

doing the right thing

Orange ethics guidelines

October 2005



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Everyone who works for Orange is expected to act with integrity. Honesty is one of our core brand values – which represent who we are as a company and how we behave.

Dear employee,

These guidelines set out ethical standards to guide the professional conduct of all employees of Orange. They outline the standards of behaviour we expect of each other as colleagues, and they apply to every one of us.

It is important that you read them and make sure you understand them. They don't just explain how you should behave in certain situations, they explain what you should do if you believe an employee of Orange has behaved unethically. Sometimes it can be difficult to know how to act, or what decisions to take, and these guidelines are designed to help you in situations when an ethical choice might not be straightforward. There are people who can support you, and these guidelines tell you who those people are.

It is the responsibility of all of us to reject unethical behaviour. An Orange employee will never be penalised for loss of business that results from complying with these guidelines.

Please take time to read this document, and if anything is unclear, talk to your line manager.

Sanjiv Ahuja

on behalf of the Executive Team

At Orange, we are committed to living our brand values. That means being honest, straightforward, dynamic, friendly and refreshing in everything we do. Our work is conducted in line with our guiding business principles, and we aim to exceed the expectations others have of our business. This is who we are.

Indulging in practices that would destroy both our integrity and our reputation damages our long-term business growth and harms the communities in which we operate. Rejecting such practices is fundamental to being Orange.

At times, Orange employees are likely to face 'grey' areas where the ethical choice isn't that clear. This is where these guidelines come in: they are designed to help us all act with integrity and make the correct choices. They give examples of some of those 'grey' areas, making it easier to understand how to act when faced with difficult choices. They also outline the support systems being put in place to help employees in such situations.

These guidelines apply to all parts of Orange Group and Orange companies. Every Orange employee must read, understand and strive to fulfil the letter and spirit of them. Where functional policies and local laws place more stringent controls on the ethical behaviours covered by these guidelines, the more stringent requirements must always be respected.

An Orange employee will never be penalised for loss of business that results from complying with our guidelines.

think...

It would be impossible for these guidelines to predict every difficult ethical situation that an Orange employee may face. So we must each take responsibility for our actions and follow the spirit of these guidelines.

If you face an ethical dilemma at work, ask yourself the following questions:

- Would I hide this from my family, my boss, or the media?

- Am I trying to convince myself that this action is right?
- Will this action be detrimental or of no value to Orange; would I personally be the only one to gain?

If you answer 'yes' to any of these questions, the action you are about to take would probably breach the spirit of these guidelines. Avoid it, or seek further advice.

Should you face a difficult ethical decision in the course of your work at Orange, or have a question about any of these guidelines, don't hesitate to seek advice.

Orange aims to ensure that you have confidential and rapid access to advice and information about any questions you may have. The following resources are at your disposal:

1. **our Group and local intranets** contain information and examples of how to apply these guidelines to practical work situations.
2. **your immediate or senior line managers** can help you with authorisations and general advice, and in most cases they should be your primary and sole points of contact. They are authorised to make decisions under these guidelines and will make sure that accurate records are kept. Where appropriate, in specific cases they'll involve relevant departments in reviews, investigations or disciplinary actions.
3. an **ethics advisor** is available in every Orange company to assess questions that you feel are inappropriate or not possible to discuss with your line managers.
4. all contact details and reporting forms relating to these support channels can be found on your **local intranets**. If you are unsure where to find them, ask your **line manager**.

situation

You overhear a colleague offering a friend at a potential supplier company tips about how to win business from Orange. The information they are discussing has not been provided to other potential suppliers.



Fair selection
or unfair
advantage?

what should you do?



It's often difficult to confront people about this type of behaviour, but Orange can't be confident it has selected the best suppliers to deliver for our business unless they've been selected through fair processes. It isn't acceptable to give one supplier 'insider' knowledge because of friendships or family ties, as it gives them an unfair advantage.

You should raise this with your line manager, who can either discuss the issue with the individual, or address the issue of fair selection of suppliers with the team.

what our guidelines say

legal compliance

All Orange employees must comply with applicable local and national law wherever they are around the world, and nothing in these guidelines shall be interpreted to encourage contravention of applicable law.

conflicts of interest

Conflicts arise when the prospect of personal, family or economic gain, or other benefit, influences employees to act against the best interest of Orange. All Orange employees must guard their objectivity and avoid conflicts of interest or perceived conflicts of interest. If there is any doubt, raise it with your line manager.

Examples of activities to be avoided are:

- improperly influencing the recruitment, promotion or remuneration of family members or close friends in Orange
- using your position in Orange to ensure that companies where your friends or family members work win or retain business from Orange
- allowing decisions about suppliers, customers or other business partners to be influenced by relationships with family or friends working in a company that has a supplier, customer or partnership relationship with Orange
- working for any supplier or competitor of Orange while an employee of Orange: this requires prior written consent from your line manager in most cases and from Company Secretariat for directorships or board roles. In some countries, working for any other company while an employee of Orange is specifically disallowed in employment contracts
- establishing or working for outside businesses. This can conflict with the time and attention required to fulfil your role for Orange. Employees should exercise caution, and never allow outside businesses to put them in a position of competition with Orange
- using company assets, including Orange email accounts, the Orange name, or Orange facilities for any outside organisations for personal gain



situation

You've been working with a supplier for two years, and the contract is coming up for renewal at the end of the year. On your birthday, an expensive food hamper arrives with a card from this supplier. The value of the food hamper is very close to the Orange 200 Euros threshold for acceptable gifts, although it doesn't exceed it.

what should you do?



Before deciding whether to accept the gift, it is important to consider several points.

First, refer to your functional procedures: your function may require you to refuse all supplier gifts, and you must respect this policy. Specifically, if you are part of the sourcing function, or have been delegated the authority by your management board to approve major procurement contracts for Orange, it would never be appropriate to accept a gift of this kind from a supplier.

Secondly, our Guidelines require you to safeguard your objectivity in relationships with suppliers.

As this gift is within the threshold, it is acceptable under the Guidelines, but any further gifts from this supplier would have to be refused or donated to charity: you should make the supplier aware of this policy. You should also consider whether this gift could be motivated by the approaching supplier review: if you think this is the case, you should inform your line manager and your local sourcing department. Together, you can decide on the best course of action to safeguard objectivity. It is critical for Orange that supplier reviews are based on performance only and aren't influenced by gifts.

what our guidelines say

gifts

Gifts received or offered by Orange employees in the course of their business activities are treated as gifts to and from Orange. When excessive or inappropriate, gifts can or can be seen to influence or reward business decisions.

Gifts are defined as any benefits exchanged between Orange employees and people or organisations outside of Orange, including cash, discounts, goods, entertainment or gifts 'in kind'.

Gifts of modest value may be accepted and offered and Orange has established a threshold of 200 Euros as being 'modest'. However, what is modest, if frequent, may be determined cumulatively over the course of each calendar year to be excessive.

Gifts exceeding our threshold must be politely refused by Orange employees. Where this isn't possible, report the gifts to line managers, with an explanation of the circumstances in which you received them: they should then either be donated by Orange to charity, or auctioned to raise funds for charity.

Orange should not offer gifts that exceed our own threshold. If, in an exceptional case, a gift or gifts exceeding the threshold is offered, you must report it to your line manager, with an explanation.

All records on gifts (offered and received) that exceed our threshold should be submitted to your line manager.

When offering gifts, Orange employees also must be sensitive to our policy on 'improper payments'.

As part of a formal approved programme of marketing our products and services, Orange goods are sometimes offered by Orange free of charge. Because the value of these products and services can, in some cases, exceed our threshold for the exchange of gifts, clear records should be kept of who they have been given to and the circumstances in which they were given.

In some departments, such as Sourcing or Finance, more stringent policies apply, and the exchanging of gifts would only be approved in exceptional circumstances.



situation

A major corporate supplier invites you to attend a 3-day 'user group' and product development workshop. The workshop will take place at a resort on the Cayman Islands, and all travel and accommodation costs will be paid by the supplier. You notice that the workshop includes two 3-hour sessions on new products on the first day, and that the last two days consist of leisure activities and fine dining. The value of the trip will exceed the 200 Euros threshold, but the content of the first days' meetings might be valuable.

should you attend?

Conferences of this nature can offer valuable opportunities to exchange information on needs and expectations. Orange can input suggestions to improve the quality of supplies we purchase and pass on to our own customers. However, it is also important that these workshops cannot be perceived to influence the Orange preference of supplier.

Ask yourself if the workshop will be valuable to Orange, and how you can help to ensure it is as valuable as possible. If you find yourself wanting to go only because of the attractive location, it would be inappropriate to attend.

Additionally, you must keep a record of the business reasons that make it appropriate to attend. You must also get advanced permission if the disclosed or estimated value of the event is exceeding a level defined by your line manager as needing extra scrutiny. In this way, you and Orange can respond with confidence if any questions about the workshop are raised.

In some departments, such as Sourcing or Finance, more stringent policies apply, and attendance at such events will only be approved in exceptional circumstances.



what our guidelines say

corporate hospitality

Corporate hospitality is a legitimate part of building the profile and business relationships of Orange in many parts of the world. However, excessive or frequent entertainment could influence business decision making, or appear to do so.

Any entertainment exceeding the Orange threshold of 200 Euros should always have a legitimate business purpose and should always be recorded. It should always be approved in advance when exceeding the level pre-set by the individual's line manager.

All records on hospitality received that exceed our threshold should be submitted to line managers.

In some departments, such as Sourcing or Finance, more stringent policies apply, and the acceptance of corporate hospitality would only be approved in exceptional circumstances.

situation

You are responsible for upgrading the office telephone systems and have contracted with the state-owned telephone company for a new system. Despite all the contracts being in order and the necessary deposits being paid on time, the telephone company clerk won't schedule installation, insisting that the working crews are too busy. He hints that the schedule could be rearranged for a cash payment.



what should you do?



This could be an example of a facilitation payment, which should not be made. If you are in doubt, check the telephone company sales documentation rules about fees for scheduling installations. Try asking for a receipt: the scheduling clerk's reaction will often confirm whether the payment is legitimate or not. You can also discuss the situation with your line manager or your local ethics advisor. They will be able to support you in challenging the actions of the telephone company employee, or exploring alternative solutions to the dilemma.

It is also important that they are informed and make Orange management aware of the situation. It is possible that your Orange company faces regular requests for facilitation payments. Orange Group and the local Orange company may need information about your case and other cases to develop a strategy to manage the challenge this poses to Orange.

what our guidelines say

improper payments

Orange employees shall not give, offer or receive bribes to or from public officials or others, or influence others to do so. 'Bribes' are anything that is intended, or could be construed as being intended, to influence a public official in order to obtain or retain business or an advantage for Orange. This can mean influencing an official in the execution of his/her official duties, encouraging an official to ignore his/her responsibilities or inciting an official to exercise authority beyond his/her official role.

Bribes can take the form of money or other advantages (such as memberships to clubs, scholarships for children, or travel).

It includes the payment of 'facilitation payments' to junior officials to receive the benefit of routine

government services (free of charge, in ordinary circumstances). Such payments generate inefficiencies for business and exacerbate problems of corruption in countries where they are common. Where it can, Orange will support any initiatives from local authorities seeking to eradicate such practices.

A public official is any person holding a legislative, administrative or judicial office, or in a public body where the government exercises a dominant influence, whether appointed or elected, whether local, national, international or in a foreign country. This includes candidates for public office and political parties.

Any payment that is improper for an Orange employee is also improper when made by any consultant, agent or other intermediary

contracted by Orange. To ensure improper payments aren't being made, agreements with agents, consultants, advisors and other intermediaries must be in writing, clearly describing the services to be provided, and the agreed fee. Remuneration should not be excessive and must be in line with the practice in the trade and the value of services provided.

Orange will not use the services of a civil servant except under a signed written contract that defines clearly the nature of services to be provided. Payment for the service provided must not be interpretable as being a means of making improper payments. In some countries, these kinds of contracts are illegal and applicable laws must be respected.

situation

You are invited to a political party event for corporate leaders where current policy issues will be discussed. The event is also a fundraising drive for the party, and a registration fee is being charged.



should you attend?

There is no reason why Orange employees shouldn't attend events that enable us to engage in political dialogue, and a standard entrance fee is not considered to be a 'donation' to a political party. However, if the party requests a further financial contribution at the event, Orange will not make this type of payment. If you feel that the registration fee is excessively high and that paying it would be seen to be a political donation, you should discuss this with your line manager before attending.



what our guidelines say

political donations

Neither Orange Group, nor Orange companies, will give financial contributions or donations "in kind" to political parties. This doesn't mean that Orange representatives can't participate in public debates or political events where a standard entrance fee is charged.

situation

You learn that Orange is planning to enter into a lucrative partnership with another company to roll out an exclusive product across all Orange markets. You believe the announcement of the partnership next week will increase the value of the partner company's stock. Should you ask your brother to buy some stock through his stockbroker?

Tuesday, March 1, 2005

Exciting Opportunity or Inappropriate Action?

Name	Charge Init type chge	Sell	Buy	Change on Day	Name	Charge Init type chge	Sell	Buy	Change on Day	Name
FRAMLINGTON UNIT MANAGEMENT LTD 155 Bishopsgate, London EC2M 3FT www.framlington.co.uk. Cust Svc: 0845 777 5511					Evergreen					IPMORGA
Absolute Gwth Acc	5.25	46.43	50.48	+0.03	Found Inc Acc		37.530		+0.14	20 Fin
Amer Gwth Acc	5.25	157.1	166.2	+0.30	Found Inc Inc		108.970		+0.14	Clients: 08
Biotech Acc	5.5	31.48	33.55	+0.19	Global Bond Acc	C	99.300		+0.13	IPMF Asia A Acc
Blue Chip Inc	5.25	258.4	274.4	+0.50	Global Bond Inc	C	105.360		+0.06	IPMF Bel A Inc
Blue Chip Acc	5.25	523.3	555.9	+1.2	Global Emer Mkts Acc		98.610		+0.05	IPMF Bel A Acc
Emerg Mkts Acc	5.25	77.25	82.53	+1.0	Global Equity					IPMF Em Mkts
Equity Income Inc	5.25	567.5	*603.7	+1.0	Japan Equity					IPMF Euro
European Acc	5.25	1199.0	*1276.0	+1.9	Monthly Inc Acc	C		69.340	+0.32	IPMF Euro
Euro Bond Inc	5.25	312.3	*43.37	+0.21	Monthly Inc Inc	C		32.260	+0.38	IPMF E S
	5.25	40.77	*65.58	+0.34	Monthly Inc Bond Acc			96.600	-0.10	IPMF G
	5.25	61.65	417.7	+1.2	Monthly Inc Bond Inc	C		40.420	-0.04	IPMF G
	5.25	393.3	544.6	+2.5	Pan Euro Sel Opps			*59.350	+0.09	IPMF G
	5.25	512.5	170.8	+0.60	UK Corp Bond Acc			*55.370	+0.07	IPMF G
					UK Corp Bond Inc			20.490	+0.09	IPMF G
					UK Discretionary			*47.170	+0.05	IPMF G
								*29.120	+0.33	IPMF G
								126.040	-0.06	IPMF G
								136.280	-0.06	IPMF G
								134.110		IPMF G

what should you do?

Trading in stocks on the basis of non-public information violates Orange policy and the law. You must not purchase or sell stocks for yourself, nor advise friends to do so, until after the information is made public. France Telecom's share dealing code provides specific guidance on acceptable and prohibited stock trading activity: it is available on the Group intranet.



what our guidelines say

handling confidential information

In the course of their work Orange employees may from time to time obtain non-public information belonging to Orange or its associated companies. Non-public information includes any personal or confidential information given to us by our customers, suppliers and employees. It also includes (but is not limited to) Orange customers, finances, product development and marketing strategy, sales prices, non-published financial results, changes to Orange shareholders, changes to the management or Board of Directors of Orange and all information about signing or termination of major contracts, mergers, acquisitions or company sales and dissolutions.

Orange employees must not disclose confidential information outside Orange, nor use it for any purpose other than for the purposes of their employment with Orange. In particular it is prohibited to use such information to:

- make any transactions, either directly or through intermediaries, in France Telecom's or other listed companies' shares
- advise others inside or outside of Orange to make stock transactions until that information has been disseminated to the public

Certain Orange employees must also comply with additional rules set out in the France Telecom share dealing code.

situation

You attend a conference which is attended by representatives from other mobile phone companies. The subject matter is working together with the emergency services to prevent mobile phone crime and protect customer safety. During one of the tea breaks one of your contacts, who works for a competitor of Orange, tells you that their company is intending to bid for a new government licence, and asks you whether Orange is planning to make a bid.



what should you do?

You should never disclose or discuss confidential or competitive information at industry meetings. You should politely tell your contact that you would prefer not to discuss matters of a competitive nature, and you should keep what you have heard to yourself. Orange should never use improper means to gather information about its competitors in order to secure undue business advantage.



what our guidelines say

fair competition

Orange employees will not use improper means to gather information about competitors (such as obtaining competitors' confidential pricing plans through friends or consultants); act (or induce others to act) in a way that breaches their duties; or seek to secure undue advantages for Orange.

Areas where Orange co-operates with industry on issues of joint impact (e.g. technical standards) can give rise to concerns over anti-competitive information sharing, and Orange employees should therefore exercise caution in any meetings with industry. It is good practice to request agendas of meetings in advance.

You shouldn't be afraid to leave meetings that stray onto inappropriate topics, and, if you do, you should ask for your objection and departure to be included in the minutes. In particular, discussing the following

issues with competitors could constitute illegal anti-competitive practice:

- pricing
- product/service launches
- 'sharing' or 'dividing' markets
- refusals to supply customers
- any co-ordinated approach to suppliers, distributors or customers

Sometimes, Orange purchases goods or services from a supplier who is also one of our customers. Reciprocal relationships like these are normal, but Orange will not make arrangements with these suppliers/customers that restrain competition, or distract Orange from buying goods and materials of the best available quality and price.

Practices that must be avoided include:

- requiring other companies to trade with Orange as a condition for Orange to trade with them
- using the fact that Orange buys from a customer or potential customer as a means to gain or hold that customer
- basing business decisions on the existence (or not) of a reciprocal relationship with Orange
- requesting or accepting discriminatory discounts or prices, without consulting the legal department. Such arrangements may, in some cases, violate applicable laws

Further information may be obtained from the legal department in your Orange company.

situation

You are processing business expenses for your manager and notice that hotel charges are being claimed for a trip you do not recognise. When you ask your manager how to report this, he instructs you to include them for a meeting that took place a few days before in a nearby location. You do not think that the business meeting required an overnight stay. Should you challenge your manager or process the request?

Legitimate
expense
or personal
claim?

what should you do?

Whatever the value of the expense, Orange expenses must be accurate. If you suspect that your manager is trying to claim personal expenses, you should not process the claim. You ask your manager to clarify why the hotel was necessary. It may be that he had to stay longer for meetings or due to a travel delay beyond his control. If you still have doubts, you can discuss the situation with the ethics adviser in your company, or alert your manager's cost centre owner.



what our guidelines say

accurate records

All Orange companies must keep accurate records of their financial accounts, including employee expenses. You must give your line manager a record of all gifts received and given, and hospitality received that is valued over established thresholds – together with relevant documentation. All records must be made available to auditors and investigators.

Orange employees must refuse to engage in any arrangement with customers, intermediaries or suppliers that might enable a sum

given to another party to be hidden (such as under or over-invoicing).

No false or artificial entries, or 'off the books' funds may be made or received. No Orange employee, or contracted party for Orange, may destroy financial or other records to avoid investigation or disclosure in a legal proceeding. No Orange employee may create or participate in the creation of documents to camouflage improper payments or other illegal or unethical conduct. To do so may constitute a criminal offence.

Orange employees that agree contractual commitments on behalf of Orange must ensure to the best of their knowledge that these commitments can be met before they are signed. Employees are responsible for consulting appropriately with technical, legal and commercial departments in Orange to ensure this.

seeking advice and reporting breaches

If an Orange employee is faced with the choice of acting in a way that's likely to contravene these guidelines, or has reasonable grounds to suspect another person is contravening these guidelines, they must discuss the situation with their **line manager**.

In some specific situations, it may not be possible or appropriate to discuss a question with line managers. When this is the case, you can contact the **local ethics advisor** appointed by your company.

Orange will never penalise employees who make bona fide reports to authorities regarding accounting or accounting irregularities or breaches of relevant laws, or in complying with any other part of these guidelines.

Orange will provide training to ensure all employees, and their managers, are equipped to fulfil the spirit and letter of our guidelines and any other related Group or local policies.

compliance/enforcement

Orange will monitor compliance with our guidelines through internal auditing, and suspected contravention by Orange employees, or contractors acting on behalf of Orange, will be investigated by the legal and internal audit departments where appropriate.

Breach of our guidelines will result in investigation and possible disciplinary action, with the aim of preventing further contravention. Decisions on disciplinary action will be made in accordance with Orange company disciplinary procedures.

endorsing our guidelines

All Orange employees will receive a copy of these guidelines.

All employees will be offered training to ensure the guidelines are understood and applied appropriately.

All senior managers on Orange company management boards will sign the guidelines annually. Signatures will be recorded by the Company Secretary in each Orange company.

Orange employees should give these guidelines to any person or company that is contracted to represent Orange toward government, customers or other stakeholders.

During 2004, Orange asked the Institute of Business Ethics (IBE) to review the process and content of their Ethics Guidelines. In December of 2004 Orange became a subscriber to the Institute.

The charitable aim of the IBE is to promote, raise awareness and spread best practice in business ethics.

A code of business ethics is particular to each company as the language and the approach depend on the company's culture. This is as it should be. There are however some common steps companies should take to ensure the code will come alive inside the company. These are:

- a) to develop a code with buy-in from top management;
- b) to build the code based on consultation with employees;
- c) to make the code user friendly, through the use of examples;
- d) to ensure the code's messages are embedded in the organisation by training employees; and
- e) to formally provide mechanisms for employees to raise concerns about ethical issues.

The process Orange has followed and is developing as detailed in these Guidelines has included all five elements noted above and is an example of good practice.

Philippa Foster Back
Institute of Business Ethics
October 2005

In 2004, France Telecom published a Code of Ethics, which sets out ethical standards to guide the professional conduct of all employees of the France Telecom Group in all its affiliates. The Code states that, where appropriate, special-purpose codes of conduct may supplement the Code.

These guidelines set out how Orange companies will fulfil the principles of the Code. They apply to all Orange employees.

These guidelines meet the requirements of the France Telecom Code of Ethics in the following areas:

- Relations with clients and suppliers
- Ensuring the primacy of Group values and principles
- Protecting corporate assets
- Stock trading conduct
- Conflicts of interest
- Legal compliance and outlawing of corruption
- Fair and honest competition

The following elements of the France Telecom Code of Ethics are covered by separate Orange Group policies:

- Use of energy and other natural resources
- Use of information and communications technology to contribute to communities
- Commitment to quality and innovation
- Ethical supply chain management
- Shareholder relationships
- Employee diversity and working conditions

The France Telecom Code of Ethics stipulates that all affiliates must establish and enforce procedures to enable employees to report non-compliance with the Code. These guidelines set out what employees of Orange companies should do if they become aware of such behaviour.