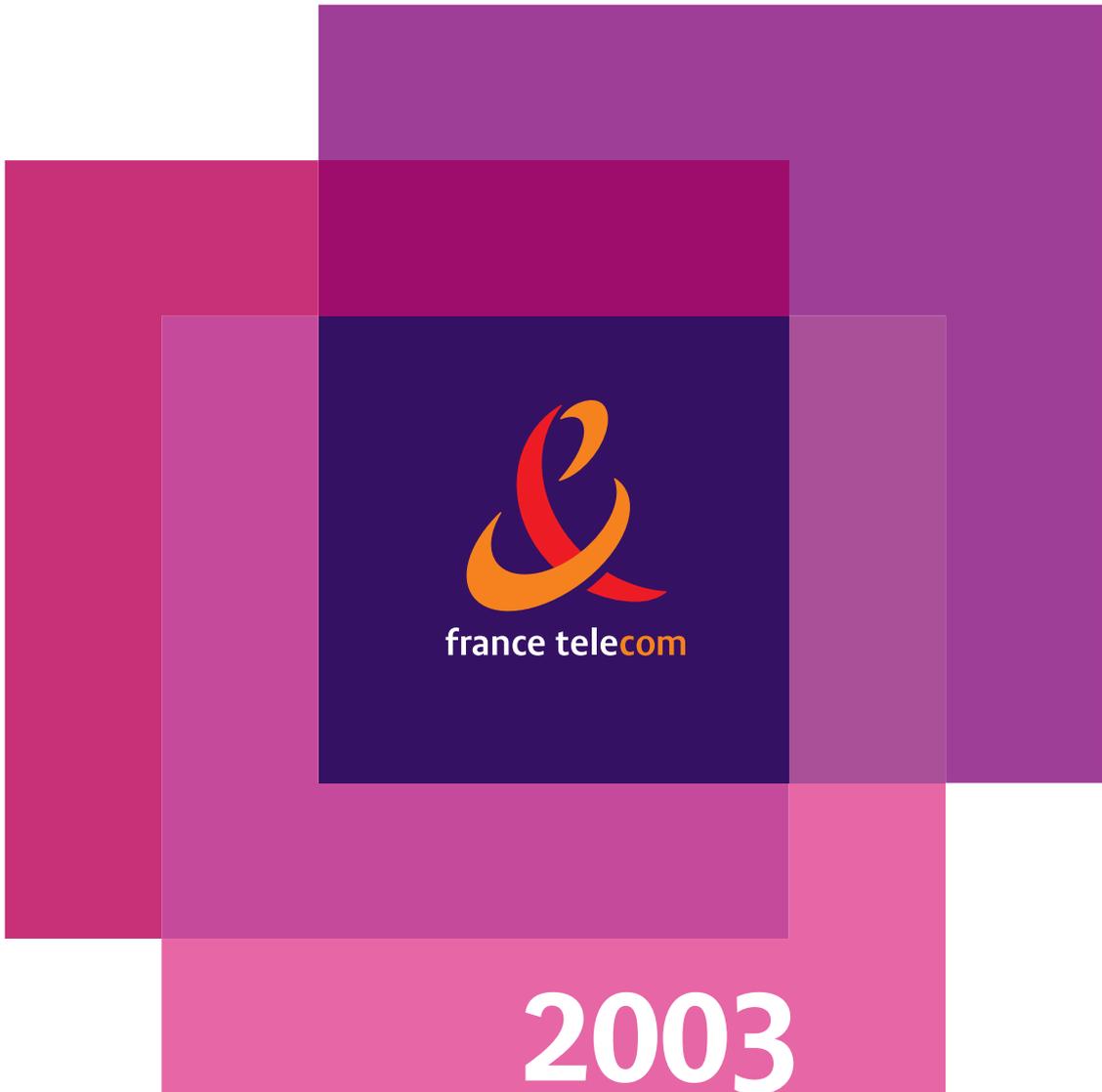


# Responsible Growth



Sustainable Development

<b>1</b>	<b>MESSAGE FROM THE CHAIRMAN</b>
<b>2</b>	<b>OUR CORPORATE RESPONSIBILITY</b>
2	Our Approach
3	Our Commitment
5	The Code of Ethics
5	Group Governance
8	The Strategy of Innovation
<b>11</b>	<b>OUR ACTIVITIES</b>
11	Relationships Based on Trust and Dialogue
14	Innovation and Quality in the Service of the Customer
20	Developing the Personal and Collective Skills of our Employees
25	Our Environment
34	Glossary
36	To Find out More

Notes to readers:

The France Telecom Group is committed to moving forward in the area of sustainable development. The purpose of this document is to present certain initiatives which are representative of that commitment.

To learn more about the activities of various Group companies, turn to page 36.

To send us your comments or request additional information, contact us by e-mail: [developpement.durable@francetelecom.com](mailto:developpement.durable@francetelecom.com)

# Message from the Chairman

**Thierry Breton – Chief Executive Officer, France Telecom**

For France Telecom, a global telecommunications operator present in 220 countries and areas across the world, sustainable development is neither a utopia nor a dream.

It is a commitment to conviction and responsibility, a long-term strategic vision which must be embodied in the daily activities of the various constituent parts of the Group, an innovative, realistic, precise and concrete approach in which we, together with our stakeholders, are making headway.

This document serves to provide an initial summary of our thoughts and actions in this area. Consequently it marks an important stage in the France Telecom Group's approach to responsibility.

The formalisation of our thoughts and actions at this time answers questions being asked of the company and its stakeholders, both in the country in which we operate and at an international level. It also echoes our heightened consciousness, as both an economic and a social entity, of our duties towards present and future generations.

But above all it translates a deep conviction: we need to be at the forefront of innovation and performance to be able to provide all communication services, everywhere, irrespective of the mode of access, thereby nurturing sustainable development and responsible growth.

As this document shows, our approach is already bearing fruit, thanks to the mobilisation of the Group's employees.

Our corporate responsibility drives us to pursue this approach resolutely, in company with all our stakeholders. It is a stimulating challenge for each one of us, and a lasting commitment for the Group as a whole.

A handwritten signature in black ink, appearing to read 'Thierry Breton'.

# Our Corporate Responsibility

**In November 2003, the Group's Executive Committee decided upon France Telecom's strategy in the matter of "Corporate Responsibility". This approach is the expression of our commitments and our vision for sustainable development. It is based on the values and principles laid out in the Code of Ethics, on enhanced corporate governance and on a strategy of innovation which we acknowledge to be a priority.**

## Our Approach

France Telecom, a global telecommunications operator present the world over, places sustainable development (the reconciliation of economic development, preservation of the environment and social equality) at the very core of its commitment.

Right from the very first, France Telecom has been a member of the worldwide Global Compact, the international framework of reference on the commitment of companies to a strategy of responsible globalization. This is a testament to our intentions, as is the Preamble to the Group's Code of Ethics, adopted at the end of 2003.

This strategic positioning in favour of sustainable development is expressed in particular in 3 priorities which are at the foundation of our corporate responsibility and commitment to society: innovation, listening to and serving our customers and lastly a continuous striving for excellence and performance. Innovation, based particularly on a partnership dynamic, is aimed at developing relevant and appropriate usage. Ongoing innovation has helped, and will continue to help telecommunications services to be favoured tools in economic development and social progress, both

of which are compatible with the preservation of the environment.

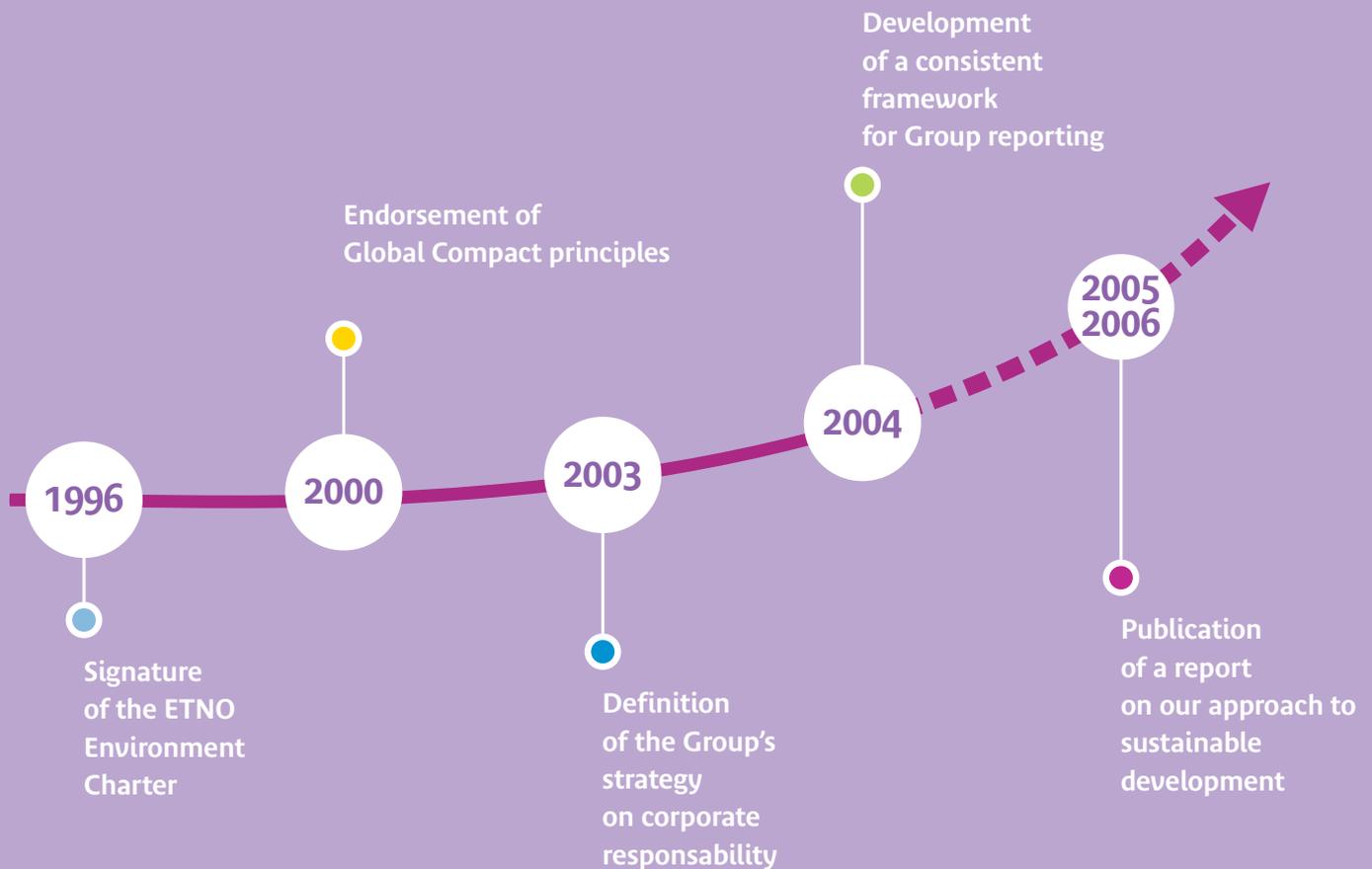
Listening to and serving our customers and the communities within which we operate are principles of long standing, and still remain an essential basis for the Group's activity. They are an integral part of the culture of Group entities, whether they are "incumbent operators" occasionally responsible for public service missions, as in Poland, France, Jordan, Senegal, Ivory Coast, etc. or of more recent vintage, operating in close symbiosis with their social and cultural environments, as in the United Kingdom, Spain, Mauritius, Netherlands etc. The Group's ongoing striving for excellence and performance is today the key to its credibility among its stakeholders, particularly its shareholders. It is also a prerequisite for France Telecom's mid- and long-term dynamism and growth. The "Ambition 2005" project launched in December 2002, and in particular the TOP program, aimed at improving operational performance (the results of which are regularly published on [www.francetelecom.com](http://www.francetelecom.com)), are the expression of this commitment, which depends on our mobilising all members of the France Telecom Group.

## Our Commitment

France Telecom was one of the first companies to endorse the commitment in the Global Compact. This commitment, an initiative of the United Nations Secretary General, was a challenge issued to multinational companies aimed at achieving growth in conformity with the major principles of sustainable and ethical development.

France Telecom is a member of ETNO (European Telecommunication Network) Operator. In 1996, the Group signed the Environment Charter of this association for the European telecommunications sector and is about to sign up its sustainable development Charter. Through ETNO, the Group participates in the GeSI (Global e-Sustainable Initiative)

which, under the patronage of the UNEP (United Nations Environment Program) and the ITU (International Telecommunications Union) is coordinating the approaches of operators and manufacturers wishing to promote ICT (Information and Communication Technologies) as tools in the service of sustainable development.



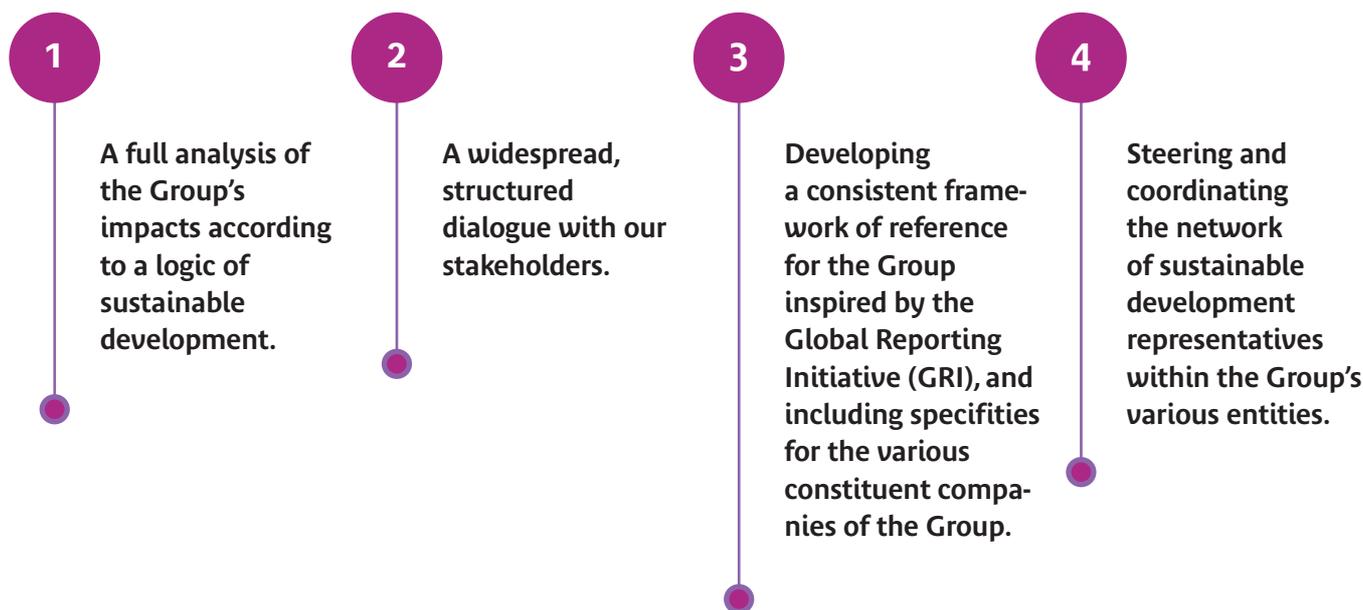
The Group has structures and tools in place to steer its corporate responsibility strategy and to monitor the achievement of priorities year after year.

A steering committee, presided over by the Secretary General and answerable to the Executive Committee, was created in November 2003. This process of consideration, impetus and coordination is what really drives France Telecom's corporate responsibility strategy. It relies on a multi-disciplinary team in order to ensure high quality horizontal consultation and mobilisation.

A Representative for Sustainable Development and Corporate Responsibility has been appointed to ensure the daily running of the process and to lead the network of people responsible for sustainable development within the Group's various entities.

At its meeting at the end of 2003, the Committee adopted an initial action plan for 2004 based on four Group priorities.

### Four Priorities in 2004



"Our strategy of corporate responsibility arises from a determined approach. It originates in a logic which should involve and motivate everyone in the company. All our partners, or stakeholders, have an interest in it because it reveals our dynamic of growth and progress.

Every day, our employees take initiatives. Establishing a global, coordinated approach is a necessary objective, which requires long-term efforts involving the company at all levels. All of us, within our scope of action, bear this responsibility towards the current and future generations, a responsibility which is a natural part of France Telecom's history. It also gives sense to our daily work and a new vigour to the activities we undertake. It is a real opportunity to serve the Group's strategy."

Marie-Christine Gueguen, Director in charge of Corporate Social Responsibility and Sustainable Development.

## The Code of Ethics

**“The development of the France Telecom Group is based on a set of values and guidelines for action and behaviour that respect people (shareholders, clients and employees), the local and economic communities in which France Telecom operates, the environment, and future generations.”**

*Extract from the Code of Ethics*

In December 2003, France Telecom adopted the Group's Code of Ethics ([www.francetelecom.com](http://www.francetelecom.com)).

Various Group entities were involved in its preparation. This code lays out the values of the Group, together with principles of action and behaviour that must be adhered to by each administrator, employee and executive manager.

In addition, it specifies the rules and principles of Stock Exchange ethics and compliance.

The Group's Code of Ethics Committee was established in January 2004. It is responsible for seeing that the Code is properly understood and applied. It is required to report each year to the Group's Chairman and the President of the Remuneration, Selection and Organisation Committee of France Telecom SA's Board of Directors.

## Group Governance

**France Telecom adheres to the principles of corporate governance for quoted companies set out in the Vienot and Bouton reports and consolidated particularly by the French Financial Security law and the Sarbanes-Oxley Act in the United States.**

### The Board's New Method of Operating

In July 2003, the Board of Directors adopted policies and procedures in accordance with the recommendations of the Bouton report. This report sets out rules for the preparation and organisation of the Board, as well as the duties and responsibilities of the administrators. In February 2003, the Annual General Meeting appointed five independent administrators. The others are representatives of the State and the Group's employees ([www.francetelecom.com/investisseurs](http://www.francetelecom.com/investisseurs)). The Board meets frequently (16 times in 2003), each meeting generally being preceded by a meeting of one or more of the four committees set up to prepare its proceedings.

Each administrator is a member of at least one of these committees.

In particular, the Audit Committee, which is chaired by an independent administrator, validated the system set up in response to the demands of the Financial Security law and the Sarbanes-Oxley Act (SO). One of its members is a financial expert in terms of this law.

The Remuneration, Selection and Organisation Committee, whose Chairman is an independent administrator, has prepared the Board's policies and procedures manual.

The Strategic Committee is consulted on projects connected with the Group's development. It met to examine the simplified public offer of exchange concerning

those Orange shares which were not held by the Group. The Orientation Committee is made up of the Chairman and seven administrators representing the employees, and its mission is to evaluate the company's major economic, social and technological orientations. Each committee has its own policies and procedures manual which comes within the framework of that of the Board. Quoted affiliates like Equant, Orange, TPSA and Wanadoo have set up similar organisations depending on their needs, the local legal restrictions to their operations and the requirements which need to be met in order to comply with the Group's rules. France Telecom's strategy as regards governance also provides that the Chairman of the Board of Directors must obtain the Board's authorisation to engage in investment or disinvestment operations of over €200 million per operation. Moreover, any investment over €20 million which does not fall within the company's strategic orientation must receive advance approval from the Board of Directors.

### Improved Corporate Governance

The Group's Executive Committee answers to the Chairman of FTSA and is made up of executive directors responsible for the operational and functional entities and large listed affiliates. It meets each week to define strategic orientations contributing to the expansion of the business. A certain number of specialised committees report to it. Certain of them play a preferential role within the Group's control environment. The Group's Investment Committee rules on decisions relating to acquisitions and transfers of transferable securities and on specific programmes of operational expenditure or investments of over €15 million.

The Group's Internal Audit and Risks Committee validates the year's internal audit programme and monitors the implementation of recommendations and plans for

corrective action within the framework of the priorities of the TOP programme.

The Deployment Committee monitors the implementation of employment-related systems, such as internal redeployment, mobility, etc.

### Continuing to Strengthen Internal Control

France Telecom has set itself the objective of continuing to strengthen governance and internal control within the Group.

**A large number of projects contribute to this, e.g. the ISO 9001, version 2000 certification of France Telecom SA's accounting function and the New Convergence project launched at the beginning of 2004 to make further improvements to the consistency of accounting processes and common reference tools within the entire Group.**

Two programmes were implemented in Autumn 2003 throughout the company's divisions and affiliates in order to comply with the legal obligations imposed by the Financial Security law and the Sarbanes-Oxley Act. The first is intended to strengthen the culture of good governance and internal control by developing or clarifying Group strategies, rules, procedures and tools in 4 key areas: company government and ethics, internal control, quality of published information and human resources. The second aims to demonstrate the effectiveness of internal controls on financial reporting and is based on an approach of continued process improvement. The goal is that, by no later than the end of 2005, General Management and the external auditors should certify in their annual report that there are no significant failings in internal control. This second programme is requiring work by a large number of operational

teams, all answerable for the whole or part of a process. The benefits expected from this project are important in terms of the security of processes, consistency within the entire Group, and mobilisation and methodical reflection on the quality and effectiveness of internal control.

### Information Security and Risk Coverage

Information security is a strategic issue for the Group, and likewise for its customers. A Department of Information Security was created in 2003 to manage the Group's strategy in this matter. Global Security Coordinators (CSG) were appointed within the Group's main entities. Most particular attention is being paid to network occupations and management information systems in the context of the convergence of telecommunications and information technology. Protecting voice services on IP is one of the Group's priorities in this

area. More generally, France Telecom is developing a risk management strategy consisting of identifying and analysing factors of impact and probability likely to affect the achievement of objectives (operational, financial, and conformance issues). This process is based on an approach by divisions and broad job families and hinges on identifying risk ownership. 2003 was marked by the extension of this process to the main affiliates. It had already been implemented within France Telecom SA, and is set to play a vital role in internal control within the Group. France Telecom also reassessed its insurance strategy in order to improve its risk coverage. The most important members of the insurance and reinsurance markets are participating in this process. Along with the engineering and risk prevention services of its main insurers, France Telecom is running programmes of site visits to assess possible risks with a view to managing them and updating insurance cover regularly.

## The Strategy of Innovation

**France Telecom R&D, the leading European research centre in the telecommunications sector.**

The Group employs 3,400 researchers across 15 sites, 7 of which are outside France (in Europe, the USA and Asia). The Group has adopted the principle of carrying out its research projects in accordance with the criteria of sustainable development. Their objective is to systematically apply this approach in 2004.

### Anticipating the Future Using a Logic of Sustainable Development

#### Observing Uses and Focusing on Creativity

It is important for the Group to correctly anticipate market trends and uses that will emerge. There is a growing number of users constantly enlarging the non-commercial space, introducing network functions based on self-production, voluntary help, "peer to peer", free development, personal news sites (weblogs), etc. A great number of micro-innovations which France Telecom means to detect, support, and test out in conjunction with their creators with a view to possibly including them in future offers. Fostered by the market watches and usage studies of its fifteen research units (the majority of which either already hold or will in the future be receiving the "world class" seal of approval from independent experts), the Group's vision of the future is expressed in medium-term scenarios, unfolding within its strategy of innovation.

#### Linking Customers to the Creation of Services

Once a project is approved, customers are linked to its development through focus groups and demonstration workshops where the functions and ergonomics of the service are subjected to user criticism.

Thus at the end of 2003, the ease of installation of videoconferencing terminals for the general public was tested on many customers and improved in the light of their reactions. A whole range of techniques, including

eye-tracking (the analysis of the way in which the eye explores a web page), are used to contribute to these workshops to make the services we offer as intuitive as possible.

### Innovating to Serve Society

Positioning itself at the forefront of innovation, France Telecom promotes the use of information and communications technologies to support progress and expansion, and is proving itself alert to everything in its sphere that might serve to reduce the risk of negative effects such as social divide, invasion of privacy, etc.

#### Giving Disabled People the Means to be Better Integrated

This objective must be taken into account when products are designed so that offers are useful, accessible, easy to use, error-tolerant and only require minimal physical effort. Combining voice, text and image, the new multimedia services developed by R&D are without doubt the best way to make telecommunications accessible to everyone. The development of websites accessible to blind people is therefore a priority. In this area, the work carried out in partnership with associations is part of a vast programme, ranging from the detection of needs to experimentation in the field.

#### Providing More Effective Tools for the Health Care System

In the field of health care, activity is currently focused on improving the quality of care via a better dialogue between health care workers, the use of telemedicine to correct geographic inequalities, reducing stress caused to ill people by providing them with the means to access help at any time (in some cases avoiding hospitalisation), and lastly minimising travel.

## “We must reinvent France Telecom using strong R&D and innovative uses as levers, so that we are better able to meet the requirements of our stakeholders”

Thierry Breton, 4 December 2003 at the Businessmen’s Convention.

A large number of projects have been developed along these lines, e.g. facilitating communications between hospital staff and medical practitioners in towns, forwarding healthcare forms and training doctors from a distance.

### Promoting Good Internet Usage

The Group endeavours to provide answers to the many and sometimes contradictory concerns arising out of the development of the Internet: searching for those responsible for the illegal use of the Internet (e.g. paedophilia and sects), guaranteeing anonymity, etc. Thus the cryptographic techniques developed by the Group ensure anonymity yet at the same time provide duly accredited authorities with the means to rescind it. France Telecom R&D is an active member of the Liberty Alliance, which aims to create an open, single identification system enabling people to connect to all the resources of the Internet in complete security and all at the same time, from either a fixed line or mobile. Lastly, within France Telecom itself, the Intranet is one of the key tools in a knowledge sharing and protection process (knowledge management), a means of preserving experience acquired and linking each member of staff more closely with common objectives.

### Making Teleworking a Real Alternative

Developments under way within the Group are aimed at developing teleworking, videoconferencing, etc. These solutions could result in improved individual and collective effectiveness, decreasing the number of journeys made and, as a result, limiting CO<sub>2</sub>. Based on the IP protocol, they encompass a range of tools, from the eConf videoconferencing software (on PC, PDA or UMTS mobile), to telepresence systems that are capable of reproducing the caller’s lifelike image accompanied by 3-D sound. The first application of this technology for the general public, “Tele-guichet” (Tele-service window), will soon enable inhabitants of isolated communities to access all the services available from a bank or sub-prefecture, for example.

### Empowering ourselves in preparation for the future

“Sustainable development is a recent concept which has plunged us into the future. Today, telecommunications operators, together with the members of the ICT sector in the broadest sense, are “generating the future”. They have the privilege of creating tools and services that transform peoples’ lives. Within France Telecom, R&D is preparing for the future in its technological and also social dimensions.

All our research (which is both creating and validating technology and uses) is focused on the world of tomorrow. The new services we are developing are increasing the autonomy and creativity of each individual and enabling continued and ongoing growth in company productivity. Our multidisciplinary teams link human, economic and technical sciences, and are working very closely with our partners in the worlds of medicine, healthcare and the environment to ensure that our projects anticipate the characteristics and limitations of possible future societies.

Telecommunications services do not consume a great quantity of natural resources, but we are nevertheless seeking to reduce our consumption still further. These services offer individuals and companies the possibility of communicating and exchanging goods without travelling. They can also contribute to a better integration of individuals into society by giving every individual the means to interact with their environment.”

Jean-Jacques Damlamian, Corporate Senior Vice-President, Group Technologies and Innovation.

### **Reducing the Electricity Consumption of Networks**

Telecommunications can provide innovative solutions for managing natural resources. France Telecom is conducting studies to limit its electricity consumption, more than 80% of which is used to supply its network equipment. Studies are currently under way on the nature of sources to use for isolated sites (pure solar power or solutions combining solar and wind power, for example).

### **Helping Traffic to Flow More Smoothly and More Safely**

France Telecom has for several years been partnering motor manufacturers in studies on ways to provide motorists with remote surveillance of their vehicles, an instant emergency alert in the event of an accident and, of course, guidance for avoiding congestion.

### **Participating in Research into Electromagnetic Waves**

For ten years now, France Telecom has been actively involved in research linked to the interaction of electromagnetic waves. 10 researchers, specialising in dosimetry, are currently working on monitoring health care studies and contributing scientific support to biomedical research. They provide technical assistance to Group entities, particularly Orange, and are working with standardisation bodies in defining simulation and measurement methods to evaluate exposure thresholds. They are also developing field calculation software and measuring systems. In 2003, for example, an individual dosimeter was developed in collaboration with an SME, fulfilling a demand from both scientists and elected representatives.

At national and international level, France Telecom is collaborating in several programmes. In France, the COMOBIO (Communications Mobiles et Biologie - Mobile Communications and Biology) and ADONIS programmes fall under the aegis of the Réseau National de Recherche en Télécommunications (RNRT, the French National Network for Telecommunications Research). COMOBIO studies the biological effects of radio waves. ADONIS analyses the conformity of certification methods (particularly for children).

In its capacity as a member of the European Electronic Standards Committee (CEMELEC), the Group is contributing to work on standardising methods of measurement. In addition, since 1996, it has taken a close interest in the World Health Organization's (WHO) work in this field. Lastly, France Telecom contributes to the "Forschungsgemeinschaft Funk" programme (subsidising biomedical studies), the Basexpo EUREKA project (method for measuring the exposure of individuals), and Cost 281 (European scientific cooperation programme), as well other programmes.

## Our Activities

Knowing and understanding the expectations and concerns of the company's stakeholders (its customers, employees, shareholders, suppliers and the communities and countries in which the Group operates) is a prerequisite for the Group's current and future performance and the basis of its activities. Certain of the initiatives launched or pursued in 2003 by the Group and its various constituent companies bear witness to this.

## Relationships Based on Trust and Dialogue

Confidence and dialogue are the cornerstones of the relationships which the Group is developing with all its stakeholders, and primarily its shareholders.

**“France Telecom creates value for its shareholders and, in so doing, earns their trust.”**

*Extract from the Code of Ethics*

In 2003, the implementation of the TOP programme to improve performance over three years enabled the company to restore the confidence of its shareholders and financial circles. Respecting the commitments made to shareholders in the “Ambition 2005” plan and giving a completely transparent account of its results are imperatives for the Group and all its employees. Generally speaking, the Group endeavours to provide intelligible, relevant and accurate information to all its individual and institutional shareholders and employees.

The Group also listens to its shareholders. In particular, the shareholder relations service accessible via free-phone numbers 1010 and 0800 10 05 10 10 has been improved in 2003. A subscription simulation has been set up on the [www.francetelecom.com/actionnaires](http://www.francetelecom.com/actionnaires) site. Other tools have been developed: the en@ctions e-letter (which now has 30,000 subscribers), the “En Actions” current affairs magazine, meetings, site visits, training at the Stock Exchange and on the Internet by Club France Telecom, the pivot of our special relationship with individual shareholders, etc. In 2003, the high quality of the information provided, along with an excellent communication and consultation process, contributed to the success of FTSA's capital increase, which was subscribed in record time, and likewise to that of the public offer of exchange on Orange shares. Three General Meetings (in February, May and October) were the occasion of numerous exchanges between the Group's management and its shareholders.

Throughout the year, analysts were kept up to date on a very regular basis. In particular, the Investor Day in November 2003 enabled investors to gauge the reality and magnitude of the changes brought about within the Group, which will continue to pursue this strategy, evidence of a revival in credibility.

**“The Group has placed at the heart of its corporate governance structure a willingness to engage in dialogue and sincerity.”**

*Extract from the Code of Ethics*

This fundamental principal which underlies our relationship with our shareholders also applies to all stakeholders outside the Group as well as those within each of its constituent companies. This dialogue covers very many subjects throughout the world, including those which arouse the concerns of our partners. Multiple examples illustrate this open dialogue.

### Orange dialogue...

The installation of radio mast is managed locally by Orange's various entities, who have to reconcile the demand for extended coverage with the concerns of the public, which vary from one country to another. It is important to respond to these concerns and Orange encourages dialogue. Orange Switzerland has created a 5-strong environmental "Task Force". Some thirty employees have entered into dialogue with local players to negotiate new sites. Over 1,000 meetings have been organised since 1999.

Orange UK has a team of 6 Community Liaison Officers (CLOs) who are responsible for dialogue with local authorities on the erection of radio masts. The company adheres scrupulously to the "10 Commitments" made by all English mobile operators.

Orange France has 24 area representatives responsible for negotiations (RTNs), 9 area representatives responsible for external relations (RTREs), and 7 health care support experts and unit managers, i.e. about 50 people spread across 7 regional units. They are supported by a team responsible for health and environmental issues as well as external relations and social responsibility. In 1999, the French public authorities and local mobile phone operators agreed the principles for the consultation with all interested parties regarding the installation of relay masts in the "Charte des opérateurs de téléphonie mobile" ("Mobile Telephone Operators' Charter").

Between April and July 2003, Orange France organised 42 meetings with its stakeholders and formalised the results of their requirements in relation to its various departments. These requirements have led to action plans being drawn up by management for implementation at the end of 2003. It regularly meets with consumer associations. Five bilateral meetings, dedicated in particular to mobile theft and the worldwide directory, were held in 2003 with the participation of one of the company's Executive Directors. In general, the Group partakes in an active dialogue with consumer associations and other members of the sector, for example in France with the AFUTT (Association Française des Utilisateurs de Telecommunications, i.e. the French Association of Telecommunications Users). A protocol was signed with the French associations under the terms of which France Telecom made a commitment to keep them regularly informed as to its general strategy, to canvass their opinions and proposals and to consult with them. Renewed in 2002 to include Orange and Wanadoo, this protocol enables the company to take better account of the concerns of French consumers.

### "Our collaboration with France Telecom is rich in experience"

Association Familles de France  
(Association of French Families)

"France Telecom has been consulting with consumer associations many years. This dialogue provides a forum enabling Familles de France to get a better understanding of the general telecommunications environment through the information they receive. Most of all, it provides an opportunity for our organisations to directly heighten the awareness of directors at the highest level regarding the concerns of consumers and to feed back problems encountered in the field, so that they can be resolved.

This dialogue may progress still further within the framework of a true sharing of experience, particularly at regional level. Setting up a high quality dialogue conveys a real desire to listen and to provide customer satisfaction. We note that it is in companies where dialogue is most developed that complaints structures worthy of the name are in place. Indeed, that does not settle everything, there are still customers who do not manage to be heard. We know that there is still progress we can make together."

**The dialogue with our stakeholders also applies to internal and external communications media.**

In addition, the Group's journals and magazines (Dialogue, Cercle Premier, France Telecom En Actions, Fréquences, etc.), Internet sites (web companies, Orange distribution portal, e-prevention on health and safety, francetelecom.com, etc.) and Intranet (devoted to jobs, activities, the life of the company, etc.) are natural communication tools for a telecommunications operator. In 2003, France Telecom SA's Intranet and Extranet sites were consulted by an average of 160 visitors per month, which corresponds to 6 million visits or 40 million pages visited. The Netlink Extranet, for example, enables English-speaking employees to share Group information. Quickplace PIP (Performance Improvement Program) is a site in French and English, sharing "good practices" and process improvements. Lastly, France Telecom has for many years been endeavouring to provide the general public with windows onto its know-how, for example in France at Pleumeur-Bodou (Telecommunications Museum) and at Issy-les-Moulineaux, near Paris, at France Telecom's Research Centre (Jardins de l'Innovation). This centre welcomes an average of 1,000 people every month, giving them a chance to meet and hold discussions with actual researchers.

**"France Telecom strives to build lasting relationships with suppliers and sub-contractors. It holds its suppliers and sub-contractors to ethical standards that match its own."**

*Extract from the Code of Ethics*

This principle of confidence and dialogue finds very concrete expression in the Group's relations with its suppliers. Because of their nature and the financial volumes they represent, the Group's purchases are at the core of "Ambition FT 2005". They amounted to 45% of revenues in 2002. The Group's Sourcing and Performance Improvement function was created at the end of 2002, and in 2003 was busy revising the procurement strategy for all the Group's entities using the TOP Sourcing programme. The revision of the procurement categories

will be completed between now and mid-2004. While all contracts entered into with suppliers demand "respect of labour law", the environmental dimension has been developed in 2003 (during the consultation phase) through consultation on the implementation of an environmental management system, followed by the targeted insertion of clauses in purchase contracts. Work has been undertaken with suppliers to alert them to the European regulations relating to Environmental Product Description (DEP). This is how France Telecom SA's contract for the supply of SIM cards, scratch cards or pre-paid cards complying with all environmental requirements has been extended to all entities of the Group. In 2004, the environmental and social dimensions will be systematically integrated into product/supplier strategies: selection criteria, appropriate questionnaires, clauses in all purchase contracts concerning the environment (management system, identification of product impact, environmental product description) and the social aspect (commitment to respect of labour law and human rights, commitment to comply with legislation on child labour).

These developments will be taken into account by the Purchasing University which is currently being established with the aim of developing professionalism amongst members of the Sourcing function.

**To measure supplier performance, the Sourcing function uses a unique method (introduced in 2003) that is standard for quotes across all Group entities – QREDIC® (the France Telecom Group's programme to improve supplier performance).**

The Group requires that its suppliers apply a strict code of ethics, adopt a responsible attitude, offer solutions and products which respect the environment throughout their lifecycle, and that their production conditions strictly adhere to international regulations relating to labour law, the protection of children, health and safety. All these indicators will be monitored via meetings between the Group and its suppliers.

## Innovation and Quality in the Service of the Customer

**“FranceTelecom has built its success on the ability to deliver quality products and services that satisfy clients.”**

*Extract from the Code of Ethics*

Customers want innovative, accessible and secure offers and high quality service. France Telecom’s response is to place the customer “at the centre of the network”. This means offering every individual, at home, at work or on the move, simplified uses for personal and business communications and constantly listening to and serving customers.

### Innovation Everywhere, for Everyone

Relying on partnerships with members of the general public, associations and industry, there is no point to innovation unless it makes it easier for everyone to access communications solutions that are suited to their needs and that enable more appropriate uses.

#### **Broadband for All: A New Frontier for France Telecom**

One of the Group’s priorities is developing the broadband connection and its uses.

In France, France Telecom’s ambitions in this area are based on 5 commitments:

- Providing ADSL access equipment for all cross connects with over 1,000 lines (serving zones of about 2,000 inhabitants),
- Offering Internet broadband via satellite for isolated customers (private individuals, companies and local or regional authorities),
- Providing ADSL access within the shortest possible time upon receiving requests from 100 customers in the same service zone,
- Testing alternative broadband technologies in order to respond to demand everywhere,
- Close dialogue between France Telecom’s entities and local and regional authorities to identify customers’ requirements and provide suitable responses.

The “Innovative Department” initiative (see page 25) launched at the beginning of 2004 is giving extra momentum to this ambition. Access to “high speed Internet” is an issue for the Group wherever it operates. In this connection a certain number of activities have been launched in Poland, Senegal, Mauritius, Côte d’Ivoire, etc. Broadband is giving rise to new uses. Besides the competitive benefits that it gives to businesses and regions, it offers greater and greater access to information.

### Broadband in Jordan

Approached by the Minister of Education in July 2002 to provide broadband access to the country’s schools, Jordan Telecom undertook to connect about 3,000 schools throughout Jordan. They also had to take nomadic populations into consideration. This ambitious project is progressing apace: 500 schools connected to SDSL by mid-2002, 1,500 schools on broadband by the end of 2002, 300 rural schools in 2003, and about 400 rural schools scheduled for 2004.

The collaboration has extended to training teachers, providing internal connections and top-end network management.

Jordan Telecom has also set up an Internet bus equipped with 20 terminals which travels the country.

### Promoting Innovative Alternative Techniques

In order to effectively complete broadband coverage in France, France Telecom is testing alternative solutions in collaboration with local authorities. The first satellite IP broadband access solutions have been available since Autumn 2003 (Surf Satellite pack, Oléane SAT, Wanadoo Pro Sat and Global Intranet). Alternative solutions to ADSL are also being tested, for example combining Satellite IP and Wi-Fi or the local Wi-Fi loop in rural zones.

### Offering Security too

As a global operator, France Telecom endeavours to provide security solutions and services, particularly for businesses and private individuals. Below are some examples illustrating this strategy.

To ensure comprehensive security for its customers, France Telecom and its affiliate Equant offer a unique contract, a security/network combination. Equant's VPN IP offer has received AFAQ ISO 9001 version 2000 certification.

One hundred experts work at France Telecom R&D's Security Skill Centre.

**“Security is an integral part of our customer offering, it demands round the clock responsiveness to detect problems and solve them.”**

Eric Wiatrowski,  
Director of Security, SGE (Solutions Grandes Entreprises - Corporate Solutions)

For Internet users, Wanadoo is developing a security offer intended to warn of hacking and abuse. It includes parental control and a messaging anti-virus, (anti-virus, firewall, etc). Now, following on from its “PC anti-virus” in 2002, Wanadoo has launched the “firewall anti-virus”. Wanadoo also offers dedicated channels where the programmes are specifically developed for children, their content being checked in advance.

**“Viruses, ‘worms’ and ‘Trojan horses’ are problems which can affect Internet users. Thanks to this anti-virus service combined with a firewall, we can now offer our customers a simple and effective shield which will enable them to surf the Net and communicate with their nearest and dearest in complete peace of mind.”**

Jean-Claude Delmas, General Director of Wanadoo France

The site [www.wanadoo.fr](http://www.wanadoo.fr) has a direct link to the [www.pointdecontact.fr](http://www.pointdecontact.fr) site, developed in collaboration with AFA (Association des Fournisseurs d'Accès et de Services Internet – Association of Internet Access and Service Providers) and dedicated to protecting children. Every Internet user may oppose the commercial use of data or information held by Wanadoo by contacting the customer service department.

A system ([www.abusewanadoo.fr](http://www.abusewanadoo.fr)) has been set up with the aim of identifying and, if necessary, neutralising dishonest or illegal behaviour.

### Innovation in the Service of the Disabled and Medical Patients

France Telecom has specific offers suited to the needs of disabled or dependent people and those around them. Specific developments enable the hard-of-hearing to communicate with operators via a sign language interpreter connected by videophone. The Caisse d'Allocations Familiales (Family Social Benefit Office) in the Midi-Pyrénées region has been using the Video Interpretation offer since the end of 2003. Disabled people can also benefit from advances made by France Telecom's researchers in the field of "man-machine" interfaces. Ocular command enables a computer to be controlled by simply looking at it. "Haptic" processes make it possible to substitute vision for touch as a method of accessing electronic information. This technology is applied to teaching geometry to visually impaired people. Solutions have also been developed to help care for dependent people in their own homes, such as sensor systems that can set off an automatic alert if needed. A new service, Mobile Urgence Médicale, has been developed in partnership with CardioGap and was tested in Avignon in 2003. This makes it possible to notify emergency services, once they have accepted a patient, of how his or her condition is progressing and of current traffic conditions. The Group has also developed numerous solutions using mobile telephony. The Gluconet service, for example, enables a diabetic patient and doctor to exchange information about the patient's glycemie condition and medical advice. Orange is also working with the Ninewells Hospital in Dundee, Scotland, on service offers based on the Wirefree™ technology and relating to paediatric diabetic care, prior to launching the Sweet Talk service. In France too, Orange is collaborating with the teaching hospital in Nice in trials involving automatic callback using SMS and coaching, monitoring and alert services for patients suffering from asthma, alcohol addition and hepatitis C. Lastly, Orange France, together with the French national state health insurance office, has also set up a personalised SMS coaching programme to help people stop smoking.

### Three services offered by France Telecom in 2003:

Visadom, the remote monitoring system which combines a medical data hub and videoconferencing, and thus can help avoid hospitalisation.

The Health Care Messaging service offers the medical world the possibility of exchanging signed and encoded messages using business cards.

Via Egora enables hospitals to open their networks to health care professionals in complete security.

### Listening to and Serving our Customers

Listening to and serving our customers are key elements in the Group's culture and its performance.

#### Listening to our Customers

The Group's various entities aim to gain the best possible understanding of customers' needs, responding to their requirements and regularly evaluating product and service quality.

The Group provides services to private individuals, professionals and businesses, irrespective of their size, throughout the world. The Group's tens of millions of customers have greatly differing profiles, needs and uses, and in response it offers a variety of suitable techniques and tools which are used to listen to and serve those customers.

The main highly diverse systems implemented within the Group meet two fundamental concerns:

- knowing the needs of our customers and measuring their satisfaction;
- providing diligent and high quality service to everyone.

**To get to know the needs of customers and measure satisfaction levels, the Group's entities generally use satisfaction surveys and benchmarking and they analyse all contacts including complaints.**

The following are examples illustrating this approach.

**Jordan Telecom** runs several surveys: 4 times a year on the Internet access offered by buses travelling the country and tents set up from time to time, 3 times a year on purchase order processing, the directory and call centres and every month on new connections.

**Côte d'Ivoire Telecom** is currently setting up a measurement system using monthly surveys.

**In France, for fixed line telephony**, surveys relating to private individuals and professionals are generally performed a few days after a customer contact by telephone, Internet or SMS. All information relating to customer satisfaction is widely distributed internally and accessible via an ad hoc Intranet site.

Benchmark surveys of entities offering services to the general public are performed using findings collected over periods of 3 months and 1 year. They focus on overall customer satisfaction and also on its levers. Performance factors comprising customer satisfaction levers are the subject of constant communication with the players in each process.

**Wanadoo** is working on a certain number of external and internal satisfaction barometers. The weekly Scornoo survey carried out by Sofres among 3,000 custo-

mers reveals that customer satisfaction is at 85%. Surveys are carried out by Wanadoo several days after contacts with the Hotline.

Orange's various affiliates also analyse and assess their customers' requests using the daily contacts received by their customer services and regular satisfaction surveys. Orange France also measures its customers' perceptions once a year using a "customer satisfaction" barometer. A sample of 3,000 customers, from the general public and business sectors, is consulted on sixty criteria. The Scorange tool provides a measurement tool which focuses on services provided within the customer services area.

**In France, for SMEs**, the monitoring of customer relations is analysed on the basis of a number of elements: order-delivery, after sales service, handling of complaints, billing, mobiles and Internet.

Approximately 20,000 customers are interviewed once a year by telephone. 20% of them are questioned at more length. This survey makes it possible to perform a global assessment of relations throughout the year. Customers' verbatim comments are analysed regularly at local and national levels and appropriate action is taken regarding them.

**In Spain, Uni2** uses two tools: an annual general satisfaction survey and about 25,000 calls per month. A twice-yearly study is carried out on customers' reasons for choosing an operator.

**Lastly, for corporate customers**, satisfaction is measured by surveys using criteria which have previously been established with them within the framework of a specific customer/supplier relationship. Semantic analysis of their verbatim comments and meetings held with them, together with survey findings, are systematically distributed to each of the entities concerned within the Group.

Every year in France, the Group carries out more than 40,000 surveys on commercial relations in shops, more than 40,000 surveys on commercial relations by telephone, one to two waves of 3,000 surveys supplemented by 3,000 surveys with the emphasis on billing, and two waves of 3,000 surveys plus 3,000 surveys with the focus on complaint handling.

### Satisfying Corporate Customers

The T@pis Rouge process for satisfying Transpac's major accounts was set up in 2003. An initial phase, analysing indicators and feedback on Customer Service Centres' experiences with a target group of 36 customers, meant it was possible to make the necessary improvements to the programme and extend the target area. A charter was produced for each business lines (rollout, after sales service and customer care), giving production commitments, points requiring particular care and warning tools.

In terms of performance, the objective of staying above 85% satisfaction has been achieved. The drive in 2003 focused on excellence and a customer survey showed an increase over 2002 of 7 points for deployment, 5 points for after sales service and 4 points for customer care.

The objective is to make definite progress on two important indicators: the rate of meeting service turn-on deadlines rose from 67% in 2002 to 80% in 2003 while average customer unavailability (minutes) fell from 340 in 2002 to 240 in 2003.

### In France, enhanced customer satisfaction has been achieved through the diligent and effective treatment of complaints.

Customers are able to express their dissatisfaction through the commercial network 24 hours-a-day, either physically, by telephone or by e-mail.

The implementation of the first functionalities of the E-force Customer Relationship Management tool at the beginning of 2003 has improved the tracking of oral complaints.

In Spain, Uni2 analyses its complaints each quarter: 98% of the 48,900 complaints made during the first three quarters of 2003 have been resolved. They mainly

concerned unrequested services, calls which were not put through and service implementation errors.

Orange France has undertaken to handle complaints within a maximum of five days (1,300,000, 74% of which were oral and 82% processed). The top item triggering calls is the invoice which is resulting in more questions now that it is more detailed.

Orange UK is constantly assessing the effectiveness of its services by calling back a sample of the customers who contact its call centres. In 2003, the satisfaction rate was over 75%.

Complaints recorded in France at France Telecom branches, numbering about 38,000 per month, relate firstly to invoicing and collection (60%), but also to the taking of orders, after sales service, repair work, etc. In terms of issues specifically concerning SMEs, 90% of complaints are dealt with in under thirty days and 65% in under ten days. The recent past has seen an increase in the power of telephone service platforms provided to customers. They handle 70% of Wanadoo's customer services, for example.

Wanadoo's Hot Line is permanently available and had more than 1 million contacts in 2003, over half of which were satisfied on the first call. The objective is to exceed a satisfaction rate of 70%. There is better organisation of complaint handling. Most complaints are now handled at the time of the first contact but when the file is more complex, additional expertise is essential. With this in mind, a team of experts is attached to each branch in France and there is an application to ensure that files are monitored at national level. Orange France and Wanadoo have adopted the same type of complaint handling organisation. Orange France customers can appeal to the company's consumer service. Customers also have the option of contacting France Telecom's National Consumer Service (SNC).

## The National Consumer Service (Le Service National Consommateurs – SNC)

The SNC is a very concrete expression of the desire for transparency and service improvement. It supports consumers throughout their relationship with the brand. It is a co-guarantor of customer satisfaction and loyalty. Recognised by the regulatory authorities and by consumer associations, it backs up the Group's image as a service business.

In July 2001, the SNC was awarded AFAQ Service Commitment certification.

The SNC handles an average of 4,300 requests per month, 83% of which concern fixed lines, 8% access and Internet services, 7% mobiles and 2% network.

## Recognition for Processes

The credibility and effectiveness of listening to and serving the customer presuppose the continued improvement of their quality. It is with this in mind that initiatives have developed within the Group to certify these processes.

So, in April 2002, AFAQ certified the commitments in the "Orange s'engage" ("Orange commits") common reference tool made by Orange France in relation to its customers. Dialogue with the relevant consumer associations and public authorities had a marked influence on the publication of this common reference tool. Every month, Orange France measures customer satisfaction on each of its commitments, in order to guarantee the full efficiency of this referential and enable its future development.

Since October 2002, France Telecom's customer service platform in Caen and Orange's corporate market activities have also obtained ISO 9001 version 2001 certification.

In March 2003, France Telecom's corporate market processes were awarded the ISO 9001 version 2000 certificate from AFAQ and LRQA. This seal of approval covers the marketing and launching of offers, sales, orders/delivery, after sales service, invoicing and collection.

This certification process is continuing throughout the Group.

## Developing the Personal and Collective Skills of our Employees

**“France Telecom believes in the loyalty, integrity, motivation, skills and sense of initiative and accountability of its employees. It is committed to ensuring a healthy and safe workplace for all its employees, and seeks to create conditions that are conducive to the development of their professional strengths and sense of individual accountability. It also endeavours to encourage knowledge sharing, the development of partnerships, and the capacity to innovate.”**

*Extract from the Code of Ethics*

In the space of just a few years, France Telecom has become an international group, present throughout the world. It is evolving in very varied environments, marked by the diversity of their cultures, occupations and skills. It aims to add value to this richness. In a rapidly developing technological, competitive and regulatory environment, mobility, the advancement of skills and diversity, a healthy, safe working environment, appropriate remuneration and constructive industrial relations and social dialogue are all levers contributing to the ongoing adaptability of the whole Group and its employees.

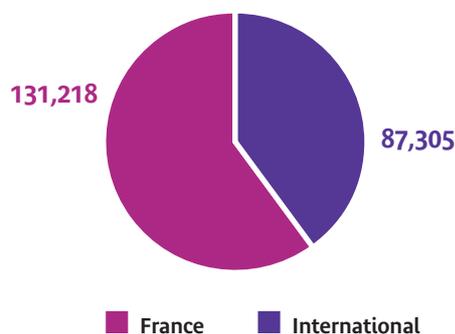
### Three Key Factors: Mobility, Skills Management and the Advancement of Diversity

It is necessary for all the Group's entities to have the appropriate skills wherever they are the most useful. France Telecom has set up action plans in order to achieve this objective. In France, 2003 was marked by the signature, with 4 trades unions, of the Agreement on Employment and Proactive Management. This agreement puts the accent on anticipation as a factor in reducing unemployment risks. It closely links the trades unions with the handling of reorganisation. It sets up standardized support methods to encourage internal mobility, and also creates a Mobility Space responsible for supporting volunteer civil servants in their search for career development within one of the three private sector functions.

Total workforce on December 31, 2003

218,523

FTSA	110,378
TP (group)	42,155
Orange (group)	32,489
Equant (group)	9,547
Wanadoo (group)	6,451
Other affiliates in France	7,439
Other affiliates outside France	10,064



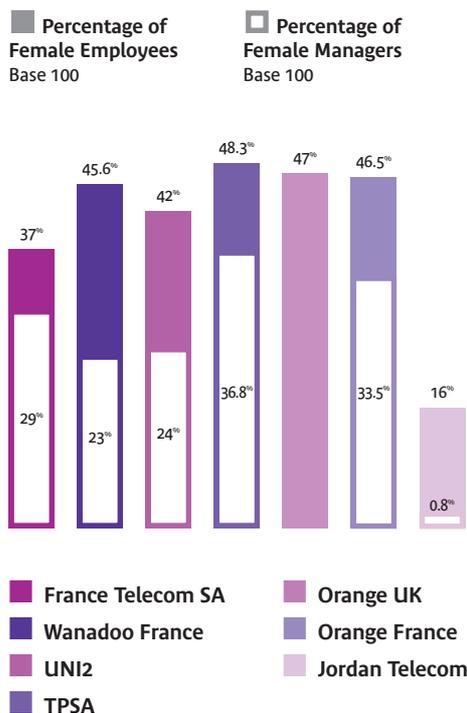
More than 50% of the employees of France Telecom SA have changed job families over the past five years, including around twelve thousand in 2003 alone, corresponding to a 13% increase compared with 2002.

This redeployment has largely favoured sales and marketing activities, together with the network and information systems sectors.

Since 2002, Orange France has created a Mobility Space. 57.7% of employees have been repositioned within an average time of about nine weeks.

As emphasised in the Code of Ethics, “France Telecom does not tolerate any form of discrimination, particularly at the time of hiring or during the course of an employee’s working life”. In fact, the Group recognises “acceptance of diversity—in terms of origin, race, gender, culture, age, marital status or ability—as well as in terms of personal convictions, whether religious, political or related to union activity” as one of its fundamental values.

**RATE OF FEMINISATION OF THE COMPANY**



**Employment and Integration of Disabled Staff**

An agreement between France Telecom SA, unions and management on the employment and integration of disabled staff was signed in 2003, “The European Year of the Disabled”.

The main points of this agreement (currently undergoing ratification) are:

- 7% of people recruited by France Telecom SA from outside the Group will be people recognised as disabled, with a minimum threshold of 50 disabled people recruited annually for the duration of the agreement.
- entities will be responsible for adapting workstations, with a national provision of €400,000 for specific actions.
- an annual average increase in purchases from the sheltered employment sector (in terms of services invoiced) of 20% for the duration of the agreement as against the actual figure for 2003, with a basic commitment limit of at least €10 million in 2006.
- the continuation of FTR&D’s research and innovation activities with a view to facilitating access by the disabled to the new communication tools.

## Developing Skills and Disseminating Know-how

The employees are members of their work project and the managers are responsible for developing their skills.

**In 2003, 48% of the employees of Uni2 (Spain) and Jordan Telecom received training. In Senegal and in Côte d'Ivoire, this rate was 40%. These two African affiliates devoted 7% and 10% of their payrolls respectively to training. In France, 50% of France Telecom SA's employees (i.e. 2.9% of the payroll) and over 60% of those of Wanadoo had access to training. TPSA (Poland) devotes 1,9% of its payroll to training.**

For the Group, training and the dissemination of know-how depend on:

- a common job-family/skill-sets reference system which defines the main functional areas and the job families attached to them. This tool offers better visibility in terms of the skills acquired to respond to present and future requirements of the Group, which has particularly progressive job descriptions and revises them periodically;
- an online management tool to help managers pilot their employees' training;
- an online information tool aimed at employees, "Train Us", offering a comprehensive view of the training offered within the various occupations. It will become progressively more accessible within all affiliates;
- training courses, both in-class and online. The eventual objective is that over 50% of training given within the Group should be via e-learning;
- vocational schools to enable level one managers to acquire skills in skill-sets "of the future" as a matter of priority. Ten vocational schools are aimed at the Group's partners, particularly former employees, who have decided to group together to create start-ups in the new information and communications technology sector.

This dynamic exists in industrial relations and social dialogue within the business. Accordingly, the 2003 framework agreement on employment and proactive skill management in France sets out to facilitate access to Validation of Acquired Professional Experience, notably through financial support, in order to enable employees to obtain a diploma or professional qualification.

The transfer of know-how plays a major role within the Group. Its magnitude is measurable by ascertaining the number of assignments performed within affiliates. In 2003, the number of expert assignments carried out totalled about 12,500 days in European affiliates and 4,000 days in affiliates established elsewhere in the world, particularly in Africa, the Middle East and Asia. In addition to the benefits that can be generated in terms of competitiveness, sharing experience and lending skills help towards the integration of the Group.

### "Human Vision" Project

**With the conviction that there is "no economic progress without human progress", the Executive Committee of Orange France formulated a project with three focal points in April 2003: "having", "knowing" and "being the best".**

**Their ambition is to retain and recruit "the most competent" workers and contribute as much as possible to their professional fulfilment.**

**For 2003, the priorities of this project were as follows:**

- **"having": a policy of variable remuneration;**
- **"knowing": the effectiveness of individual training and courses of collective training,**
- **"being the best": transparent individual recognition as well as collective recognition in the festive sense ("happy Orange").**

**Each of these priorities was the subject of in-depth work and departmental action plans.**

**The internal social barometer gives a measurement of satisfaction levels.**

## Lifelong Training

Skills management supports the Group's strategic orientations and plays a part in creating a common culture. With this in mind, France Telecom has designed its training plan to improve collective skills and orientate individual training decisions.

In 2003, the reorientation towards innovation and key occupations and the search for stronger cohesion within the Group gave new impetus to the development of "lifelong qualifications". During the course of 2004, training methods will be made accessible to the Group's main affiliates via a structured information network.

## Providing a Healthy and Safe Working Environment

France Telecom has designed its policy on health and safety at work around 2 main focal points:

- on the one hand, organizing the prevention of work risks by setting up a safety management system,
- on the other hand, promoting preventive action relating to the main health and safety concerns (e.g. working at a height). A policy of professionalism among line management and "preventionists" has been developed. It is structured round training activities and the organization of a specific event. A site devoted to health and safety at work, e-prevention, is available on the Intranet for "preventionists", managers and other employees. The results are encouraging, because accidents at work are becoming less frequent and their seriousness is stabilising, particularly at France Telecom SA, as can be seen by the following indicators:

	2002	2003
TFRAC (accident frequency rate)	5.29	5.22
TGRAC (accident gravity rate)	0.31	0.29

*TFRAC = number of accidents at work x 1 million / workforce in full time work equivalent activity x no. of days worked x 7.6 hours*

*TGRAC = number of days' stoppage for accidents at work x 100 / workforce in full time work equivalent activity x no. of days worked x 7.6 hours*

**Over 15,000 people, 170 of whom were "preventionists" and consultants, received safety training in 2003 within France Telecom SA.**

In Poland, TPSA's CHSCT (occupational health, safety and working conditions committee) deals with working conditions, makes a periodic analysis of the state of health and safety of employees and helps the employer to improve working conditions. As far as Orange is concerned, the health and safety policy defined at corporate level is implemented by the various entities according to national regulatory specificities. Equant has established a common reference tool and departmental lines and developed a strategy of risk control which is aimed equally at its employees and its other stakeholders. Health, safety and working conditions are an integral part of all Equant's functions and the management of its activities. Equant's management organizes, plans, sets up, measures and checks that health and safety levels and working conditions comply with the industry's specific standards. In Africa, particularly in Senegal and the Ivory Coast, the Group's affiliates have set up specific support systems for their employees with serious illnesses.

## Remunerating Skills

In France, the Observatoire des Rémunérations (Remuneration monitoring structure) makes it possible to see that employee remuneration is relatively consistent across the Group's various companies and that its positioning is reasonable in relation to pay in external companies. In accordance with legislation, changes in remuneration are required to be negotiated annually. They are covered by business agreements with trades unions.

In agreement with unions and management, the Group has made a commitment in France to provide social security cover for its employees with employment contracts governed by private law and their families, giving them access to an innovative "à la carte" scheme which enables them to adapt the benefits payable in the event of their decease or for sick leave to changes in their personal or family situation.

The Group's employees in France have a Group savings plan.

## Industrial Relations and Social Dialogue on a Group Scale

Within the Group, employee representation is effected through works councils, and likewise in the main French affiliates. Otherwise, structures exist which make it possible to exchange information and develop mutual understanding between management and employees, and which amount to consulting employees on the activities of the business.

### **In France, industrial relations and social dialogue were illustrated in 2003 by the signing of a number of agreements**

(on employment and proactive management, in favour of employing disabled people, and on setting up a collective bargaining agreement for telecommunications at France Telecom SA).

This dialogue was also fostered in affiliates:

In Belgium, Mobistar signed an agreement with 3 trades unions on the management of flexible working hours in call centres. Another example is Poland, where TPSA has entered into industrial relations and social dialogue with the trades unions on 2 levels. Pay, redundancy payments in the event of restructuring and changes in the collective bargaining agreement all negotiations are held at national level. Decisions are made locally on measures to be taken. Agreements have been signed covering these various areas.

### **In Europe, where over 90% of the Group's workforce is concentrated, France Telecom decided to set up a European Group Committee.**

The constitution of this Committee, in accordance with the European directive transposed into French law, is passing through a preliminary negotiation phase, in which representatives of the countries in which the business operates are invited to participate. France Telecom has included in this preliminary phase the countries which are candidates for entry into the European Union in 2004. It should become fully operational during the course of 2004.

## A Change in the Status of Civil Servants in France

The change in European regulations on telecommunications has been translated by the French Parliament's adoption of a law permitting the State to no longer hold the majority of shares in France Telecom and making the awarding of worldwide service assignments subject to a public tender procedure. This law ensures the continuity of the status of civil servant personnel as well as all the fundamental guarantees, rights and obligations which are attached to that status, irrespective of changes to the company's capital.

It also provides for the application of normal legal principles to France Telecom SA in respect of employee and trades union representation. Thus civil servant personnel at France Telecom will share in the organization and functioning of their company alongside employees with employment contracts governed by private law, with employee representative bodies acting as intermediaries.

## Our Environment

**“France Telecom respects the natural and cultural environments of the countries in which it operates. An environmentally-aware organization, it strives to control its use of energy and other natural resources, and to take environmental concerns into consideration in all its businesses. An innovative enterprise, France Telecom promotes the use of information and communications technologies to support sustainable development and contribute to the well being of the communities in which it conducts business.”**

*Extract from the Code of Ethics*

Our environment is that of our stakeholders. Our involvement in their communities, understanding their requirements and concerns, improving the framework and quality of their lives and performing actions which show solidarity are all responses resulting in partnerships for the Group and its different entities.

### Contributing to the Vitality and Development of Areas

New technologies are a powerful vector in the social and economic development of the overall concept of “a better life”. It is therefore natural that the interests of communities and, of course, that of the Group, should converge and find expression in win/win partnerships. A number of initiatives have been set up by the Group in this context. Partnerships with institutions aim at accelerating the deployment of effective solutions.

The Group also provides communities with solutions aimed at reducing delinquency.

#### Broadband and the “Innovative Department” Charter

Launched at the beginning of 2004, this charter is an instrument serving the dynamics of an area. This initiative must accelerate and strengthen the deployment of broadband for everyone in France. Through the Charter, France Telecom offers each French “Département” the opportunity to enter into a tailor-made partnership, suited to its specific needs. With broadband Internet coverage, the issues are access by everyone, everywhere, to knowledge and the sharing of information.

In France and the United Kingdom, Orange has developed a programme in association with police forces and other mobile operators to discourage the theft of mobile

phones. Since 2003, databases have been created to enable stolen or lost mobiles to be deactivated. In France, an information campaign on this service was launched in partnership with the Association Française des Opérateurs Mobiles (AFOM, the French Association of Mobile Operators), and brochures are distributed at points of sale and in police stations, as well as with customers’ invoices. The Group is involved in improving road safety and integrating “intelligent transport” into our daily life. In France, Wanadoo is participating in activities led by the Sécurité routière (road safety organisation) by featuring awareness campaigns on the dangers of speed and alcohol on the [www.mappy.com](http://www.mappy.com) site.

At European level, Orange and France Telecom R&D are participating in the GST project (Global System for Telematics). Furthermore, Orange is connected with the eSafety programme supported by the European Commission. The aim of this programme is to accelerate the rollout of integrated intelligent road safety systems. France Telecom is participating very actively in the

#### Business Travel Plan (PDE)

For several years, the grouping of France Telecom’s sites has posed the problem of parking when employees are travelling on business. The use of vehicles is a source of accidents and stress, particularly when traffic is heavy, and insecure car parks also pose a problem. Solutions reconciling the interests of employees, the business and the community have been adopted according to the positions held by employees: public transport with financial participation by the company, new parking zones, car pooling, establishing suitable working schedules, tele-working or remote working on a decentralised site, etc.

In Lyon, Grenoble and Marseille, PDEs have been developed to comply with the cities’ policy on reducing the space allocated to cars in the urban zone in terms of their Urban Travel Plan (Plan de Développement Urbain – PDU).

main support networks for business creation, particularly under the European Alizé® programme - Actions Locales Inter-Entreprises en Zone d'Emploi (local inter-company business within an employment zone).

**The European Alizé® programme is an initiative serving areas to support the creation of start-ups. In France, the Alizé® system has been approved by the Datar, the Chambers of Commerce and Industry, the Deposit and Consignment Office and large participating businesses, France Telecom being one of the foremost. The Group participates locally in selection committees and approval committees, paying out funds for loans made with no guarantee of repayment and sponsoring creators of start-ups before and during the follow-through of their project. Between 2001 and 2003, 19 labour market areas were involved. The mutualisation of skills favours the emergence and development of SMEs/SMIs generating jobs and business locally.**

The "hiving" system also plays a part in the Group's integration into areas. In France, for example, employees are supported and mentored if they have a business creation project. In 2003, employees' projects created over 150 jobs in this way.

France Telecom has also developed partnerships to help make better use of the new technologies, as evidenced by a multitude of initiatives: telecentres in Morocco and Senegal, cyber bus in Jordan, Multi Service Points (PMS) in France, developed in association with consular agen-

cies to give local inhabitants access to additional services and to promote Wi-Fi in colleges, etc. Schools, underprivileged areas, rural zones and the coverage of "blank" zones fall within this initiative.

The Group is also capable of stepping outside its usual frame of reference in an emergency situation to help communities affected by natural catastrophes, accidents or political crises. In May 2003, following the earthquake in Algeria, France Telecom collaborated with local operators, immediately deploying satellites to provide mobile telephone solutions. 200 technicians also took part in setting up temporary facilities enabling traffic to be routed via Morocco and Tunisia. In December 2003, when violent storms affected South Eastern France and cut 29,000 telephone lines, the intervention of 1,000 technicians enabled communications to be restored despite the slow rate at which the water receded.

The same year, Côte d'Ivoire Telecom set up a system providing close support to its employees who were suffering from the effects of the political crisis there. In January 2004, France Telecom took part in the operation to recover the black boxes of the Boeing which crashed at Sharm El Sheikh, mobilising major logistics resources for this purpose, in particular the Scorpio 2000 robot. France Telecom has supported Telecom Sans Frontières (recently recognized as an NGO) since its inception. This organisation operates in countries experiencing critical situations.

### Coverage of "Blank" Zones

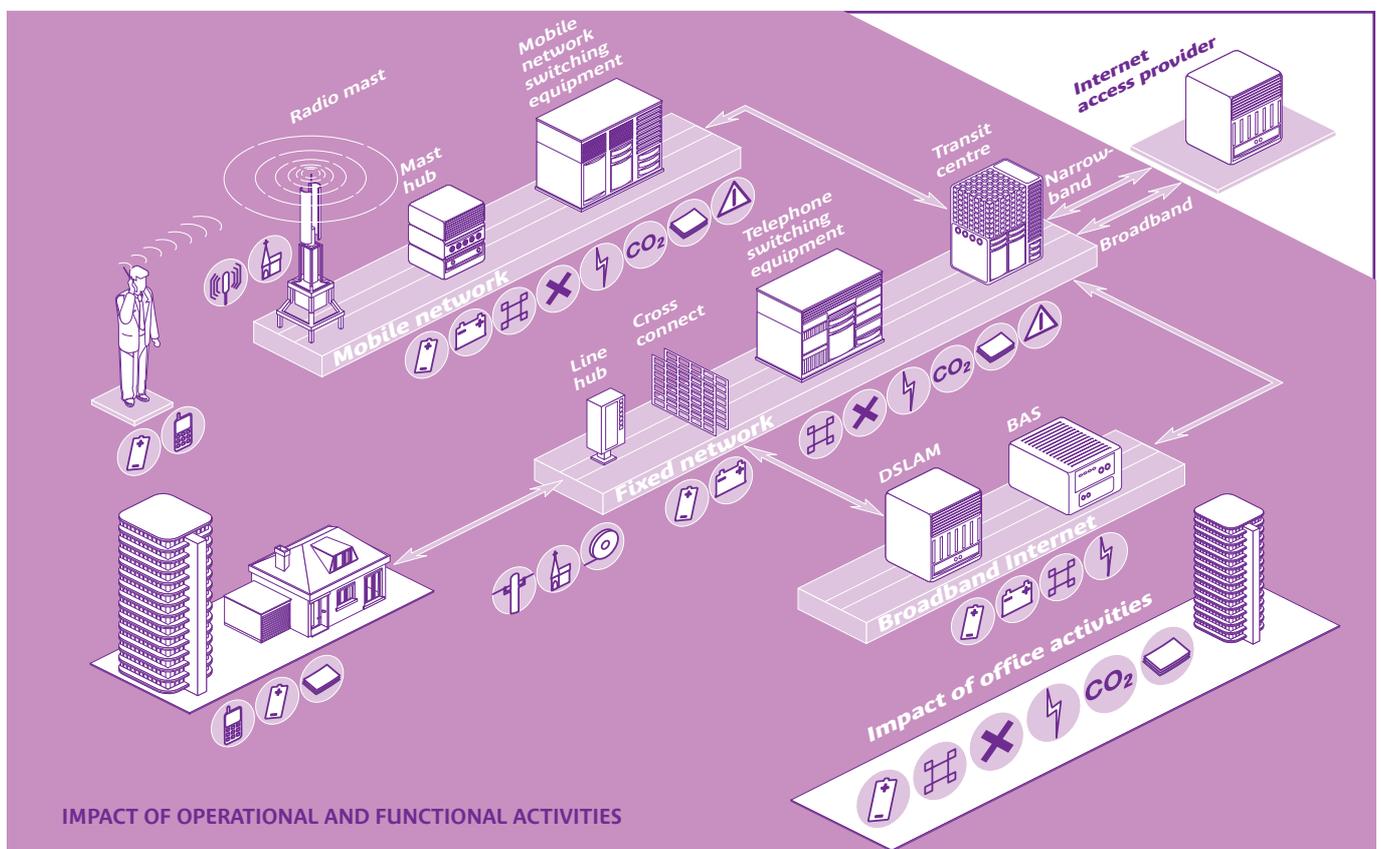
On 15 July 2003, Orange France, SFR and Bouygues Telecom signed a national agreement with the State, representatives of local authorities and the ART. This agreement is aimed at extending area coverage by mobile telephone networks.

The issue is to determine which areas are acceptable for the establishment of new GSM sites in zones known as "blank" zones. This extension will be carried out either by pooling some of the infrastructures or by giving all users access to the installations of one of three operators by means of "roaming" techniques. The agreement provides for coverage of about 3,100 towns and almost 2,250 sites. The implementation will take place in two phases: installation of 1,250 sites during the period 2003-2004 and about 1,000 sites during the period 2005-2006. Positioning these sites in lightly populated zones will not only contribute to providing access to advanced methods of communication but will also play a part in re-energizing the economic and social development of these regions.

## Preserving the Environment

France Telecom’s environmental strategy is based firstly on a programme of continuous improvement aimed at reducing the impact of our activities and services on natural environments, and secondly on providing telecommunications solutions which integrate the principles of sustainable development and at the same time fulfil

the company’s requirements. Action plans are used to establish a system of environmental management which is able to provide a regular analysis of the impact of our activity, checking and warning of possible negative factors, and also measuring performances resulting from the company’s operations.



### IMPACT OF OPERATIONAL AND FUNCTIONAL ACTIVITIES

#### Classification of impact

- Waste from electric and electronic equipment (WEEE) (marketed by France Telecom)**
  - fixed and mobile handsets
  - modems, faxes, etc.
- Dead batteries and accumulators**
  - marketed by France Telecom
  - stemming from internal use
- Dead accumulator batteries (> 3 kg)**
  - stemming from internal use
- Professional electric and electronic equipment (PEEE) no longer in use**
  - payphones and housings
  - automatic switches and network equipment
  - computers, screens, printers, photocopiers...
  - terminals, faxes and modems (internal use)

- Cables**
  - Copper, lead, plastics
- Electromagnetic fields (potential health risk)**
- Chemically treated wooden poles (toxic products)**
- Dangerous products**
  - HALON (contained in fire suppression systems)
  - PCB (contained in electrical transformers and condensers)
  - CFCs (contained in air conditioning systems)
- Electricity consumption (indirect CO2 emissions)**

- Other energy consumption (direct CO2 emissions)**
  - fuel for vehicles, auxiliary generator equipment and boilers
  - gas (boilers)
- Paper and ink consumption**
  - office activities
  - invoicing, production of directories
- High risk installations**
  - Installations listed under environment protection regulations
  - fuel tanks (risk of polluting water and soil)
- Preservation of listed and protected sites (visual impact)**

## An Environmental Management Framework for the Group

The Group has chosen to adopt an environmental management framework. Developed by each entity according to their specificities and the methodological adaptations they require, the Environment Management Systems (SMEs) selected conform to international standards (such as the ISO 14000 standard). In particular, this framework provides for the development of reporting and information tools, the creation of awareness and training modules and the development of partnerships.

**Several entities have already obtained the ISO 14001 environmental certification.** In France, this is the case in operational units (network operating and maintenance units, invoicing and collection units, etc). Certain affiliates have also received certification: France Telecom Marine, Mobinil in Egypt, Equant in Australia etc. Others, like Orange France, are implementing an initiative enabling them to certify pilot sites.

An SME may be adopted by an entity as part of a larger project. The regional Management of Guadeloupe, for example, have built a "quality" programme into their system and have made improvements to their health and safety strategy.

Regular reports are required from each person who is responsible for processes. This depends firstly on the use of a standardized tool and secondly on a list of key indicators, both developed to be extended as quickly as possible to the whole Group. Since 2003, this reporting tool - @gendda - has been used for most of the French entities. It may be consulted on the Intranet of France Telecom SA. The application restores the aggregated indicators according to several ranges of criteria (geographical, technical, historical, etc.), which makes it possible to measure performances and get an overview of how the continuous improvement programme is progressing. Regular assessment of environmental management will help in planning new activities. It is possible for each entity to modify the standard Group list of key indicators to suit specific conditions in the areas in which it operates. Jordan Telecom, for example, includes the control of its water consumption in its environmental management.

A regulatory environmental watch is undertaken within FTSA. It serves as a common reference system, accessible through the @ction environnement site on the Intranet.

## Controlling Environmental Impact

### Monitoring Plant and Machinery at Risk and Eliminating Dangerous Substances

The activities of a telecommunications operator do not produce high pollution. They do not directly implement production processes which threaten rare or non-renewable resources, natural reserves (water, air, etc.) or biodiversity.

Nevertheless, the France Telecom Group uses certain equipment, products and substances which might present risks, albeit minor, to the environment.

In France, for example, ICPEs (Installations Classées pour la Protection de l'Environnement - installations listed under environment protection regulations) belonging to France Telecom and subject to specific regulations are covered by prevention and maintenance programmes. 2,450 ICPE sites require declaration, together with 13 installations requiring a prefectural permit.

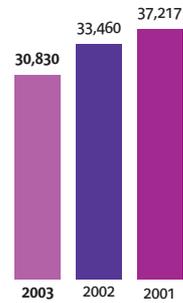
France Telecom SA also has air conditioning plants. Regular servicing is performed on 97 air cooling towers spread across 40 sites, all of which run the risk of being contaminated by legionnaire's disease.

Certain equipment uses products or substances which are dangerous to the environment. In France, programmes to eliminate CFCs (contained in air conditioning systems which have not yet been replaced), Halon (used in fire suppression systems for example) and PCBs (in certain electric transformers) were the subject of a framework agreement signed with ADEME, (Agence de l'Environnement et de la Maîtrise de l'Énergie - the Environment and Energy Control Agency), which ensures that these programmes comply with the regulations concerning them.

### Limiting the Consumption of Energy and Materials

France Telecom's main source of energy consumption (over 80%) is the electricity supply for its network equipment. Their activities also necessitate the use of thermal plant and machinery such as boilers and electric generating sets. 2003 was the year in which we consolidated the tools used to control our consumption. In 2004, the deployment of accounting and building management applications will give better visibility to the Group's strategy on energy saving.

**Main electricity consumption and CO<sub>2</sub> emissions (estimations) – France Telecom SA**

	2003	2002	2001
<b>Total vehicle fleet</b> on 31/12 	<b>Electricity consumption (network and premises)</b>		
	Electricity consumption (over 12 months)		
	1,600 GWh	1,642 GWh	1,633 GWh
<b>Fuel consumption</b>			
All fuels (millions of litres)			48.24
Unleaded petrol (per vehicle)			1,120 l/year
Diesel (per vehicle)			1,340 l/year
Average fuel per vehicle			1,378 l/year
<b>CO<sub>2</sub> emissions (fuels) and emission through electricity production (EDF)</b>			
Direct CO <sub>2</sub> emissions (vehicle fuel)			125,000 t
CO <sub>2</sub> emissions by EDF (electricity production)			85,000 t

Paper consumption is the subject of special economy programmes, so France Telecom has continued its strategy of promoting electronic invoicing in the order and invoicing processes it shares with suppliers, and saw an increase from less than 20% of invoices received in January to an average of 32% for the last three months of the year. France Telecom SA is considered to be among the most advanced large companies in this area. Progress rates should be the same in 2004 and electronic invoicing will be implemented in the other Group entities.

**Twelve channels have been set up to manage end-of-life products**

These products include, by order of priority, electric and electronic equipment (business or general public use), batteries and accumulators, cables, treated wooden posts and paper. Each channel implements a collection, waste reclamation, recycling or elimination process. Waste treatment is handled by qualified businesses who use controlled industrial processes.

The objective is to consolidate these channels, extend their field of action progressively within the Group and identify new channels through “pilot” experimentation programmes.

For example, specialist companies process electric and electronic equipment recovered from the customer

**Wanadoo’s Directory Activity**

France Telecom’s telephone directories took 72,000 tonnes of paper to produce in 2003 as against 74,000 in 2002 and 80,000 in 2000. Wanadoo has now taken several measures to decrease the impact on the environment.

The directories are printed on recycled paper. The glues for the binding and the printing inks are selected to facilitate the scrapping of out of date directories and the reuse of paper. Today, 25% to 30% of the paper used for new directories is able to be recycled.

Furthermore, operations to recover out of date directories from the people to whom they have been distributed are organised in partnership with the world of education, distribution companies and local authorities.

By agreement with the Yellow Pages, the distributors of the directory have set up a “take one/leave one” system in the densest urban zones: old directories are taken back at the same time as new ones are handed over.

The directories recovered in this way are recycled by specialist companies.

channel and products generated by business use. These companies sometimes use other authorised agents to separate components and, amongst other things, scrap plastics (used in the production of ballpoint pens or to bind materials in road surfaces). Mobile telephones fall into the above category, and they are currently the subject of initiatives to introduce processes suited to conditions pertaining in different countries. In the United Kingdom, Orange and three other major operators launched the “foneback” recycling initiative in September 2002. Part of the value of the materials recovered is paid to a charitable organisation. In certain affiliates, several products which have reached the end of their useful life are collected at the same time. In the Netherlands, Orange collects batteries, ink cartridges and paper simultaneously, in partnership with specialist recycling organisations. Elsewhere, initiatives are being introduced to encourage the use of “green” materials. In Egypt, for example, Mobinil uses cardboard and no longer PVC to manufacture its pre-pay cards.

### Three Pilot Experiments in France

In France, research is currently under way into reclaiming mobile phones and when the results are analysed in mid-2004, it will be possible to choose the most appropriate scrapping or recycling solution.

In Lille, the “Mobile Back” operation consists of collecting mobile phones not being used by customers. To encourage the use of such collection methods, Orange offers a reduction of €10 to €30 for customers who bring back a mobile phone and subscribe to a new package.

The objective is two-fold: firstly, to encourage customers to give back their phones by offering a money-off coupon on a new contract offer, thereby giving the phone a perceived exchange value, and secondly, giving these products a “second life” by reusing the components or refurbishing and selling them. An almost identical experiment to the one in Lille has been launched in Toulouse. In Nantes, mobile phones returned by customers are given to a reclamation company which fulfils all the regulatory requirements regarding transport, handling and recycling.

## “Business can no longer prosper to the detriment of the environment.”

Gordon Shields, Chairman and Founder of Shields Environmental PLC

To optimise the management of used mobile phones, France Telecom and Shields have formed a partnership around the “Mobile Back” project. Scrapping solutions for products developed by Shields coincide with the demands which the France Telecom Group intends to make of its partners. Shields refurbishes phones in order to provide products which are financially accessible in developing countries.

Those that cannot be reused are recycled in a secure manner, with preference being given to reusing the materials for a different purpose.

Shields Environmental is a company specialising in the scrapping of surplus equipment from the telecommunications sector. It develops management solutions which integrate the principles of sustainable development. It has set up the “World Recycling Support Programme”, to share its knowledge about managing products at the end of their useful lives and to help emerging countries put their own recycling solutions in place. This programme is supported by numerous NGOs and is recognised by the United Nations Environment Programme (UNEP).

“I believe we are entering an era where business can no longer prosper to the detriment of the environment. Not only are customers demanding it, but above all the environment needs it for the benefit of future generations. Improvements in environmental awareness which I have witnessed during these past 25 years give me great hope for the future.”

## Participating in the Preservation of Sites

Network equipment (masts, telephone lines, poles, etc.) has a visual impact on landscapes. For many years, the Group has been developing its activities in this area. So in France, the entire network providing national and regional inter-urban connections is laid underground. More generally, 97% of the transport network is underground. Only one-third of distribution lines (those serving customers) are overhead. In 2003, 34,000 poles were taken down and 1,400 km of cables were buried. France Telecom has contributed an amount of 10 million euros to these concealment operations. They were carried out in accordance with commitments made and with current legislation, in consultation with the local or national authorities responsible for protecting cultural and natural heritage.

**As far as the erection of mobile telephone masts in the countryside is concerned, Orange is acting in consultation with its partners (service providers, suppliers, communities, neighbourhoods, users, etc.) to integrate the equipment in the best possible way in terms of specific architectural, urban or natural features.**

### Installation of Mobile Telephone Relays.

**In Switzerland, the United Kingdom and France, 60% to 85% of radio relay masts are erected on pre-existing structures. All new (or refurbished) sites systematically undergo “landscape integration” procedures.**

Orange has made it a priority to keep the public well informed on the deployment of networks and on the company's responses to their requirements.

Special “landscape-friendly” measures are used in zones where the total concealment of equipment could decrease the performance or security of the equipment. Above all, it is a question of doing everything possible to avoid the view being spoilt by equipment that conflicts with the landscape. Several solutions are used: the construction of technical premises in keeping with local architecture, the installation of wooden, rather than wire fencing around pylons and technical equipment in rural or wooded surroundings, painting the various items in such a way that they merge into the countryside, and decreasing the visual impact of security areas, e.g. by using recycled rubber posts to indicate them at ground level.

In 1998, the French public authorities and local mobile phone operators agreed the principles for the consultation

with all interested parties re the installation of relay masts in terms of the “Charte des opérateurs de téléphonie mobile” (“Mobile Telephone Operators’ Charter”). Orange’s negotiators have a guide containing technical solutions for inserting and integrating relays as well as all the useful parameters relating to the process (choice, implementation, costs etc).

## Forming Partnerships

The Group currently has a strong policy of entering into partnerships to support the implementation of its environmental strategy.

Within **GeSI**, France Telecom and other members of **ETNO** (both operators and industrialists) have joined forces to promote the use of ICTs in contributing to sustainable development. In this connection, France Telecom and the WWF were able to contribute to the World Summit on the Information Society and a sectoral supplement about telecommunications was included in the GRI’s reporting model. In 2003, a working group was set up to investigate how best to control environmental and societal risks within the supply chain of the telecommunications sector. Collaboration within ETNO, of which France Telecom has held the presidency since 1st January 2004, has also proved very fruitful, marked by contributions to the development of the European Directive on EMF personnel, work on energy economies resulting from ICTs, participation in the development of a register of environmental impacts, the biennial benchmarking of European telecommunications operators with regard to environmental policy, etc.

In 2003, the Group undertook a study with Auxilia on operations to reclaim mobile phones (particularly “Mobile Back” in France), with a view to defining a process which would establish the conditions under which reconditioned phones are used in countries with low purchasing power. The Group has also developed several other partnerships in France. Of particular note is the framework agreement entered into with ADEME at the end of 2002 which enabled the consolidation of programmes to eliminate dangerous products and the development of a standardized approach to identify the positive contribution made to sustainable development by ICTs. Likewise, in 2003, work undertaken with the SNCF and EDF under the aegis of the National PCB/PCT Commission resulted in the definition of a standardized system for monitoring the elimination of transformers containing PCB.

### Showing Solidarity

The France Telecom Group shows solidarity with a number of causes in a number of ways, most often in collaboration with national or local public authorities, associations, NGOs, etc.

### Supporting Employee Initiatives

Employees are often the driving force when it comes to showing solidarity with a cause. The Group's entities may promote or support certain of these initiatives.

Thus, Wanadoo is working with the humanitarian association Congés Solidaires to install an Internet telecentre at Mopti, Mali's second city. Employees have given up part of their leave to heighten awareness among the local populace and train them in the use of computing tools and Internet techniques. Wanadoo has contributed financially to this project, more specifically by providing ten computers in good working order. Orange has taken up its employees' "Future Community" mobilisation programme with the intention of encouraging its affiliates to adopt—and adapt—it themselves. In this connection "Orange Solidarités" in France supports employees' projects to fight isolation: helping the disabled towards a more autonomous life, supporting illiterate people, maintaining contact for hospitalised people, etc. Of 37 projects proposed in 2003, 21 were approved by the jury. The company allocates an average of €13,000 to each project.

### Helping the World of Education

In Romania, Orange sponsors the Save the Children initiative to distribute books in rural schools. Employees decorate boxes and fill them with presents for Romanian orphans. In partnership with UNICEF, Orange Switzerland supports projects to educate underprivileged children in India, Guatemala, Vietnam and Iraq. In Salvador, France Telecom has developed and estab-

lished a "digital school" following on from an agreement signed with the Minister of Education.

### Supporting the Sick

In the Ivory Coast, Senegal and Cameroon, the Group's affiliates have set up programmes to support people suffering from serious diseases (particularly HIV, hepatitis B and malaria). These programmes enable them to achieve better social integration. Côte d'Ivoire Telecom in particular has developed HIV prevention operations involving its entire workforce. The information programme is run in partnership with the Centre Intégré de Recherches Biocliniques d'Abidjan (CIRBA, the Abidjan Integrated Centre for Bio-Clinical Research). It is aimed at the company's 2,700 employees and the members of their family circles (approximately 16,000 additional people). One hundred and thirty employees of Côte d'Ivoire Telecom have been trained by CIRBA to lead information sessions within the company.

### Our sponsorship: links for a greater understanding of each other

France Telecom benefits from the sponsorship and patronage programmes run by its Foundation in that they help the Group to establish closer relationships with communities by listening to what they have to say and opening up lines of communication. This conviction is embodied in activities which the Foundation has supported in the field of singing since 1987 and in terms of the assistance they have been giving to autistic people since 1991. The Foundation links together company employees who choose to become involved in helping causes about which they care. In this way the association "Volontaires pour les Autistes" ("Volunteers for the Autistics") is a connection point for 250 volunteer employees who provide regular support to autistic people and their families. The Foundation sponsors voice

## One hundred thousand people mobilised for Autism Day in 2003

In 2003, an annual awareness event, Autism Day, mobilised 100,000 people in 218 demonstrations of solidarity. The funds raised helped improve care for autistic people.

The Foundation also supports the creation and equipment of living spaces for autistic people, as well as professional training and research. In 2003, for the first time, a team of researchers identified two genes associated with the syndrome of autism.

ensembles, song festivals and young singers. The assistance given to the Jeune Chœur de Paris (Paris Youth Choir, led by Laurence Equilbey) in the past enabled it to become a pilot training centre, and it has now progressed to running a certificate course. In 2003, the Foundation's support contributed to the success of the production "Le Concert d'Astrée" conducted by Emmanuelle Haïm. This production received a "Victoire de la Musique" award that same year. The Foundation also has an interest in all educational and social activities which make it easier to access the art of singing, believing it should be open to all, particularly to members of the public who might not otherwise be able to experience it. The Group is responsible for numerous sponsorship and patronage initiatives throughout the world. In Poland for example, TPSA is involved in improving reception conditions for children entering hospital. The entire Group is motivated by the same conviction: increased communication enables the creation, reconstruction and development of links to help us understand each other better.

### Sponsorship in 2003

- In France, the Foundation supported 260 projects in the fields of autism and lyrical music from a budget of €3.5 million;
- in Senegal, the Sonatel Foundation allocated a budget of €81,000 to the fight against malaria;
- in the Ivory Coast, Cote d'Ivoire Telecom's fund against HIV sponsored information and prevention activities among their employees and their families that cost over €200,000;
- the Jordan Telecom Foundation spent €250,000 on financing initiatives for the protection of water resources and to facilitate access by everyone to the new technologies;
- in Poland, TPSA donated up to €560,000 for educative projects and programmes to help hospitalised children keep in touch with their families.

## Glossary

**ADSL (Assymetric Digital Subscriber Line):**

Technology able to transform several megabits per second on a telephone's two copper wires. An attractive solution providing rapid access to the Internet. It makes it possible to boost the transmission capacity of existing telephone lines so that voice and digital data can be transmitted rapidly.

**AFA (Association des Fournisseurs d'Accès et de services Internet):** Association of Access and Internet Service Providers.

**AFAQ (Association des Fournisseurs d'Accès et de services Internet):** Association of Access and Internet Service Providers.

**AFUTT (Association Française des Utilisateurs de Télécommunications):** French Telecommunications Users' Association.

**ART (Autorité de Régulation des Télécommunications):** French National Telecommunications Regulatory Authority.

**CHSCT (Comité d'hygiène, de sécurité et de condition de travail):** Health and safety committee.

**Dosimetry:** Determination by assessment or measurement of the radiation dose absorbed by a substance or individual. Measuring method for checking that radiotelephones and antennas on the market compliant with the Specific Absorption Rate.

**EDF (Électricité de France):** The French electricity generating board.

**Electromagnetic wave (or electric radio frequency or radio frequency):** Spreading energy which is both electric and magnetic by wireless methods, through the air.

**Entrepreneurs:** France Telecom's 700 or so decision-makers

**ETNO:** European Telecommunication Network Operators.

**ETP (Équivalent Temps Plein):** Full-time job equivalent.

**France Telecom Recherche et Développement**

**ou FT R&D:** France Telecom Research and Development.

**FTSA:** France Telecom SA.

**GRI (Global Reporting Initiative):** A multi-party, international initiative, launched at the end of 1997 with the purpose of drawing up and disseminating guidelines on how to produce a report on sustainable development for enterprises which are interested in ascertaining the economic, environmental and social implications of their activities, products and services.

**GSM (Global System for Mobil communication):**

Digital standard currently used for the European mobile telephone network. Operates on 900 and 1800 MhZ (dual band).

**"Haptic" processes:** Processes related to the link between perception and actions.

**HDSL:** High data rate Digital Subscriber Line.

**ICPE (Installation Classée pour la Protection de l'Environnement):** Equipment listed under environment protection regulations; term used in French regulations to designate equipment which might present a risk to the environment.

**IP (Internet Protocol):** In the world of computing and the Internet, each computer is identified by a number known as its IP address, rather like a postal address or telephone number. The IP is therefore the address which enables each computer connected to the Internet to be uniquely identified (according to the Internet communication protocol). It is comprised of four groups of numbers between 0 and 255, separated by dots (e.g. 217.128.162.28).

**IP VPN (Internet Protocol Virtual Private Network):**

VPN is the abbreviation for "Virtual Private Network". VPN technology enables businesses with leased lines to establish a secure, closed line system between themselves via the Internet. This is a secure way for businesses to send data (usually encoded) from their network to another terminal.

**ISO 14000:** International standard published in 1996, the concept of which is based upon improving environmental performance. It lays down requirements for an Environmental Management System (SME in French).

**LRQA:** Lloyd's Register Quality Assurance.

**OIT (Organisation Internationale du Travail):** International Labour Organisation.

**OMS (Organisation Mondiale de la Santé):** World Health Organisation.

**Electromagnetic wave (or electric radio frequency or radio frequency):** Spreading energy which is both electric and magnetic by wireless methods, through the air.

**PCB (Polychlorobiphenyls):** Particularly pyralene, contained in certain electrical transformers and condensers.

**PCT:** Polychloroterphenyl.

**PDA:** Personal Digital Assistant.

**PDE (Plan de Déplacement Entreprise):** Company travel plan.

**PDU (Plan de Déplacement Urbain):** Urban travel plan.

**PNUE (Programme des Nations unies pour l'Environnement):** UNEP, the United Nations Environment Programme.

**Precautionary Principle:** First appeared in 1987, arose originally from widely-used international law. Precaution is a concept operating in an uncertain universe. It is intended to limit as yet hypothetical or potential risks.

**Preventer:** Operational expert in health and safety, an employee of France Telecom who as undergone specific training in this area.

**SAR (Specific Absorption Rate):** Quantity of radiation absorbed by the human body (full body SAR) or the head (local SAR).

**SDSL:** Symmetrical Digital Subscriber Line.

**SME (Système de Management Environnemental):** Environmental Management System: Methodology enabling the continuous assessment and control of the impact of activities on the environment, a process which may result in certification..

**UMTS (Universal Mobile Telecommunications System):** International third generation standard, not yet in force, for mobile telephony providing very high bandwidth multimedia services.

**TIC (Technologie de l'information et de la communication):** Information and Communication Technologies.

**TPSA:** Telekomunikacja SA.

**UIT (Union Internationale des Telecommunications):** ITU, the International Telecommunications Union.

**Wap (Wireless Application Protocol):** Protocol enabling a mobile telephone to be used as an Internet and multimedia terminal.

**WiFi (Wireless Fidelity):** Wireless broadcasting standard enabling the rapid transfer of data via radio waves within a range of 100 metres. It enables communication between a PDA and a printer, for example. This wireless access Ethernet-type network makes it possible to obtain bandwidths of up to a theoretical 11 Mbit/s in a frequency range of 2.4 GHz. WiFi equipment conforms to Standard No. 802.11.

## To Find out More

### France Telecom Group sites

**France Telecom:** [www.francetelecom.com](http://www.francetelecom.com)

**Côte d'Ivoire Telecom:** [www.citelecom.ci](http://www.citelecom.ci)

**Equant:** [www.equant.com](http://www.equant.com)

**France Telecom Marine:**  
[www.marine.francetelecom.fr](http://www.marine.francetelecom.fr)

**France Telecom Recherche et Développement/  
FT R&D:** [www.rd.francetelecom.fr](http://www.rd.francetelecom.fr)

**Jordan Telecom:** [www.jordantelecom.com.jo](http://www.jordantelecom.com.jo)

**Menatel (Egypt):** [www.menatel.com.eg](http://www.menatel.com.eg)

**Mobinil (Egypt):** [www.mobinil.com](http://www.mobinil.com)

**Mobistar:** [www.mobistar.be](http://www.mobistar.be)

**Orange:** [www.orange.com](http://www.orange.com)

**Orange France:** [www.orange.fr](http://www.orange.fr)

**Orange Romania:** [www.takamaka.com](http://www.takamaka.com)

**Orange UK:** [www.orange.uk](http://www.orange.uk)

**Orange Slovakia:** [www.orange.sk](http://www.orange.sk)

**Orange Switzerland:** [www.orange.ch](http://www.orange.ch)

**Sonatel:** [www.sonatel.sn](http://www.sonatel.sn)

**Telecom (El Salvador):** [www.telecom.com.sv](http://www.telecom.com.sv)

**TPSA (Poland):** [www.telekomunikacja.pl](http://www.telekomunikacja.pl)

**Uni2:** [www.uni2.es](http://www.uni2.es)

**Wanadoo:** [www.wanadoo.com](http://www.wanadoo.com)

### Other sites

**Ademe:** [www.ademe.fr](http://www.ademe.fr)

**AFA:** [www.afa-france.com](http://www.afa-france.com)

**AFOM:** [www.afom.fr](http://www.afom.fr)

**AFUTT (Association Française des Utilisateurs  
de Télécommunications – French Association of  
Telecommunications Users):** [www.afutt.org](http://www.afutt.org)

**ART:** [www.art-telecom.fr](http://www.art-telecom.fr)

**Association Familles de France (Association  
of French Families):** [www.familles-de-france.fr](http://www.familles-de-france.fr)

**Auxilia:** [www.auxilia.asso.fr](http://www.auxilia.asso.fr)

**European Commission:** [www.europa.eu.int](http://www.europa.eu.int)

**Congés Solidaires:** [www.congesolidaire.org](http://www.congesolidaire.org)

**DATAR:** [www.datar.gouv.fr](http://www.datar.gouv.fr)

**ETNO:** [www.etno.be](http://www.etno.be)

**GeSI:** [www.gesi.org](http://www.gesi.org)

**Global Compact:** [www.unglobalcompact.org](http://www.unglobalcompact.org)

**GRI (Global Reporting Initiative):**  
[www.sommetjohannesburg.org/groupes/frame-gri.html](http://www.sommetjohannesburg.org/groupes/frame-gri.html)

**GRI – Global reporting Initiative:**  
[www.globalreporting.org](http://www.globalreporting.org)

**GSM Europe:** [www.gsmworld.com/gsm europe](http://www.gsmworld.com/gsm europe)

**ITU (International Telecommunications Union):**  
[www.gsmworld.com/gsm europe](http://www.gsmworld.com/gsm europe)

**Liberty Alliance:** [www.projectliberty.org](http://www.projectliberty.org)

**Ministère de l'Écologie et du Développement  
Durable (French Ministry of Ecology and  
Sustainable Development):**  
[www.environnement.gouv.fr](http://www.environnement.gouv.fr)

**Ministère de l'Économie des Finances  
et de l'Industrie (French Ministry of Economy,  
Finance and Industry):** [www.euro.gouv.fr](http://www.euro.gouv.fr)

**OMS:** [www.who.int/fr](http://www.who.int/fr)

**PNUE:** [www.unep.ch](http://www.unep.ch)

**Shields Environmental PLC:** [www.shields-e.com](http://www.shields-e.com)

**Télécom Sans Frontières ou TSF:** [www.tsfi.org](http://www.tsfi.org)

**UNICEF:** [www.unicef.org](http://www.unicef.org)





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