

SECOND PARTY OPINION¹

ON THE SUSTAINABILITY OF ORANGE'S SUSTAINABILITY FINANCING FRAMEWORK

September 2020

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (hereafter "Second Party Opinion" or "SPO") on the sustainability credentials and management of the Green or Social or Sustainability Bonds² ("Bonds") to be issued by Orange (the "Issuer" or the "Company") in compliance with its Sustainability Financing Framework (the "Framework") created to govern their issuances.

Our opinion is established according to Vigeo Eiris' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the latest edition of the ICMA's Green Bond Principles ("GBP") edited in June 2018 and the and Social Bond Principles ("SBP") voluntary guidelines edited in June 2020 (referred together as the "GBP 2018 & SBP 2020").

Our opinion is built on the review of the following components:

- 1) **Issuer:** we assessed the Issuer's ESG performance, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities³.
- 2) **Issuance:** we assessed the Framework, including the coherence between the Framework and the Issuer's environmental commitments, its potential contribution to sustainability and its alignment with the four core components of the GBP 2018 & SBP 2020.

Our sources of information are multichannel, combining data gathered from (i) public sources, press content providers and stakeholders, (ii) Vigeo Eiris exclusive ESG rating database, and (iii) information provided by the Issuer through documents and interviews conducted with Issuer's managers and stakeholders involved in the Bonds issuance, held *via* teleconference.

We carried out our due diligence assessment from July 29th, 2019 to September 1st, 2020⁴. We consider that we were provided with access to all the appropriate documents and interviewees we solicited.

VIGEO EIRIS' OPINION

Vigeo Eiris is of the opinion that the Sustainability Financing Framework prepared by Orange is aligned with the four core components of the Green Bond Principles 2018 and the Social Bond Principles 2020.

We express a reasonable assurance⁵ (our highest level of assurance) on the Issuer's commitments and on the contribution of the contemplated Bonds to sustainability.

1) Issuer (see Part I):

- ▶ As of our latest assessment dated September 2019, Orange displays an overall advanced ESG performance, ranking 1st in Vigeo Eiris' "Telecommunications" sector which covers 123 companies. Orange's performance in the Environmental and Social pillars is advanced, and good on the Governance pillar.
- ▶ As of today, Orange is facing 19 stakeholder-related ESG controversies, linked to four of the six domains we analyse. On average, the controversies are considered frequent. The severity of the controversies' impact on both the company and its stakeholders is considered critical. Orange is overall reactive.
- ▶ Orange has a minor involvement in the Pornography industry and in the Military industry. The Issuer is not involved in any of the other 15 controversial activities screened under our methodology.

¹ This opinion is to be considered as the "Second Party Opinion" described in the GBP voluntary guidelines (June 2018 Edition) edited by the International Capital Market Association (www.icmagroup.org)

² The "Green or Social or Sustainability Bond" is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name "Green or Social or Sustainability Bond" has been decided by the Issuer: it does not imply any opinion from Vigeo Eiris.

³ The 17 controversial activities analyzed by Vigeo Eiris are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

⁴ It should be noted that the due diligence process has been put on hold due to the Covid 19 crisis, resulting in a lengthened due diligence period.

⁵ Definition of Vigeo Eiris' scales of assessment (as detailed in the Methodology section).

2) Issuance (see Part II):

The Issuer has described the main characteristics of the Bonds within a formalized Sustainability Financing Framework which covers the four core components of the GBP 2018 & SBP 2020 (the last updated version of the Framework was provided to Vigeo Eiris on August 27th, 2020). The Issuer has committed to make this document publicly accessible on its website at issuance date, in line with good market practices.

We are of the opinion that the contemplated Bonds are coherent with Orange's strategic sustainability priorities and sector issues and contribute to achieving the Issuer's sustainability commitments.

Use of Proceeds

- ▶ The net proceeds of the Bonds will exclusively finance or refinance, in part or in full, projects falling under six Social and Green Categories ("Eligible Categories"), namely: Digital Inclusion, Social Inclusion, Energy Efficiency, Renewable energy, Circular economy and Pollution prevention and control. We consider the Eligible Categories to be clearly defined.
- ▶ The Eligible Categories are intended to contribute to three main social objectives (access to information and communication technologies, employment generation, including through the potential effect of SME financing, and access to essential services) and to three main environmental objectives (climate change mitigation, natural resources preservation and pollution prevention and control). These objectives are formalized in the Framework and considered clearly defined and relevant.
- ▶ The target populations that will benefit from the two social Eligible Categories have been clearly defined.
- ▶ The Eligible Categories are considered to provide clear social and environmental benefits. The Issuer has committed to assess and, where feasible, quantify the expected social and environmental benefits of the Bond issued. An area for improvement consists in communicating on ex-ante quantified social or environmental targets, for each Eligible Category before each Bond issuance.
- ▶ In addition, the Eligible Categories are likely to contribute to seven of the United Nations' Sustainable Development Goals ("SDGs"), namely: Goal 7. Affordable and clean energy, Goal 8. Decent work and economic growth, Goal 9. Industry, Innovation and Infrastructure, Goal 10. Reduced inequalities, Goal 11. Sustainable cities and communities, Goal 12. Responsible consumption and production, Goal 13. Climate Action and Goal 15. Life on Land.
- ▶ The Issuer has committed to report to investors before each issuance on the estimated share of refinancing. The issuer has committed, in case of re-financing, to respect a look-back period of maximum 2 calendar years from the Bonds' issuance date, in line with market practices.

Process for Projects Evaluation and Selection

- ▶ The governance and the process for the evaluation and selection of the Eligible Projects are formalized in the Framework. We consider that the process is reasonably structured, transparent and relevant.
- ▶ The process relies on explicit eligibility criteria, relevant to the environmental and social objectives defined for the Eligible categories.
- ▶ The identification and management of the material environmental and social risks associated with the Eligible Projects are considered good for all categories.

Management of Proceeds

- ▶ The rules for the management of proceeds are clearly defined and will be verified. We consider that they would enable a documented and transparent allocation process.

Reporting

- ▶ The reporting process and commitments appear to be overall good, covering both the funds allocation and a majority of environmental and social benefits of the Eligible Projects.

Orange has committed that its Green or Social or Sustainability Bonds will be supported by external reviews:

- A pre-issuance consultant review: the hereby Second Party Opinion delivered by Vigeo Eiris, covering all the features of the Bonds, based on pre-issuance assessment and commitments, to be made publicly available by the Issuer on its website⁶, ahead or at the date of issuance.
- An annual verification: an external verification performed by a third-party auditor, covering the compliance of the selected Eligible Projects with the core components of the Framework, annually and until the full allocation of the Bonds' proceeds.

This Second Party Opinion is based on the review of the information provided by the Issuer, according to our exclusive assessment methodology and to the GBP & SBP voluntary guidelines (dated 2018 and 2020, respectively). Orange acknowledges that in case of changes of such standards and market practices and expectations, VIGEO EIRIS shall exclude any liability regarding the use of the concerned Second Party Opinion and its compliance with then-current standards and market practices and expectations.

Paris, September 1st, 2020

Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has executed several audit missions for Orange until 2015.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bond, based on the information which has been made available to Vigeo Eiris. Vigeo Eiris has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the effectiveness, the excellence or the irreversibility of the assets to be financed by the Bond. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on the financial performance of the Bond, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

Restriction on distribution and use of this opinion: The deliverables remain the property of Vigeo Eiris. The draft version of the Second Party Opinion by Vigeo Eiris is for information purpose only and shall not be disclosed by the client. Vigeo Eiris grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond(s) issuance. The Issuer acknowledges and agrees that Vigeo Eiris reserves the right to publish the final version of the Second Party Opinion on Vigeo Eiris' website and on Vigeo Eiris' internal and external communication supporting documents.

⁶ <https://www.orange.com/>

DETAILED RESULTS

Part I. ISSUER

The Company has its origins in the Ministry for Mail, Telegraphs and Telephone, later to become the General Directorate of Telecommunications, which in 1990 was accorded the status of independent public entity and, on January 1, 1991, renamed France Télécom. It became a Société Anonyme (limited company) on December 31, 1996.

Level of ESG performance

Vigeo Eiris has assessed the Issuer's ESG performance, based on our exclusive ESG rating database.

As of our latest assessment dated September 2019, Orange displays an overall advanced ESG performance, ranking 1st in Vigeo Eiris' "Telecommunications" sector which covers 123 companies.

Of note, in December 2019, Orange has disclosed a new 2025 strategy plan "Engage 2025"⁷ which includes new environmental objectives, and these are reflected in the Coherence part of this Second Party Opinion (see page 7).

Domain	Comments	Opinion
Environment	<p>Orange's performance in the Environmental pillar is advanced.</p> <p>The Company has issued a formalised commitment to environmental protection. Orange's commitment involves stakeholders and the Issuer has a dedicated structure responsible for the strategy's implementation. It has allocated comprehensive resources to environmental management, and reports that 59.8% of the Group's sites were ISO 14001 certified in 2018.</p>	Advanced
	<p>Orange aims at reducing its energy consumption by 15% by 2020, compared to 2006 levels. Its energy consumption and CO2 emissions have decreased but not continuously over the past five years. In 2008, the Company undertook the Green Information Technologies & Networks (ITN) 2020 action plan to reduce energy consumption related to the operation of network and information systems, which account for 82.1% of the Group's total consumption and 80.2% of CO2 emissions (including network equipment in buildings) in 2018. This action plan is deployed in the majority of countries in which the Group operates. According to Orange, through this programme, at least 5 TWh of electricity and 260 million litres of fuel have already been saved over the last 10 years.</p>	Good
	<p>Orange holds the position of Vice Chairman for the climate change group for the ICT sector at the International Telecom Union (ITU), a UN organisation that is involved in the creation of a standard to reduce the impact on climate change and is involved in the COP process.</p>	Limited
	<p>Orange has set a target to collect 30% of unwanted mobiles from customers in Europe by 2020. In addition to the measures in place to collect mobiles handsets, the Company has contributed to the creation of a network to collect telecommunication devices at the end of their lifecycle. The share of collected cell phones has increased by 2.9 percentage points between 2014 and 2018, to stand at 15.4%. The Company has issued a formalised commitment and set up significant measures to include environmental factors in supply chain management in its Sustainable Procurement Policy, its Code of Ethics and Supplier Code of Conduct. The Company conducts environmental audits including under the scope of the Joint Audit Cooperation (JAC), an initiative for social and environmental auditing and control of telecom suppliers. A significant share of environmental problems uncovered in the supply chain were addressed by corrective measures.</p>	Weak

⁷ <https://www.orange.com/fr/Groupe/Strategie>

Social	<p>Orange's performance in the Social pillar is advanced.</p> <p>The Company appears to set up extensive measures to prevent discrimination, such as career break opportunities, monitoring of salary disparities and flexitime initiatives. In addition, Orange is a member of the Global Network Initiative (GNI) and reports implementing human rights impact assessments and internal and external audits in order to ensure the respect and promotion of human rights in society. The Company has also signed a groupwide agreement with a Global Union Federation with respect to freedom of association and the right to collective bargaining. Regarding the prevention of discrimination, the Company is committed to reach 35% of women in its management networks by 2020 compared to 27.3% in 2016. Indicators linked to diversity (employment of people with disabilities and women in management positions) have increased continuously over the past 5 years.</p>	Advanced
	<p>The Company formally commits to promote career management and training and seems to provide its employees with regular performance assessment interviews, career management schemes geared towards seniors and training programmes. 75% of the Company's employees received training in 2017. Orange also discloses an exhaustive commitment to promote health and safety, supported by extensive measures, such as a certified health & safety system. Health & safety related KPIs all show positive trends. Collective agreements on working conditions cover more than 75% of its employees. The Company commits to minimising the number of lay-offs and redundancies and has signed a framework agreement with employee representatives on reorganisations.</p>	Good
	<p>Orange discloses a comprehensive commitment regarding the accessibility of telecommunication services and mitigating the impact from base stations' emissions. Moreover, Orange continues improving the coverage of population with broadband internet, including in remote markets and has set targets for this aim. Orange's 4G coverage in France has increased by 11 percentage points between 2016 and 2018, to stand 99%. The number of FTTH (Fiber to the home) homes connectable by Orange in France has increased from 6,879 in 2016 to 11,799 in 2018. Orange also seems to engage with external bodies and to develop comprehensive initiatives to mitigate the impact from base station emissions.</p>	Limited
	<p>The Company has issued a formalised commitment to including social factors in supply chain management in its Sustainable Procurement Policy, its Code of Ethics and Supplier Code of Conduct. This commitment applies throughout the Company, supported by senior management, and other stakeholders are also involved. The Company's social requirements for suppliers address all the relevant issues in the sector. In addition, Orange has set up significant measures to include social factors in supply chain management. The measures implemented cover the main purchases/suppliers, and a significant share of social problems uncovered in the supply chain were addressed by corrective measures.</p>	Weak
Governance	<p>Orange's performance in the Corporate Governance domain is good.</p> <p>Orange appears to dedicate strong processes to manage CSR risks which are formally integrated into Orange's internal controls. Moreover, CSR issues are integrated at Board level with a Board Committee (Governance & Corporate Social and Environmental Responsibility Committee) in charge of defining the main CSR orientations for the Issuer. In addition, Orange is transparent on the rules to allocate short and long-term incentives, which appear to include CSR performance objectives.</p>	Advanced
	<p>Orange has an Audit Committee whose members are mostly independent, with at least one member having CSR skills and experience. Also, Orange publishes significant CSR reporting on key material issues, with an independent third-party assessment on the reliability of key performance indicators, with a reasonable assurance level.</p>	Good
	<p>Concerning Shareholders' rights, there are no major restrictions concerning their ability to vote, nor anti-takeover devices. In addition, the Company has presented to shareholders and investors its CSR strategy, which covers all the relevant CSR issues.</p>	Limited
	<p>Orange has formalised a commitment to prevent corruption and ensure transparency and integrity of its lobbying practices, supported by significant measures that include a confidential reporting system. However, concerning anti-competitive practices, due to the recurrence of antitrust cases against Orange, Vigeo Eiris' assurance on the efficiency of coverage of the reported measures to prevent these practices, has been reduced.</p>	Weak

Management of stakeholders-related ESG controversies

As of September 2020, Orange is facing 19 stakeholder-related ESG controversies, linked to four of the six domains we analyse:

- Business Behaviour, in the criteria "Customer Relations" and "Prevention of anti-competitive practices".
- Corporate Governance, in the criterion "Audit & Internal Controls".
- Human Resources, in the criterion "Reorganisations" and "Health and Safety".
- Community Involvement, in the criterion "Promotion of the social and economic" and "Access to telecommunication services and impact from base stations".

Frequency: On average, the controversies are considered frequent.

Severity: The severity of the controversies' impact on both the company and its stakeholders is considered critical.

Responsiveness: Orange is overall reactive.

Involvement in controversial activities

Regarding the involvement of the Issuer in the 17 controversial activities analysed by Vigeo Eiris, Orange has a minor involvement in the Pornography industry and in the Military industry.

- Pornography: the Company provides access to several channels through its "adult" premium TV offer.
- Military: Orange Business Services, one of Orange's subsidiaries, has a contract with the French Ministry of Defence through its Joint Direction of Infrastructure Networks and Information Systems (DIRISI). Together with Telespazio France (a joint venture owned by Leonardo and Thales Group), Orange Business Services supplies satellite telecommunications services for use by armed forces in field missions.

Orange is not involved in any of the other 15 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Tar sands and oil shale, Gambling, Genetic engineering, High interest rate lending, Human embryonic stem cells, Nuclear Power, Reproductive Medicine and Tobacco.

The controversial activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Vigeo Eiris.

Part II. ISSUANCE

Coherence of the issuance

Context note: The Telecommunications sector relies on heavy infrastructures and is highly dependent on the diffusion of mobile devices. Therefore, the reduction of impacts from energy use by reducing consumption of datacentres, sourcing green energy and managing telecommunication devices after use and reducing the impact of base stations are key issues for the sector. Also, as a strong vector of social inclusion, one of the key stakes of companies in the sector is to provide access to qualitative telecommunications services for vulnerable populations and low-income segments.

We are of the opinion that the contemplated Bonds are coherent with Orange’s strategic sustainability priorities and sector issues and contribute to achieving the Issuer’s sustainability commitments.

Orange appears to recognise its role in social and environmental challenges within its sector and disclose its ambition to be an engaged and committed leader in the new strategic plan, Engage2025, published on December 4th, 2019.

Orange appears to acknowledge its role in providing solutions to support society’s transition to a low carbon and sustainable economy by reducing its direct and indirect impacts.

To address these issues, Orange has set up targets:

- By 2025, reduce CO2 emissions by 30% compared to 2015;
- By 2025, have more than 50% of the Group’s energy from renewables (vs. 26% in 2019);
- Achieve carbon neutrality by 2040, despite the increase of data usage on its networks;
- By 2025, have 100% of Orange-branded products, in particular routers, eco-designed.

The Issuer also reports on significant measures to reduce its environmental impacts on mobile handsets’ lifecycle.

The Issuer also aims to promote digital inclusion through the following commitments:

- To set up an Orange Digital Center in each of the company’s regions and operational departments in France, to help excluded populations learn to use digital services;
- To deploy an inclusive offer in each European country along the lines of their “Gigas Solidarios” offer in Spain or “Coup de Pouce” offer in France;
- In MEA (Middle East & Africa), Orange will also continue to offer affordable smartphones such as the Sanza phone;
- To increase skills and undertake career retraining, with a more than 1.5 billion euros investment in a skills-building programme open to all employees around the world. Specifically, 20,000 employees will be trained in network virtualisation, artificial intelligence, data, cloud computing, code and cybersecurity.

The four key ambitions of the 2025 strategic plan are:

- Reinvent their operator model, including through offering increased connectivity and strengthening their infrastructures;
- Accelerate in growth areas, including through a strong presence in Africa and the Middle East, scaling up cybersecurity, and expanding in financial services;
- Place data and Artificial Intelligence at the center of their innovation model, impacting customer experience, smarter networks, and operating efficiency;
- Co-create a future-facing company, to be an attractive employer, and support responsible transformation.

By creating a Framework to issue Green or Social or Sustainability Bonds intended to finance, or refinance projects related to the Eligible Categories listed in its Framework, the Issuer coherently aligns with its sustainability strategy and commitments and addresses the main issues of the sector in terms of sustainable development.

Use of proceeds

The net proceeds of the Bonds will exclusively finance or refinance, in part or in full, projects falling under six Social and Green Categories (“Eligible Categories”), namely: Digital Inclusion, Social Inclusion, Energy Efficiency, Renewable energy, Circular economy and Pollution prevention and control. We consider the Eligible Categories to be clearly defined.

The Eligible Categories are intended to contribute to three main social objectives (access to information and communication technologies, employment generation, including through the potential effect of SME financing, and access to essential services) and to three main environmental objectives (climate change mitigation, natural resources preservation and pollution prevention and control). These objectives are formalized in the Framework and considered clearly defined and relevant.

The target populations that will benefit from the two social Eligible Categories have been clearly defined.

The Eligible Categories are considered to provide clear social and environmental benefits. The Issuer has committed to assess and, where feasible, quantify the expected social and environmental benefits of the Bond issued. An area for improvement consists in communicating on ex-ante quantified social or environmental targets, for each Eligible Category before each Bond issuance.

The Issuer has committed to report to investors before each issuance on the estimated share of refinancing. The issuer has committed, in case of re-financing, to respect a look-back period of maximum 2 calendar years from the Bonds’ issuance date, in line with market practices.

The Issuer has provided Vigeo Eiris with a list of potential projects for all sub-categories.

Orange Framework and internal documentation			Sustainability objectives and expected benefits	Vigeo Eiris analysis
Eligible Categories	Definition	Eligibility criteria and examples of Eligible Projects		
<p>Digital inclusion</p> <p>----</p> <p>Accelerating deployment of optic fiber network in areas at risk of digital exclusion</p>	<p>1. Deployment (installation) of optic fiber network in rural areas in Europe⁸, notably in France in partnership with public initiatives⁹, and in Africa (Orange footprint)</p> <p><u>Target population:</u> Unconnected or underserved¹⁰ population in “non-dense areas”¹¹</p>	<p>In France the installation covers AMEL⁹ /AMII areas or through Public Initiative Networks (PIN).</p> <p>Outside France, the installation covers “white areas” (i.e. not yet covered by any optic fiber network) or on the rural townships.</p>	<p>Access to Information and communication technologies</p> <p>----</p> <p><i>Increase in number of beneficiaries in the target population, including vulnerable groups when available</i></p>	<p>The definition of this category is clear.</p> <p>The social objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear social benefits which will be assessed and, where feasible, quantified by the Issuer.</p>
	<p>2. Deployment (installation) of high capacity networks</p> <p><u>Target population:</u> Populations in underserved areas¹²</p>	<p>Installation of submarine cable networks in areas without worldwide connectivity or with only one physical link. The Issuer has reported that installation between Europe and North America will be excluded.</p> <p>Deployment (installation) of backbone infrastructure in Africa & Middle East in areas to provide sufficient bandwidth to offer enhanced services.</p>		
<p>Digital inclusion</p> <p>----</p> <p>Accelerating deployment of mobile network in areas at risk of digital exclusion</p>	<p>3. Extending mobile coverage to provide Internet access with sufficient bandwidth for basic services to as many people as possible</p> <p><u>Target population:</u> Populations with limited access to mobile network living in emerging markets and developing economies as per IMF DataMapper¹³</p>	<p>Expansion of mobile coverage including all technologies in rural areas of emerging countries and developing economies¹³.</p>	<p>Access to Information and communication technologies</p> <p>----</p> <p><i>Increase in number of new mobile data users per country and/or per underserved area</i></p>	<p>The definition of this category is clear.</p> <p>The social objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear social benefits which will be assessed and, where feasible, quantified by the Issuer.</p>

⁸ Spain, Romania, Poland, Slovakia among others.

⁹ On areas covered by Public Initiative Networks (PIN) or on areas defined as per the French local public expression of interest (AMEL areas – *Appel à Manifestation d'Engagements Locaux*) or on the rural townships of AMII areas (*Appel à Manifestation d'Intention d'Investissement*), with rural townships as defined by INSEE.

¹⁰ The Issuer defines “underserved areas” as areas where “services are restricted, due to insufficient bandwidth (fixed access) or insufficient signal (mobile) in white zones”.

¹¹ The Issuer defines “non-dense areas” as geographical zones with a small number of inhabitants according to INSEE’s calculation method.

¹² The Issuer defines “underserved areas” as “areas benefitting from only one or no submarine cable, or as areas with poor bandwidth”

¹³ At the allocation date, as per IMF DataMapper available at <https://www.imf.org/external/datamapper/NGDPDPC@WEO/OEMDC/ADVEC/WEOORLD/MENA>. This includes notably the dense zones of these countries but where the bandwidth is insufficient.

Orange Framework and internal documentation			Sustainability objectives and expected benefits	Vigeo Eiris analysis
Eligible Categories	Definition	Eligibility criteria and examples of Eligible Projects		
	<p>4. Optimizing the performance of the network, particularly through the deployment (installation) of 4G technology</p> <p><u>Target population:</u> Populations living in emerging markets and developing economies as per IMF DataMapper¹³</p>	<p>Installation of 4G technology in emerging countries and developing economies¹³.</p>		<p>The definition of this category is clear.</p> <p>The social objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear social benefits which will be assessed and, where feasible, quantified by the Issuer.</p>
<p>Social inclusion</p> <p>----</p> <p>Supporting entrepreneurship</p>	<p>5. Orange Ventures, Orange Digital Investment, Orange Fab's financings and support of entrepreneurs in the services and technologies sectors, including Orange Ventures Africa</p> <p><u>Target population:</u> Entrepreneurs and start ups</p>	<p>Investments from Orange Digital Investment, Orange Ventures, Orange Fab into start-ups and multi-corporate funds in Europe and Africa including:</p> <ul style="list-style-type: none"> - Minority stakes in start ups - Co-investments in multicorporate funds, with specific geographic areas, businesses, mix of performance and philanthropy - Implementation of support structures for entrepreneurs and start-ups, including the provision of offices, financing and support in fundraising procedures, providing access to Orange's products, services and expertise. 	<p>Employment generation including through the potential effect of SME financing</p> <p>----</p> <p><i>Increase in number of start-ups supported</i></p> <p><i>Increase in jobs creation</i></p>	<p>The definition of this category is clear.</p> <p>The social objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear social benefits which will be assessed and, where feasible, quantified by the Issuer.</p>

Orange Framework and internal documentation			Sustainability objectives and expected benefits	Vigeo Eiris analysis
Eligible Categories	Definition	Eligibility criteria and examples of Eligible Projects		
<p>Social inclusion</p> <p>----</p> <p>Supporting social integration</p>	<p>6. Orange Foundation's financings in supporting social integration through digital technology for the excluded.</p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> • Young people and women trained in digital technology • Children access to educational content • Population with limited access to infrastructure for health and education 	<p>Financing of social inclusion projects according to the Orange Foundation's philanthropy policy¹².</p> <p>Eligible Projects include Orange Digital Center Programmes (ODC). Each ODC includes among other a coding school, a FabLab Solidaire, a start-up accelerator "Orange Fab":</p> <ul style="list-style-type: none"> - The Coding School is a free access technology center that offers training, and support targeting young people without diplomas. - the FabLab Solidaire is a digital manufacturing workshop for creating and prototyping with digital equipment, also targeting young people without diplomas and without jobs <p>Orange Villages Program¹⁵: Funding of Basic development infrastructure when (including a water point, a healthcare centre, a school) in Africa.</p> <p>Digital Schools: distribution of digital tablets to schools in Africa.</p>	<p>Access to essential services</p> <p>----</p> <p><i>Increase the access to essential services through digital technologies for excluded populations</i></p> <p><i>Increase the access to energy through renewable technologies in underserved areas</i></p>	<p>The definition of this category is clear.</p> <p>The social objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear social benefits which will be assessed and, where feasible, quantified by the Issuer.</p>

	<p>7. Orange Bank Africa & Orange Money's mobile banking solutions for payments, micro credit and insurance.</p> <p><u>Target population:</u> Populations living in emerging markets and developing economies as per IMF DataMapper¹³</p>	<p>Mobile banking solutions for payments, micro credit and insurance, in countries without traditional banks' network.</p> <p>Orange Money is accessible in 18 countries from Middle East and Africa¹⁴</p>		
	<p>8. Orange Energie Kit rental service with after-sales service provided, i.e. installation, maintenance, repair of the equipment including solar kits, microgrids and other solutions enabling access to electricity in underserved areas¹⁵</p> <p><u>Target population:</u></p> <ul style="list-style-type: none"> • Populations especially families in remote areas¹⁶ living in emerging markets and developing economies as per IMF DataMapper¹³ 	<p>Providing access to solar energy in rural areas or in cities where the quality of service provided by electricity suppliers is insufficient or not connected to the national grid.</p> <p>The service is already available in DRC, Madagascar, Burkina Faso, Senegal, Mali, Ivory Coast, Guinea.</p>		

¹⁴ Orange Money is accessible in the following countries: Ivory Coast, Senegal, Mali, Madagascar, Botswana, Cameroon, Mauritius, Guinea, Egypt, Tunisia, DRC, Republic of Central Africa, Liberia, Burkina Faso, Sierra Leone, Guinea Bissau, Jordan, Morocco.

¹⁵ The issuer defines "underserved areas" as "rural areas or in cities where the quality of service provided by electricity suppliers is insufficient"

¹⁶ The issuer defines "remote areas" as "areas not connected to the national grid"

<p>Energy efficiency ----</p> <p>Smarter networks with greater energy efficiency</p>	<p>9. Energy efficient hardware and software</p>	<p>Energy efficient hardware and software to reduce energy demand, increase sharing and optimize energy storage, such as but not limited to virtual servers and RAN sharing.</p>	<p>Climate change mitigation ----</p> <p><i>Reduction of GHG emissions, energy savings / energy efficiency</i></p>	<p>The definition of this category is clear.</p> <p>The environmental objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.</p>
<p>Energy efficiency ----</p> <p>Research & Innovation</p>	<p>10. Innovation in digital products and services like Artificial Intelligence and IoT connectivity solutions, aiming at saving energy consumption by improving the management of cities and regions, transport, resources and knowledge. It includes innovation in smart metering, smart logistics, smart cities, smart mobility and new connectivity services and products.</p>	<p>R&D on smart metering, smart logistics, smart cities, smart mobility and new connectivity services and products.</p> <p>Studies for deployment of IoT services: including temperature / humidity /presence /waste sensors, Energy/ water/ leakage meters.</p>	<p>Climate change mitigation ----</p> <p><i>Reduction of GHG emissions through process improvement and transport substitution energy savings / energy efficiency</i></p>	<p>The definition of this category is clear.</p> <p>The environmental objectives are considered clearly defined while relevant.</p> <p>Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.</p>
<p>Energy efficiency ----</p> <p>Eco-efficient Data Centers</p>	<p>11. Acquisitions, development and modernization of data centers delivering industry-leading PUE (power usage effectiveness) levels, resulting in significantly smaller PUE</p>	<p>The data centers must comply with the European Code of Conduct for Data Centre Energy Efficiency¹⁷.</p> <p>Data centers must respect specific PUE threshold according to their localisation.</p>	<p>Climate change mitigation ----</p> <p><i>Reduction of GHG emissions through energy efficiency</i></p>	<p>The definition of this category is clear.</p> <p>The environmental objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.</p>
<p>Energy efficiency ----</p> <p>Green Buildings</p>	<p>12. Construction of new buildings or renovation of existing buildings</p>	<p>The buildings need to meet recognised environmental standards:</p> <ul style="list-style-type: none"> - LEED: gold - BREEAM: very good - HQE: very good and excellent - or equivalent 	<p>Climate change mitigation ----</p> <p><i>Reduction of GHG emissions through energy savings / energy efficiency</i></p>	<p>The definition of this category is clear.</p> <p>The environmental objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.</p>

¹⁷ Code of Conduct : https://e3p.jrc.ec.europa.eu/sites/default/files/documents/publications/introductory_guide_v3.1.2.pdf

	13. Investment in equipment or technology helping reduce energy consumption and increase energy efficiency	Purchasing of centralized facilities management solutions (smart metering, lighting, heating, air conditioning) enabling significant reduction of energy use and increase of energy efficiency at least by 30%.	Climate change mitigation ---- <i>Reduction of energy use</i>	The definition of this category is clear. The environmental objectives are considered clearly defined and relevant. Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.
Energy efficiency ---- Clean Transportation	14. Development of sustainable mobility solutions , notably through fleet electrification and development of electric vehicles charging infrastructure	<ul style="list-style-type: none"> ▪ Expansion of electrified vehicles fleet (electric, hybrid and reloadable hybrid vehicles) with a relevant threshold in line with best market practices¹⁸. ▪ Development (installation) of electrified vehicles charging infrastructure. 	Climate change mitigation ---- <i>Reduction of GHG emissions</i>	The definition of this category is clear. The environmental objectives are considered clearly defined and relevant. Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.

¹⁸ The issuer states that Emissions threshold for hybrid vehicles will be aligned the EU Taxonomy at the time of Bond issuance.

Renewable Energy	15. Deployment (installation) of self-generation photovoltaic solar panels in Middle East & Africa and in Europe	Energy service company programme with long-term royalty fees and some buy-back options in 6 countries currently (target of 12 countries)	Climate change mitigation ---- <i>Reduction of GHG emissions</i>	The definition of this category is clear. The environmental objectives are considered clearly defined and relevant. Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer. Areas for improvement consist in: - Committing to select energy suppliers that have major involvement in renewable energy generation and demonstrate additionally a good ESG performance. - Favour low carbon marine vehicles (i.e. natural gas, electric) for cable ships.
	16. Renewable Energy Long-term Power Purchase Agreements , notably in Europe	PPAs, some with buy-back options (notably in France, Spain, Poland). All renewable energy sources are eligible ¹⁹ .		
	17. Building of solar farms in partnership with energy service companies	Photovoltaic solar farms (including in Jordan, Senegal, Morocco, Egypt) some with a buy-back option (and target to build farms in France and Europe)		
	18. Investments enabling cable ships to connect offshore wind farms	- The cable ship to be adapted under this category is using both diesel oil low-sulphur and electricity and will serve to install cables to connect offshore wind farms to onshore stations. - The Issuer also aims to buy a new cable ship with hybrid technology.		
Circular economy ---- Extending product-life	19. Innovation aiming at eco-designing, recycling or giving equipment a second life to reduce the impact of electronic waste on the environment	Recycling, repair and Refurbish and reuse of electronic materials projects. The Eligible Projects include: - 4R contracts (Reverse Recycle Refurbish Repair) for mobile phones - Internet boxes refurbishing - A project to re-use and refurbish material within the Group (telecom infrastructure material)	Pollution prevention and control <i>Reduction of electronic waste and their impacts on the environment</i> ---- Natural resources preservation <i>Reduction in use of resources</i>	The definition of this category is clear. The environmental objectives are considered clearly defined and relevant. Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.

¹⁹ Orange reports that forthcoming contracts are foreseen to use solar energy as well as onshore- and offshore-wind energy.

Pollution prevention and control	<p>20. Certified carbon sinks such as investments in sustainable management of certified forests.</p>	<p>Investments in sustainable management of certified forests (FSC, PEFC or equivalent international certification standards)</p>	<p>Climate change mitigation</p> <p>----</p> <p><i>Compensation of GHG emissions</i></p>	<p>The definition of this category is clear.</p> <p>The environmental objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.</p>
	<p>21. Collection and treatment or disposal of waste and/or installation or substitution of material in Orange's infrastructure with the goal of reducing pollution.</p>	<p>The Issuer has declared that the inaugural issuance will not finance any projects falling within this category. Therefore, the Issuer has not identified yet examples of projects that could fall in this sub-category.</p> <p>We value the Issuer's commitment to provide investors, prior to future issuances, examples of eligible projects falling in the sub-category.</p>	<p>Circular economy and Pollution prevention and control</p> <p>----</p> <p><i>Reduction of waste and their impacts on the environment</i></p> <p>----</p> <p><i>Reduction of polluting substances</i></p>	<p>The definition of this category is partially clear.</p> <p>The environmental objectives are considered clearly defined and relevant.</p> <p>Eligible Projects have the potential to provide clear environmental benefits which will be assessed and, where feasible, quantified by the Issuer.</p> <p>For the future issuances, areas for improvement are identified:</p> <ul style="list-style-type: none"> - The provision of examples of projects that could fall in this sub-category. - Specifying, once the projects have been identified, the type of technology to be used for the waste treatment and disposal (e.g.: investment in infrastructures to collect and/or treat waste, expenses aimed at third parties responsible for the recycling and/or recovery or others). - Demonstrate the net environmental benefits of the installation or substitution of material (in particular with regards to their lifecycle).

In addition, the Eligible Categories are likely to contribute to seven of the United Nations’ Sustainable Development Goals (“SDGs”), namely: Goal 7. Affordable and clean energy, Goal 8. Decent work and economic growth, Goal 9. Industry, Innovation and Infrastructure, Goal 10. Reduced inequalities, Goal 11. Sustainable cities and communities, Goal 12. Responsible consumption and production, Goal 13. Climate Action and Goal 15. Life on Land.



Eligible Green and Social Projects	UN SDGs identified	UN SDGs targets
Digital inclusion	SDG 9. Industry, Innovation and Infrastructure	9.1
Social inclusion	SDG 7. Affordable and clean energy	7.1, 7.2
	SDG 8. Decent work and economic growth	8.3
	SDG 10. Reduced inequalities	10.2
Energy efficiency	SDG 7. Affordable and clean energy	7.3
	SDG 11. Sustainable cities and communities	11.3, 11.6
	SDG 13. Climate Action	N/A
Renewable Energy	SDG 7. Affordable and clean energy	7.2
	SDG 13. Climate Action	N/A
Circular economy	SDG 12. Responsible consumption and production	12.5
Pollution prevention and control	SDG 15. Life on Land	15.2
	SDG 12. Responsible consumption and production	12.4, 12.5

Process for Projects Evaluation and Selection

The governance and the process for the evaluation and selection of the Eligible Projects are formalized in the Framework. We consider that the process is reasonably structured, transparent and relevant.

The process for evaluation and selection of Eligible Projects is clearly defined.

The evaluation and selection of Eligible Projects is based on relevant internal expertise, with well-defined roles and responsibilities:

- Prior to any major investment, projects are presented by the Business teams to the Investment Committee Group (ICG), which grants the approval for investment. The Group Chief Compliance Officer participates in the ICG.
- For the purpose of the Bonds, a dedicated Sustainable Finance Committee has been created and will meet annually. The Committee is responsible for:
 - Reviewing and validating the selection of Eligible Projects proposed by the business teams and in line with the Use of Proceeds of the Bonds' Framework.
 - Monitoring the Eligible Projects portfolio, during the life of the Bonds. Specifically, reviewing the Sustainability Register. The review may be due to the identification of a material controversy associated with an Eligible Project. During the life of each Bond, the Committee can decide to replace some Eligible Projects in case of divestment, or if an Eligible Project no longer meets the eligibility criteria or due to the identification of a material controversy.
 - The Committee is also responsible to manage any future updates of the Framework.

This Sustainable Finance Committee is composed of representatives of:

- The Corporate Social Responsibility and Finance departments, in charge of leading the Projects, ensuring alignment with the Framework, and keeping a Sustainable Register updated.
- The Controlling department, which supports the CSR and Financing departments in the monitoring of allocated and unallocated funds and in the review of the Sustainable Register.
- The Legal department, which ensures the alignment of Orange's Framework and reporting with legal constraints.

When relevant, the Sustainable Finance Committee will invite specific business departments or functional teams to provide technical and sustainability inputs of the Green and Social Eligible Projects. If required, external partners can be invited to the Sustainable Finance Committee to update the Committee on specific eligible projects.

Orange reported that it relies on the measures implemented as part of its due diligence obligations to monitor the controversies associated with eligible projects. In addition to the alert mechanism open to all stakeholders, the company relies on a network of CSR correspondents from the subsidiaries who are in charge of monitoring local controversies and forwarding information to the group's CSR department.

The traceability and verification of the selection and evaluation of the projects is ensured throughout the process:

- The traceability of the decisions appears to be ensured throughout the process, through meeting minutes of the Sustainable Finance Committee.
- Orange has committed to having external reviews to verify the compliance of the selected Green & Social Portfolio of projects, with the eligibility criteria and process defined in the Framework.

The process relies on explicit eligibility criteria, relevant to the environmental and social objectives defined for the Eligible categories.

- The selection criteria are based on the description of the Eligible Categories provided in the Use of Proceeds section of this SPO and in the issuer's Framework.
- Eligible Projects are located in the "Orange footprint" which currently covers 26 countries²⁰ where the Issuer operates.

²⁰ Orange footprint covers the following 26 countries: Belgium, France, Luxembourg, Moldova, Poland, Romania, Slovakia, Spain, Botswana, Cameroon, Republic of Central Africa, Ivory Coast, Guinea Bissau, Guinea Conakry, Madagascar, Mali, Senegal, Tunisia, Democratic Republic of the Congo, Egypt, Maroc, Burkina Faso, Liberia, Sierra Leone, Mauritius and Jordan

The identification and management of the material environmental and social risks associated with the Eligible Projects are considered good for all categories.

Risks associated with all typologies of projects

An Environmental Risks Assessments is performed for all Eligible Projects in order to identify potential risks in terms of **biodiversity loss**. Concerning **material environmental risks** an Environmental Management System certified ISO 14001, covering at least 60% of the Group's activities (therefore at least 60% of the Eligible Projects). Additionally, employees receive regular training on Biodiversity issues.

At Group level, the company relies on the Verisk Maplecroft assessment to **identify material risks of fundamental human and labour rights violation** (including Child labour, Forced Labour, Civil & Political Rights, Working Conditions) in each country where Orange operates. An internal whistleblowing system in place open to all stakeholders. The Compliance Department is responsible for monitoring the whistleblowing system and KPIs are reviewed by the Board of Directors. Additionally, employees receive regular training on Fundamental rights issues.

Regarding **Health and Safety risks**, an Occupational Health and Safety Management System - OHSMS (based on internationally recognized guidelines and/or on the Orange group's global health and safety agreement signed with UNI Global Union in 2014) deployed in every subsidiaries/entities and dedicated audits and self-assessments of the OHSMS. Additionally, employees receive regular training on H&S issues. H&S KPIs are monitored.

As regards **integration of environmental and social factors** in the supply chain, Orange evaluates its suppliers on their ESG performance either via a questionnaire drawn up by Orange (special funds are allocated to country subsidiaries to evaluate their local suppliers), or via a company specialising in responsible purchasing. Orange performs mutualised audits of suppliers through the supply chain (up to tier 4) with the Joint Audit Cooperation (JAC) to assess suppliers' compliance with social and environmental accountability standards (SA 8000, ISO 14001, etc.) and, if necessary, to implement corrective action plans.

A CSR clause is to be included in all purchasing contracts as well as the supplier code of conduct attached to all new contracts. The issuer reports that 80% of contracts at group level are covered by CSR clauses.

In order to address **Business ethics and corruption**, the Issuer has a dedicated Code of Ethics at group level addressing its commitment worldwide on good business towards customers, shareholders, employees, suppliers, competitors and other stakeholders. A whistleblowing system open to any stakeholders is in place in order to report on situations violating the anti-corruption policy.

Risks associated with the installation of submarine cable networks

In order to address risks of **biodiversity loss in marine areas** associated to Eligible Projects falling within this sub-category, Orange relies on the Charter for Sustainable Actions for Innovative and Low-impact Shipping – SAILS (for projects falling under orange Marine's scope such as the Installation of submarine cable networks). Additionally, 50% of the Orange Marine fleet is equipped with the REPCET system²¹ (IT system for whale position monitoring for vessels) and boat crew received dedicated training from specialised NGOs.

In order to address risk of **pollution due to unsustainable end-of-life risk management of cables**, the Issuers reports that cables recovery rate reaches 78% for France and 95% for the rest of the world.

Risks associated with the deployment of deployment of optic fiber network, Installation of mobile coverage (2G and 3G) and 4G technology.

In order to address risks associated to **energy consumption** (and related GHG emissions), Orange relies on a "Networks Transformation Guidelines".

Orange is following the international recommendations of the ICNIRP (International Commission on Non-Ionising Radiation Protection) and the World Health Organization for Digital inclusion projects in order to address risks associated with **Electromagnetic Fields (EMF) emissions**.

Vigeo Eiris has no visibility on the measures implemented at project level to ensure that **biodiversity risks** are properly managed in countries where the EMS ISO 14 001 is not in place for this type of activity (Poland, Moldova and Senegal in some cases). Orange reported that poles have special protection so that birds are not caught inside.

²¹ REPCET website - <http://repcet.com/>

Risks associated with Orange Ventures, Orange Digital Investment and Orange Fab's projects

Upstream of any participation in a start-up, the acquisition team is in charge of the proper implementation of the due diligence procedure. In addition, the compliance officer also participates in the investment committee.

Regarding risk of **discrimination in the access to a programme/service/project** of Orange Foundation, all eligible criteria for the selection of project are disclosed in the "Charte de gouvernance de la fondation d'entreprise Orange".

Risks associated with Orange Money projects

As regards the risks associated with the **discrimination in the access to the service**, Orange declares that the Orange Money services is open to all without exceptions. Vigeo Eiris has no visibility on the **due diligence** performed on its clients using Orange Money.

Orange currently provides microcredit offers in Mali and Madagascar. To limit over indebtedness, Orange has implemented measures to determine in real time whether an Orange Money customer is eligible for a loan.

Risks associated with Green buildings projects

We consider that all relevant Environmental risks related to the construction of eligible Green Real Estate progress projects, namely: **Biodiversity Protection, GHG and other atmospheric emissions, Reduction of energy consumption, water consumption and waste and wastewater management on site**, are covered through the green building "construction" certification processes.

Risks associated with acquisitions, development and modernization of data centers

In order to address risks associated to **energy consumption** (and related GHG emissions), Orange relies on "Networks Transformation Guidelines" in order to optimize energy efficiency.

Risks associated with Photovoltaic project (Renewable energy category and Orange Energie)

Regarding the risks of **pollution due to unsustainable end-of-life risk management of solar panels**, we have no visibility on Orange and its partners' commitment to recycling end-of-life solar panels. Batteries will be recycled at the end of their life.

Areas for improvement include:

- Clarifying what measures are in place to ensure the decommissioning of solar kits at end-of-life and whether environmental impact assessments are conducted for the solar kits.
- Clarifying what measures are in place to ensure the sustainable treatment of unrecyclable materials (Recycling and Refurbish programme for mobile phones and Internet box).
- Clarifying the ESG due diligence conducted for energy companies' partners.
- Clarifying what processes are in place to ensure reinforced due diligence for the most at-risk countries (e.g.: Liberia, Sierra Leone, etc).

Management of proceeds

The rules for the management of proceeds are clearly defined and will be verified. We consider that they would enable a documented and transparent allocation process.

The allocation and management of the proceeds are overall clearly defined:

- Orange declares that it will earmark and hold the balance of unallocated proceeds in the form of cash or invested in SRI funds. The Financing Department will ensure the earmarking of the proceeds.
- In case of project postponement or divestment from an asset, the Issuer aims to reallocate the proceeds to other selected Eligible Projects, within less than 12 months, or prior to the next anniversary of the issuance.

An area for improvement consists in committing to allocate all funds within 24 months to align with good market practices.

Traceability and verification of both tracking method and allocation of the proceeds, are ensured throughout the process:

- The Financing and CSR departments will be in charge of tracking the use of proceeds of Orange's Bonds through a Sustainability Register. The Financing Department will ensure the earmarking of proceeds. The Sustainability Register will be prepared by the Financing and the CSR departments, in coordination with the Controlling department and the relevant business units to track the amount of investments to be financed or refinanced.
- The Sustainable Finance Committee will validate the allocation of funds and the tracking method. Orange's internal controlling department will also audit the allocation process.
- The Sustainable Finance Committee will review the Sustainability Register annually to verify the amount of allocated proceeds.
- Orange will appoint an independent third party to verify the Eligible Project Portfolio's allocated and unallocated proceeds once a year and until full allocation.

Monitoring & Reporting

The reporting process and commitments appear to be overall good, covering both the funds allocation and a majority of environmental and social benefits of the Eligible Projects.

The processes for monitoring and reporting are clearly defined by the Issuer in internal documentation. An area for improvement is formalizing these processes in the Framework.

The process is structured and based on relevant internal expertise and involves relevant departments of the Issuer:

- The CSR Department is in charge of monitoring and collecting information from the operational teams in charge of each of the Eligible Projects. Each year, the CSR Department will submit information concerning the Bonds to the Sustainable Finance Committee.
- The Sustainable Finance Committee will be responsible for the elaboration of annual reports (including allocation of proceeds data and the environmental and social benefits reports).

The Issuer has committed to report annually and until full allocation of proceeds. If, after completion of the allocation, some Eligible Projects are replaced (in accordance with the substitution conditions detailed in the section "Process for Project Evaluation and Selection"), Orange will publish an updated allocation report and an updated impact report on its website²². In addition, Orange commits to report to investors in case of material developments relating to the Bonds and to the Eligible projects, including in case of ESG controversies.

The Issuer has committed to transparently communicate at Eligible Category level, on:

- Allocation of proceeds: the selected reporting indicators are relevant.

Reporting indicators
<ul style="list-style-type: none">- The total amount of proceeds allocated per Eligible Project category- Share of financing v. refinancing (in %)- The amount of unallocated proceeds (in %)- Share of co-financing when relevant (%)

²² <https://www.orange.com/en/Group/Non-financial-reporting>

- Social and environmental benefits: the selected reporting indicators are overall relevant, although not exhaustive.

Eligible Social categories	Social benefits indicators	Vigeo Eiris' opinion
	Outputs and outcomes	
Digital Inclusion	<u>1 & 2. Accelerating deployment of optic fiber network in areas at risk of digital exclusion</u> <ul style="list-style-type: none"> ▪ Estimated increase in the number of beneficiaries in the target population including reach to vulnerable groups when available 	<p>The selected reporting indicators are relevant.</p> <p>An area for improvement includes to report on the indicators separately considering the target populations are different.</p>
	<u>3 & 4. Accelerating deployment of mobile network in areas at risk of digital exclusion</u> <ul style="list-style-type: none"> ▪ Number of new mobile data user per country and/or per underserved area 	
Social Inclusion	<u>5. Supporting entrepreneurship (Orange Ventures, Orange Digital Investment, Orange Fab)</u> <ul style="list-style-type: none"> ▪ Number of start-ups supported ▪ Number of full time employments created <u>6, 7 & 8. Supporting social integration (Orange Foundation, Orange Bank Africa & Orange Money, Orange Energie)</u> <ul style="list-style-type: none"> ▪ Number of beneficiaries for each category of projects 	<p>The selected reporting indicators are relevant.</p>

Eligible Green categories	Environmental benefits indicators		Vigeo Eiris' opinion
	Outputs and outcomes	Impacts	
Energy Efficiency	<p><u>9. Multitenant Software architecture Network Virtualization</u></p> <p><u>10. Research & Innovation</u></p> <p><u>11. Eco-efficient data centers</u></p> <ul style="list-style-type: none"> ▪ Effective PUE for eligible data centres <p><u>12 & 13. Green Real Estate</u></p> <ul style="list-style-type: none"> ▪ Environmental labels obtained for buildings <p><u>14. Sustainable mobility</u></p>	<ul style="list-style-type: none"> ▪ Estimated annual GHG emissions reduced/avoided, in tons of CO2e ▪ Estimated energy saved (in MWh) 	<p>The selected reporting indicators are relevant.</p> <p>For the category on Research & Innovation, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of Research & Innovation projects (Nb) <p>For the category on Eco-efficient data centers, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of data centres acquired, number of data centres developed, number of data centres modernised (Nb) <p>For the category on Green Real Estate, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of new buildings constructed; number of buildings renovated (Nb) ▪ Number of centralized facilities management solutions purchased (Nb) <p>For the category on sustainable mobility, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of new Electrified Vehicles in Orange fleet (Nb) ▪ Number of new Electrified Vehicle Charging Station (Nb) ▪ Percentage of Electrified Vehicles in Orange's global fleet (%) ▪ The estimated annual GHG emissions reduced/avoided for Orange's fleet, in tons of CO2e (compared to global fleet before the Green Bond)

<p>Renewable Energy</p>	<p><u>15. Deployment of self-generation solar panels in Middle East & Africa and in Europe</u></p> <ul style="list-style-type: none"> ▪ Renewable energy produced /purchased (MWh) <p><u>16. Renewable Energy Long-term Power Purchase Agreements, notably in France, Spain and Poland</u></p> <ul style="list-style-type: none"> ▪ Renewable energy produced /purchased (MWh) <p><u>17. Building of solar farms in partnership with energy service companies</u></p> <ul style="list-style-type: none"> ▪ Renewable energy produced /purchased (MWh) <p><u>18. Investments enabling cable ships to connect offshore wind farms</u></p>	<ul style="list-style-type: none"> ▪ Estimated annual GHG emissions reduced/avoided, in tons of CO2e 	<p>The selected reporting indicators are relevant.</p> <p>For the category on the deployment of self-generation solar panels, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of programmes financed (Nb) <p>For the category on Renewable Energy Long-term PPAs, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of PPAs financed (Nb) <p>For the category on the construction of solar farms in partnership with energy service companies, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Installed capacity (MW) ▪ Number of projects financed (Nb) <p>For the category on cable ships, an area for improvement includes to report on:</p> <ul style="list-style-type: none"> ▪ Number of ships adapted (Nb) ▪ Number of ships purchased (Nb) ▪ Estimated annual SOx and other PM emissions (when relevant) reduced/avoided (tons)
<p>Circular economy</p>	<p><u>19. Innovation aiming at eco-designing, recycling or giving equipment a second life</u></p>	<ul style="list-style-type: none"> ▪ Expected reduction of waste in number of equipment units ▪ Estimated annual GHG emissions reduced/avoided, in tons of CO2e 	<p>The selected reporting indicators are relevant.</p> <p>An area for improvement includes also to report on:</p> <ul style="list-style-type: none"> ▪ Number of new equipment units that have undergone eco-design measures (Nb) ▪ Share of recovery compared to the total amount of waste (%) ▪ Share of equipment units recycled or refurbished compared to the global number of units recovered (%) ▪ Number of 4R contracts (Nb) ▪ Number of internet boxes refurbished (Nb)

<p>Pollution prevention and control</p>	<p><u>20. Certified carbon sinks</u></p> <p><u>21. Collection and treatment or disposal of waste and/or installation or substitution of material in Orange's infrastructure with the goal of reducing pollution.</u></p>	<ul style="list-style-type: none"> ▪ Estimated CO2 sequestrated (in t.CO2/year) ▪ Estimated annual gross amount of materials/waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes p.a.) 	<p>The selected reporting indicators are relevant.</p>
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The Issuer has committed to provide the key underlying methodology and sources used in the quantitative determination of impact reporting indicators in each annual impact report.

Areas for improvement include:

- Defining and reporting on indicators at sub-category level, considering the heterogeneity of some of the categories.
- Defining baseline years and comparing the indicators to the baseline year.

METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris writes an opinion on the Issuer's Corporate Social Responsibility as an organization, and on the process and commitments applying to the intended issuance.

Vigeo Eiris' methodology for the definition and assessment of the corporate's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and is organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. Our evaluation framework of the material ESG issues have been adapted, based on our generic Telecommunications' ESG assessment frameworks and on specific issues considering the Issuer's activity.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Direction of Methods. Our SPO are also subject to internal quality control at three levels (consultants in charge of the mission, Product Manager, and final validation by the Direction in charge of the department). A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council.

All employees are signatories of Vigeo Eiris' Code of Ethics, and all the consultants have also signed its add-on covering financial rules of confidentiality.

Part I. ISSUER

NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmark developed by Vigeo Eiris.

Level of the Issuer's ESG performance

Orange's ESG performance has been assessed by Vigeo Eiris on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

Management of stakeholder-related ESG controversies

A controversy is an information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation on unproven facts.

Vigeo Eiris reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as they are public, documented and traceable.

Vigeo Eiris provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies faced. At corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy will relate to stakeholders' fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the company, the highest its severity. Severity assigned at corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

15 controversial activities have been analysed following 30 parameters to verify if the company is involved in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The precise nature of the controversial products or services provided by the company.

Part II. ISSUANCE

The Framework has been evaluated by Vigeo Eiris according to the GBP 2018 & SBP 2020 and on our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and of their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds or Loans standards. Vigeo Eiris evaluates the definition of the Eligible Categories, as well as the definition and the relevance of the aimed sustainability objectives. We evaluate the definition of the expected benefits in terms of assessment and quantification. In addition, we evaluate the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris regarding its transparency, governance and relevance. The eligibility criteria have been assessed regarding their explicitness and relevance vs. the intended objectives of the Eligible Projects. The identification and management of the ESG risks associated with the Eligible Projects are analysed based on material issues considered in Vigeo Eiris' ESG assessment methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Management of proceeds


The rules for the management of proceeds and the allocation process are evaluated by Vigeo Eiris regarding their transparency, coherence and efficiency.

Reporting

Monitoring process and commitments, Reporting commitments, reporting indicators and methodologies are defined by the Issuer to enable a transparent reporting on the proceeds allocation and tracking, on the sustainable benefits (output and impact indicators) and on the responsible management of the Eligible Projects financed by the issuance. Vigeo Eiris has evaluated the reporting framework regarding its transparency, exhaustiveness and relevance.

VIGEO EIRIS' ASSESSMENT SCALES

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		



Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organizations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organizations.

Vigeo Eiris offers a wide range of services:

- ▶ **For investors:** decision making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more).
- ▶ **For companies & organizations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris is committed to delivering client products and services with high added value: a result of research and analysis that adheres to the strictest quality standards. Our methodology is reviewed by an independent scientific council and all our production processes, from information collection to service delivery, are documented and audited. Vigeo Eiris has chosen to certify all its processes to the latest ISO 9001 standard. Vigeo Eiris is an approved verifier for CBI (Climate Bond Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Brussels, Casablanca, Hong Kong, Milan, New York, Rabat, Santiago.

The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan.

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