



## Sustainable Procurement Policy – January 2014

### Promote responsible purchasing and logistics practices

Sustainable Procurement is at the heart of the Orange Group's Corporate Social Responsibility strategy and is a key factor in its aim of becoming a leading market player in this area.

It encompasses the purchasing and logistics activities of the Group and its affiliates and the purchases delegated to BuyIn, the joint venture set up with Deutsche Telekom.

Our sustainable Procurement policy has three main objectives:

- to contribute to the economic performance of the company and its affiliates by creating value and ensuring the availability of our products and services at the best total cost.
- to control relations with our entire supply chain using an ethical and responsible purchasing approach.
- to give the Group the opportunity to benefit from the know-how of efficient and innovative suppliers.

### Orange, a responsible company

Orange implements Corporate Social Responsibility (CSR) concerns into its governance and internal processes of purchasing and logistics in accordance with the Group's procurement policy:

- we comply with all laws and regulations in force and we control CSR risks and opportunities in relation to purchases and supplies for each purchasing category.
- the purchasing teams alongside the Group's CSR teams work actively with the technical, marketing and financial departments in particular and regularly seek the opinion of our stakeholders.
- we set up measures to make our practices as fair as possible: integrity, system to fight against fraud and corruption, fair treatment in respect of our suppliers and clear and factual selection criteria.
- we develop fair relationships with our suppliers<sup>1</sup> based on notions of trust, respect and sustainable commercial relations so that our clients can benefit from competitive products and services in compliance with our commitments.

We encourage the various purchasing parties to strengthen appropriation of CSR guidelines and commitments:

- we train our purchasers in responsible Purchasing and inform our purchasing prescribers about the Group's responsible purchasing commitments. The impacts of CSR on our suppliers are taken into account, particularly in terms of delivery lead times and the visibility of our forecasts.
- we measure the results and the line management promote objectives relating to the implementation of CSR guidelines and their results.

We contribute to country development and the local employment:

- we take into account all constraints, including cost optimisation concerns made necessary by the economic situation and we make our calls for tender as accessible as possible to local service providers of any size including companies that employ disabled people or use back-to-work schemes.
- we also promote access to our international markets for innovative companies capable of giving the Group competitive edges.

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<sup>1</sup> For example, in France, through the Responsible supplier relations charter, the white paper "Orange's relations with its suppliers in France", the label "Responsible supplier relations" and the innovative SME charter.

## Orange asks its suppliers and subcontractors to reach its CSR standards and to implement them within their own supply chain.

As a responsible company aware of the impacts of our purchasing decisions, we wish to obtain CSR guarantees from our suppliers and subcontractors (hereinafter referred to as suppliers) and through them from the entire supply chain.

That is why:

**We choose suppliers that meet ethical, social and environmental challenges:**

We expect our suppliers to comply with principles equivalent to those in our code of ethics and our CSR priorities:

- **we select** our suppliers on the basis of CSR criteria,
- **we draw up contracts** governing the compliance of our suppliers with our supplier Code of Conduct,
- **we ensure** that our suppliers comply with Orange's CSR requirements through CSR assessments and on-site audits, in particular in the context of the "Joint Audit Cooperation" (JAC) entered into with other telecom operators.
- **we strive** for a high level of cooperation and open dialogue with our suppliers in order to create value for all stakeholders, particularly for Orange, its suppliers and the telecom sector while also contributing to sustainable development.

**We commit to promote the highest social and environmental standards for our products and services:**

- during calls for tender, Orange's purchasing prescribers (R&D, marketing, technical, etc.) and the parties involved in the purchasing network integrate CSR\* upstream into specifications for products and services,
- **we expect** our suppliers to apply the same requirements to their partners and subcontractors.

\*e.g. energy consumption, eco-friendly design, life cycle, recyclability, working conditions and public health.

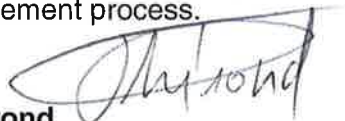
**In compliance with ISO 26000 standard implementation, Orange commits to the following actions and requires the same from its suppliers:**

- ✓ to **integrate CSR** into the governance of procurement,
- ✓ to **protect fundamental human rights and diversity** and to ensure the sources tracking of conflicts minerals,
- ✓ to **promote balanced and satisfactory working relationships and conditions**,
- ✓ to **reduce environmental impacts**: raw materials, pollution, CO2 emissions and waste,
- ✓ to **develop fair practices**: fight against fraud and corruption and strengthen ethical practices,
- ✓ to **promote local economic development and local employment** by choosing efficient local subcontractors,
- ✓ to **contribute to consumer and user protection**, particularly in terms of health and safety protection and in relation to the integrity and safety of their personal data.

We need to work together every day to integrate Corporate Social Responsibility into every step of the Procurement process.

**Valérie Théron**

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Chief Procurement Officer



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