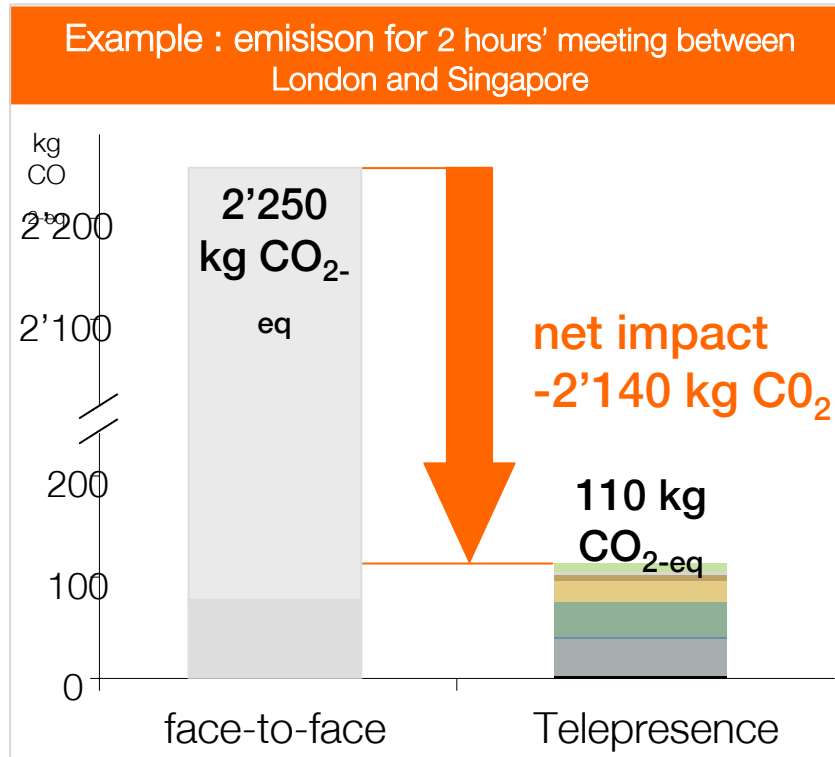
focus innovation and marketing on “environmental friendly” residential solutions

- Eco-rating system applied across all products in 2009 in France, with five indicators to measure environment impact
 - CO2 assessment
 - energy efficiency
 - resource preservation
 - limitation of dangerous substances
 - waste reduction
- Example : Livebox Mini new version launched in 2008 with -20% environmental footprint :
 - 35% decrease in size (savings on materials)
 - 30% decrease in the size of the packaging box
 - Use of a single type of plastic , facilitating recycling
 - 25% decrease in energy consumption



2

Preserve : help our business customers to reduce their footprint
focus innovation and marketing on “environmental friendly” business solutions



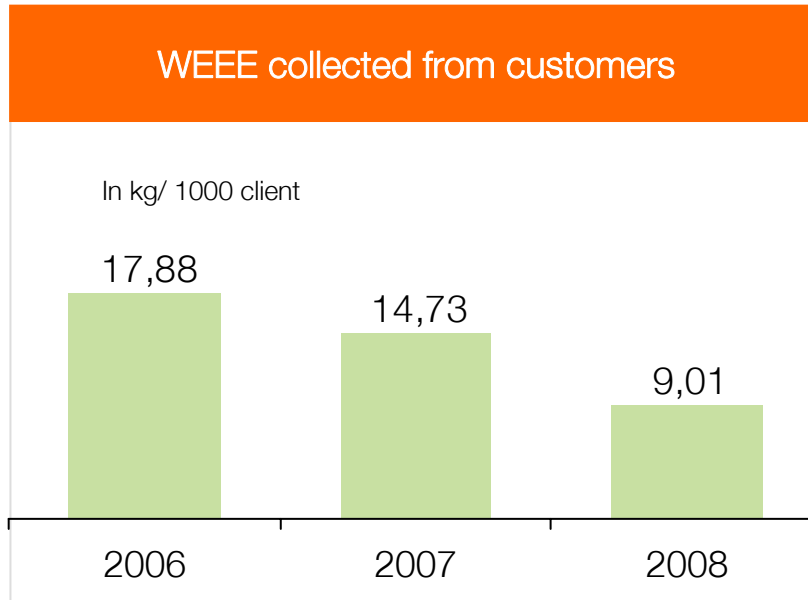
Insight

Orange green IT portfolio

- promoting collaborative work
- optimizing vehicle fleet management
- consolidating IT infrastructure
- implementing paper-free workflows
- deferring IT hardware renewal
- developing remote personal services

2

Preserve : optimize waste management reducing waste from our customers & recycling



Insight

- In 2008 1 642 metric tons of electronic waste were collected from customers (1 961 metric ton in 2007)
- Decrease in weight reflects change in mix collect : from fax machine, minitel and fixed line devices, to mobile handsets.



Promotion of responsible use from our customers

- financial incentive to keep mobile handsets longer (40 € cheque to customers who keep their mobile phones when they renew their subscription period. A further €5 is donated to the WWF)

3

Care : address electromagnetics fields concerns (1/3)

no health effect identified for 50 years for TV broadcast



Power of all mobile antennas
deployed in France

Orange emission :
c. 60 000 base stations spread over whole
territory with power of 20 to 40 watt each



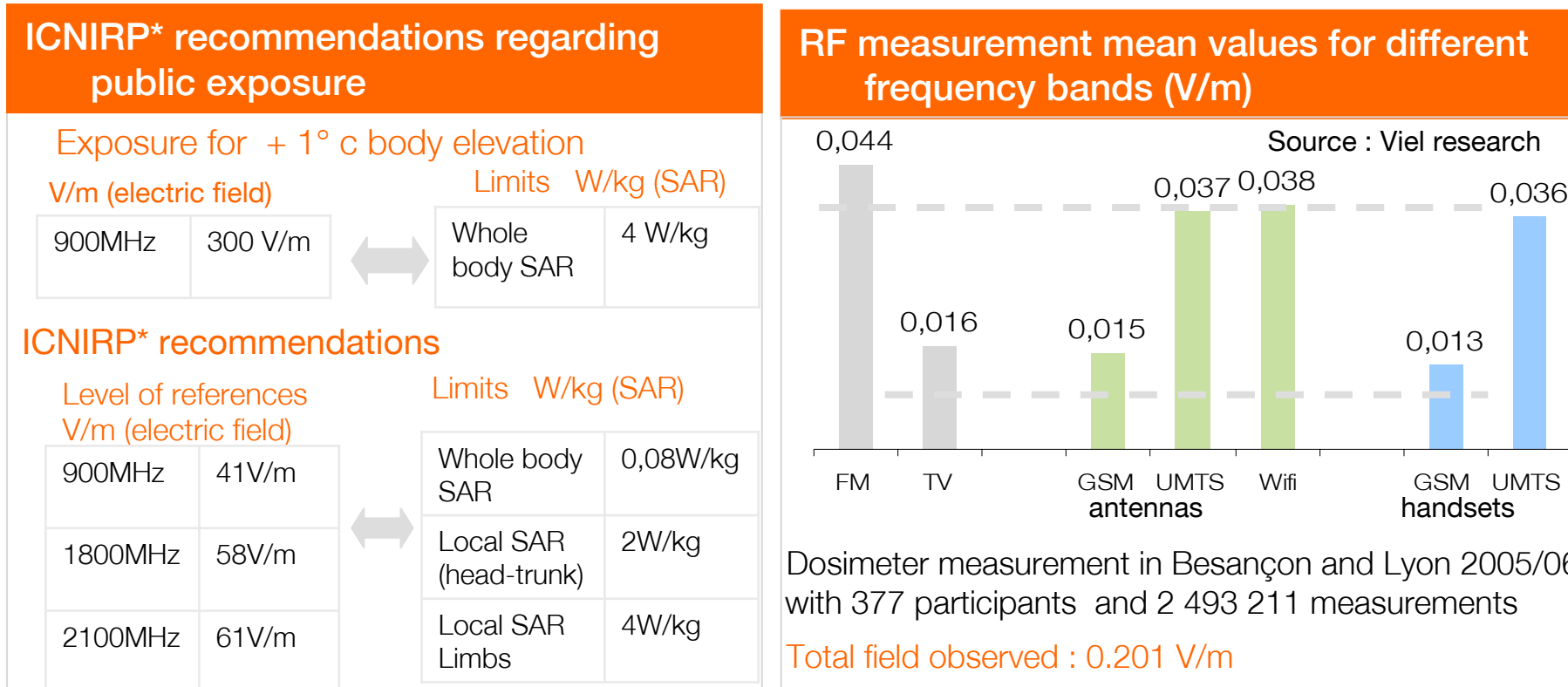
2 Eiffel towers TV Broadcasting
power

Eiffel tower emission :
6 transmitters of 100 to 500 kilo watt each
for analog TV broadcasting + TNT + FM
radio

3

Care : address electromagnetics fields concerns (2/3)

measurements show very limited average exposure



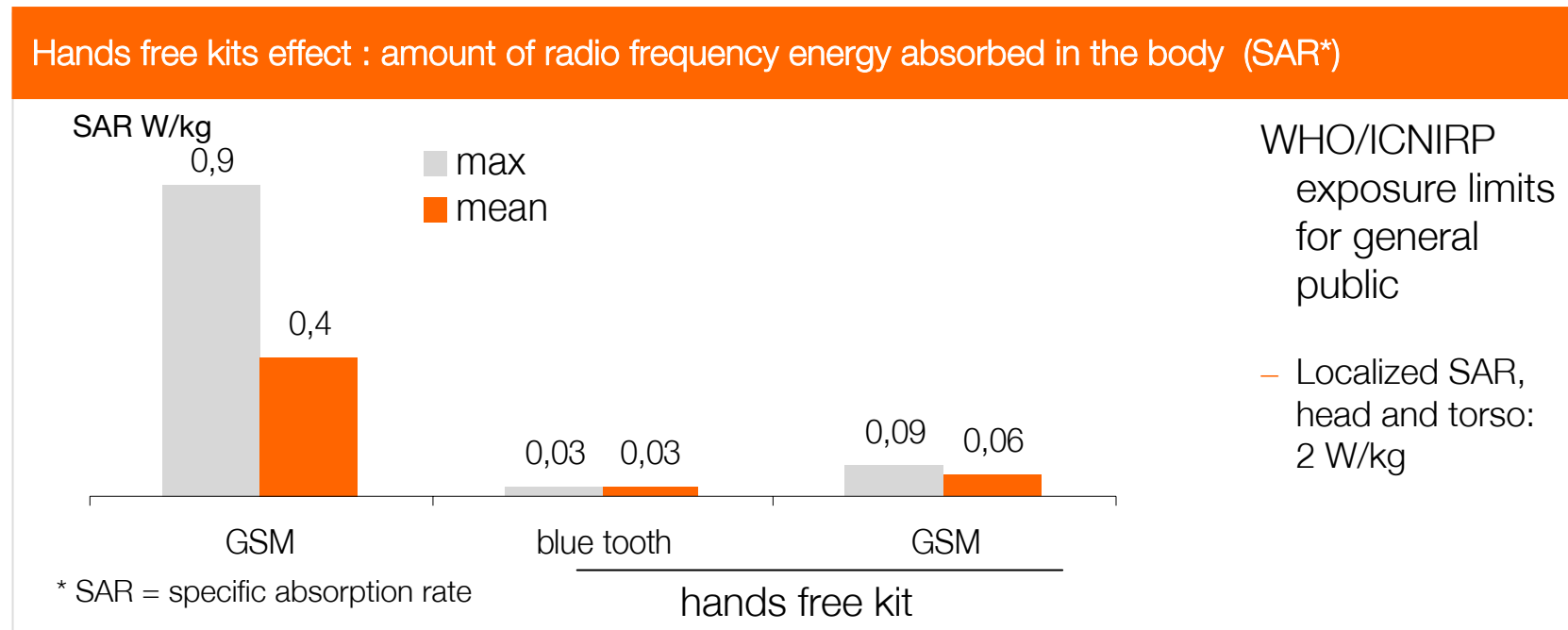
Insight

- Antennas deployment real conditions show very limited average exposure – well below legal thresholds based on ICNIRP recommendations
- Orange applies national or ICNIRP recommendation across its whole footprint

3

care : address electromagnetics fields concerns (3/3)

Orange promotes hands free kit to reduces EMF absorption



Insight

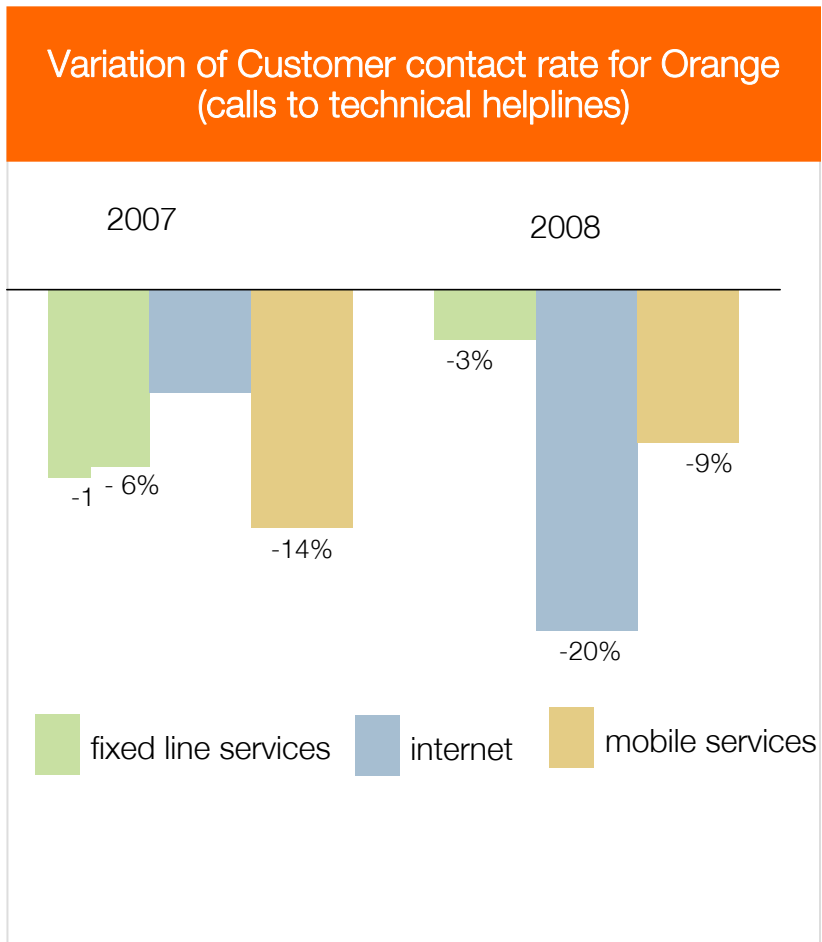
- Orange promotes use of hands free kits
 - included for free in all mobile devices packages sold in France
 - recommended in all our footprint

- Transparency towards customers

Orange Health and security information is available – either in Orange guide in handset boxes, and/or in local Orange website. SAR is mentioned with devices sold

3

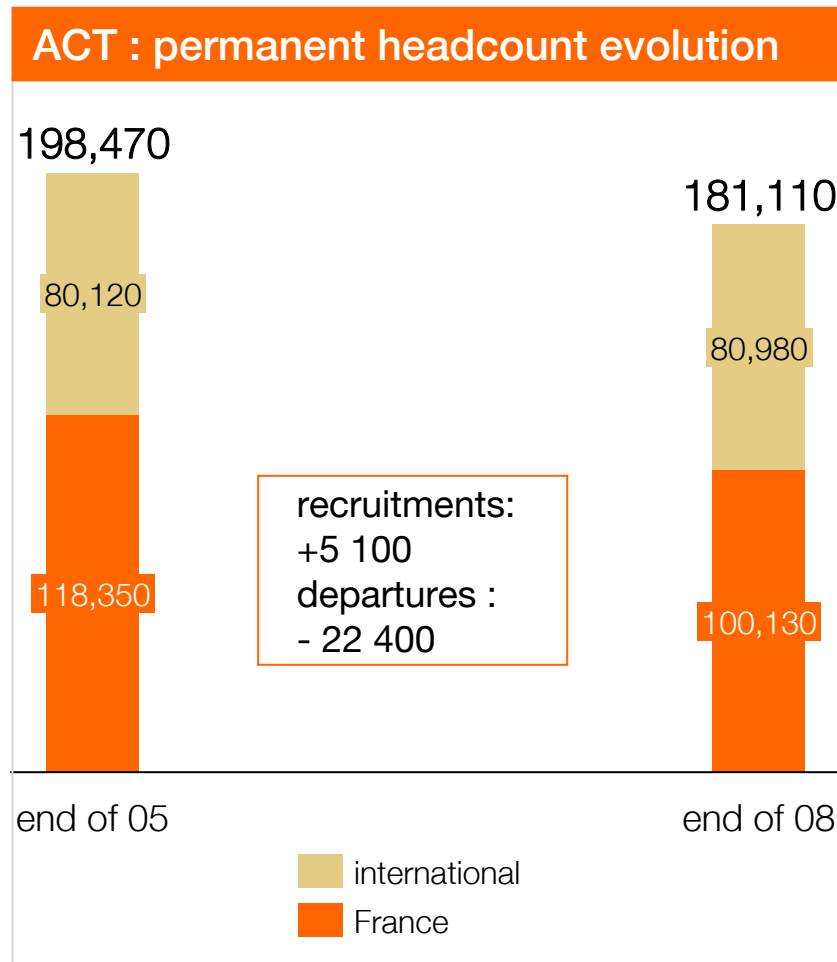
Care : maintain best quality of service for customers



Orange Awards

- Orange Business Services received the World Record Award granted by Telemark for the operator that has contributed the most to “raising the level of customer satisfaction.”
- IFOP and Viseo Conseil awarded Orange the “2009 customer service” prize for the quality of its customer relations in mobile telephony.
- Technical Mystery Contact Challenge award given by the Teleperformance Technical Help
- First prize for Best Customer Relations Manager, by Association Française de la Relation Client.

3 | Care : group transformation with headcount optimisation



insight

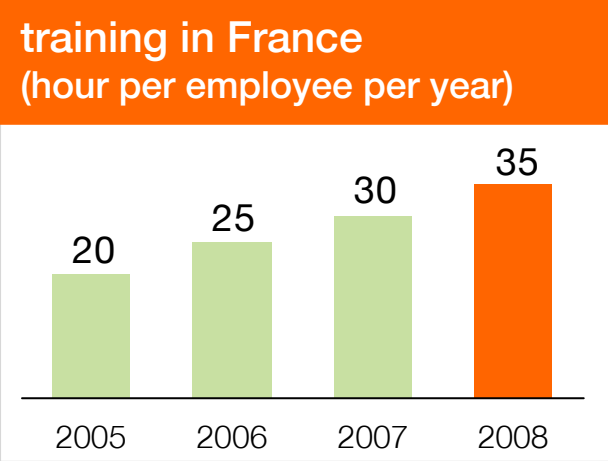
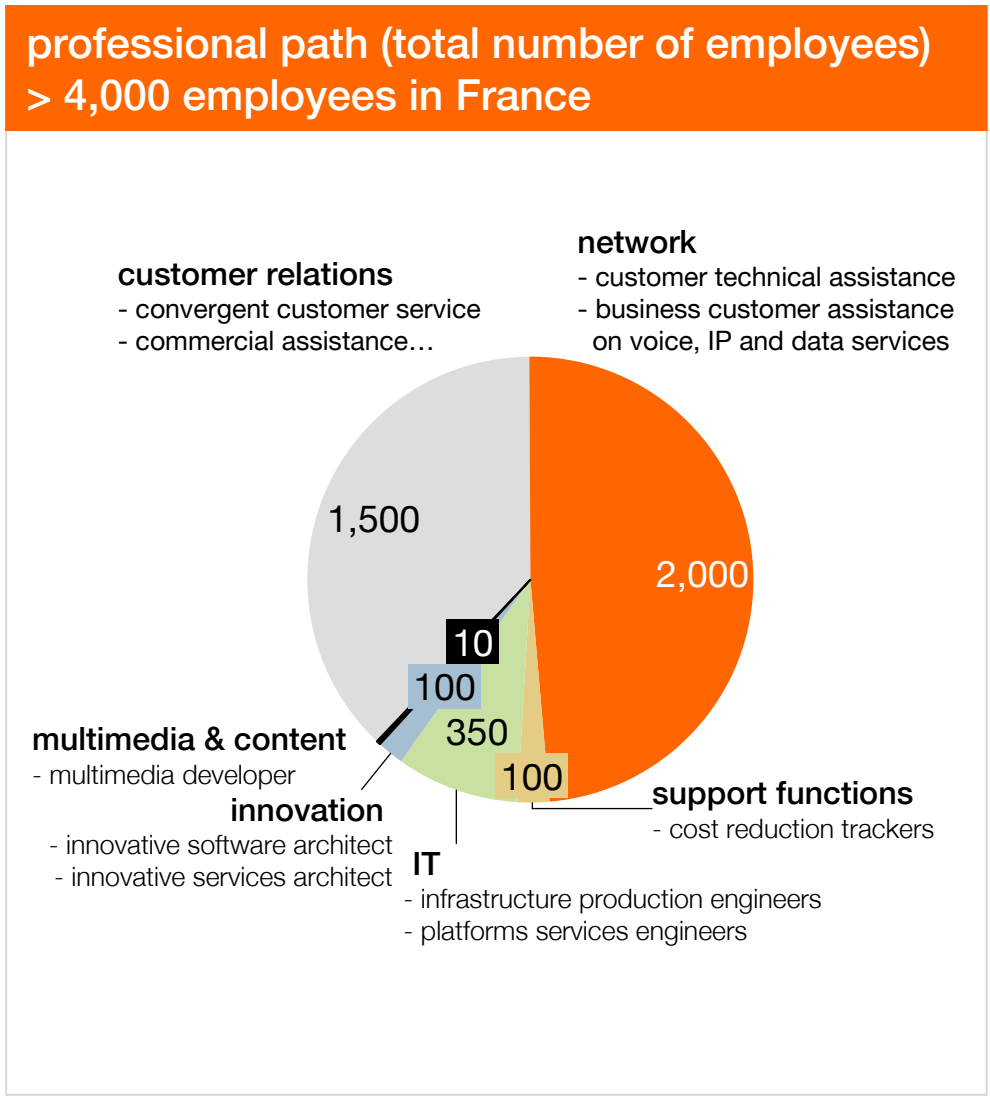
ACT : headcount reduction in a controlled framework (2006/2008)

- Strong corporate choice to achieve group transformation through reallocation of employee skills to priority areas :
- 14,000 internal moves to critical job lines
- reallocation of skills to priority areas
 - Reallocation to customer relation: 35,400
 - Reallocation to innovation & content: 2,500
- Sets of measures put in place to favor departures in a controlled framework
 - early retirement program
 - civil servants
 - spin-offs and personal project

Since the end of 2008, no more Group target for headcount reduction

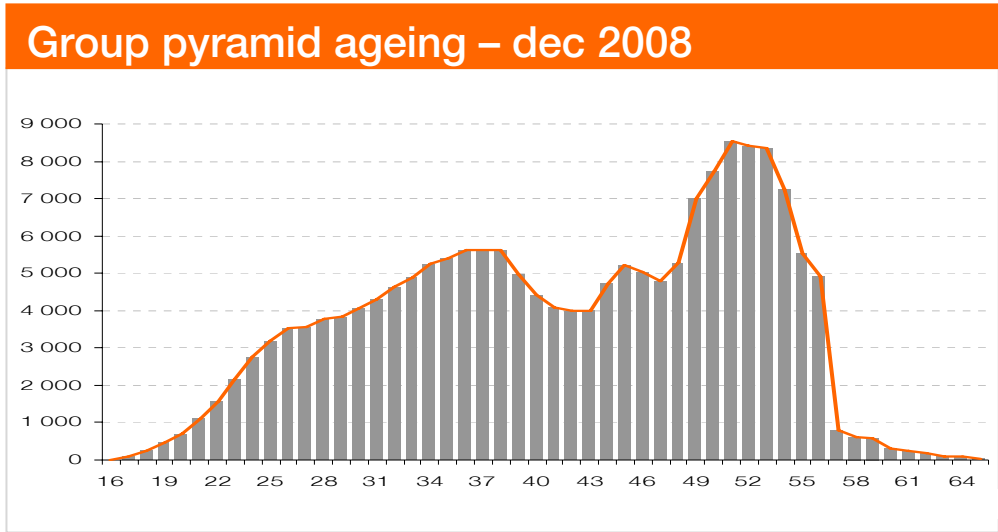
3

care : an improved know-how on training and reskilling



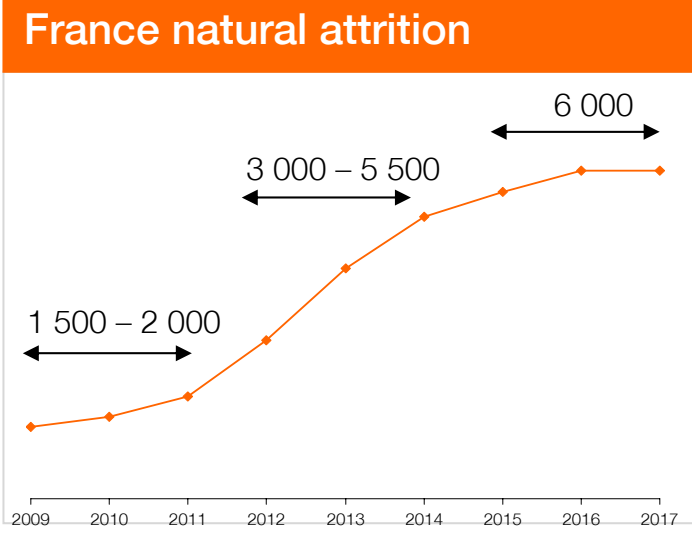
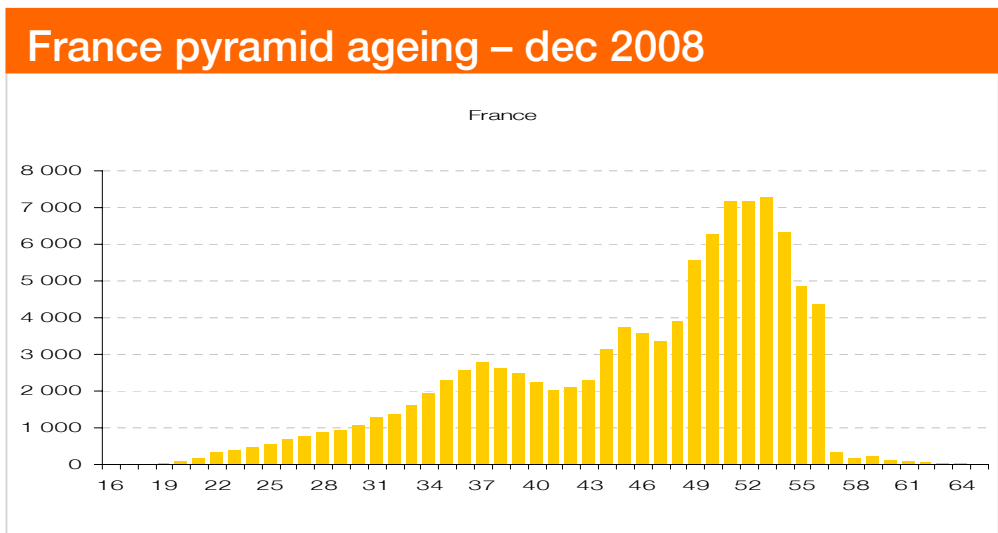
- learning & development**
- average at the group level in 2008
 - 31 hours per employee per year
 - 190 000 employee trained
 - training bodies and entities:
 - orange university
 - orange management schools
 - orange global business schools
 - substantial training for Customer support

3 | Care : Group pyramid ageing shows strong disparity amongst geographies



insight

- Group average age is 41.6 years
- France specificities
 - average age is 45.6 years
 - low turn over
 - definitive departures mainly due to retirement



3

Care: addressing psycho-social risks within the company in France

	2009				
	Aug.	sept.	oct.	nov.	Dec.
Negotiation to roll out national agreement on stress		New social contract for France Telecom			
Hiring of occupational health teams and additional local HR teams		New social contract for France Telecom			
Auditing current situation (independant work)		Specific measures taken to address crisis situation			
Suspension of mobility plans		Specific measures taken to address crisis situation			
Special hot line with external psychologue		Specific measures taken to address crisis situation			

insight

- “Stress commission” established in 2000 with employee representatives and health teams to identify stress factors and prevent them
- “Espaces d’écoutes et d’accompagnement” (listening and support Spaces) implemented in 2007 to provide solutions through consultation either individually or collectively
- Auditing current situation conducted by Technologica independent body
 - Questionnaire send to the 102 000 employees in France
 - Interview of a representative sample
 - Medical analysis of recent suicides
- Cornerstone of an new social contract for France Telecom
 - Through negotiation with employee representative

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