

Second-Party Opinion

Orange SA Sustainability Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Orange SA Sustainability Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds¹ are aligned with those recognized by the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 8, 9, 10 and 12.



PROJECT EVALUATION AND SELECTION Orange has established a Sustainable Financing Committee (SFC), which will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. The SFC convenes at least annually and consists of representatives from the Corporate Social Responsibility, Treasury, Controlling and Legal departments supported by other business departments or functional teams that have relevant technical and sustainability expertise. The SFC will leverage Orange's corporate governance and internal standards to monitor and mitigate environmental and social risks associated with the projects financed under the Framework. This is in line with market practice.



MANAGEMENT OF PROCEEDS The SFC will be responsible for the management of net proceeds and will track their allocation using a Sustainability Register. Orange intends to allocate proceeds within 24 months after issuance. Pending full allocation, unallocated proceeds will be placed temporarily in cash, cash equivalents, socially responsible investment funds or other liquid marketable instruments. This is in line with market practice.



REPORTING Orange commits to report on the allocation of proceeds and the corresponding impact in an allocation and impact report, which will be published on its website on an annual basis until the proceeds have been fully allocated. Allocation reporting will include the total amount of proceeds allocated per category, share of financing and refinancing, amount of unallocated proceeds, share of co-financing when relevant and breakdown of eligible projects per geography. Sustainalytics views Orange's allocation and impact reporting as aligned with market practice.

Second-Party Opinion

Reviewed by:

MORNINGSTAR

SUSTAINALYTICS



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¹ Energy Efficiency; Renewable Energy; Circular Economy; Accelerating Deployment of Optic Fibre Networks in Areas at Risk of Digital Exclusion; Accelerating Deployment of Mobile Networks in Areas at Risk of Digital Exclusion; Digital Skills; Supporting Financial and Social Integration; and Supporting Entrepreneurship.

Introduction

Orange SA (“Orange” or the “Company”) is a multinational telecom service provider for B2C and B2B customers, including other telecommunication operators, offering fixed telephony and mobile communications, data transmission, internet and multimedia, and value-added services. Headquartered in Paris, the Company is present in 26 countries in Europe, the Middle East and Africa with a customer base of 292 million and 128,000 employees as of 30 September 2024.²

Orange has developed the Orange SA Sustainability Financing Framework (the “Framework”) under which it intends to issue green, social and sustainability (GSS) bonds and obtain GSS loans (together, the “GSS Financings”), and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are intended to support the decarbonization efforts of telecom services and digital inclusion in Europe, the Middle East and Africa.

The Framework defines eligibility criteria in three green categories:

1. Energy Efficiency
2. Renewable Energy
3. Circular Economy

The Framework defines eligibility criteria in five social categories:

4. Accelerating Deployment of Optic Fibre Networks in Areas at Risk of Digital Exclusion
5. Accelerating Deployment of Mobile Networks in Areas at Risk of Digital Exclusion
6. Digital Skills
7. Supporting Financial and Social Integration
8. Supporting Entrepreneurship

Orange engaged Sustainalytics to review the Framework, dated November 2024, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP),³ Green Loan Principles 2023 (GLP) and Social Loan Principles 2023 (SLP).⁴ The Framework will be published in a separate document.⁵

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2023 as administered by ICMA, and the Green Loan Principles 2023 and Social Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.17, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

² Orange, “Press Release - First semester 2024 financial results”, at: <https://newsroom.orange.com/first-semester-2024-financial-results/>

³ The Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles are administered by the International Capital Market Association and available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁴ The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/#> and <https://www.lsta.org/content/social-loan-principles-slp/>

⁵ The Orange SA Sustainability Financing Framework is available on Orange’s website at: <https://gallery.orange.com/rse?lang=en&v=9396b6eb-b3bd-4fdb-8be7-ca877ed041a8>

⁶ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last, but not least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

As part of this engagement, Sustainalytics held conversations with various members of Orange's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Orange's representatives have confirmed that they: (1) understand it is the sole responsibility of Orange to ensure that the information provided is complete, accurate or up to date; (2) have provided Sustainalytics with all relevant information; and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Company.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Orange is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds, but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Orange has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Orange SA Sustainability Financing Framework

Sustainalytics is of the opinion that the Orange SA Sustainability Financing Framework is credible, impactful and aligns with the four core components of the GBP, SBP, GLP and SLP. Sustainalytics highlights the following elements of Orange's Sustainability Financing Framework:

- Use of Proceeds:
 - The eligible categories - Energy Efficiency; Renewable Energy; Circular Economy; Accelerating Deployment of Optic Fibre Networks in Areas at Risk of Digital Exclusion; Accelerating Deployment of Mobile Networks in Areas at Risk of Digital Exclusion; Digital Skills; Supporting Financial and Social Integration; and Supporting Entrepreneurship - are aligned with those recognized by the GBP, SBP, GLP and SLP.
 - Expenditures under the Framework include capex, research and development for some green eligible projects, capex and opex for some social eligible projects, equity investments for the "Supporting Entrepreneurship" Social Eligible Category and majority equity investments in pure play companies.
 - Orange has confirmed to Sustainalytics that there will be no double counting of expenditures among green and social categories.
 - Orange has communicated to Sustainalytics that eligible projects will be located in the following countries where Orange is acting as a telecom operator: Belgium, France, Luxembourg, Moldova, Poland, Romania, Slovakia, Spain in Europe; and Botswana, Burkina Faso, Cameroon, Central African Republic, Senegal, Ivory Coast, Democratic Republic of Congo, Egypt, Guinea Bissau, Guinea, Jordan, Liberia, Madagascar, Mali, Mauritius, Morocco, Sierra Leone and Tunisia outside of Europe.⁷

⁷ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

- Orange has defined a look-back period of three years for the refinancing of expenditures, which Sustainalytics considers to be in line with market practice.
- Under the Energy Efficiency category, Orange may finance or refinance projects related to the modernization of its networks and data centres, with the goal of improving their energy efficiency. This may include:
 - Projects aimed at replacing existing copper networks with fibre to the home (FTTH) networks.
 - Energy efficiency solutions that lead to at least 30% cumulative avoided energy consumption, including: i) radio access network (RAN) sharing; ii) software licences to optimize data centre cooling systems intended to be used in data centres with a power usage effectiveness (PUE) of less than 1.5; iii) free cooling systems for data centres; iv) energy-efficient equipment, including thermal insulation, energy-efficient windows and the replacement of heating and ventilation systems; and v) onsite power management systems, such as load balancing, energy monitoring and automatic switch-off power systems.
 - Sustainalytics views positively the inclusion of a defined energy efficiency threshold for the installation of energy-efficient systems, equipment and technologies.
 - Sustainalytics notes that data centres are inherently energy-intensive, and that Orange intends to finance the installation of energy-efficient systems, hardware and technologies in data centres to reduce overall GHG emissions and improve energy performance.
 - Construction of new data centres with a PUE of less than 1.3 in Europe and up to 1.5 in the Middle East and Africa.
 - Research and development of digital products and services intended to reduce the energy consumption and GHG emissions of Orange's clients, including the Internet of Things (IoT), Smart Operations,⁸ Smart Eco-Energy,⁹ big data and artificial intelligence (AI) applications and smart metering.
 - By enabling high-speed network connectivity, Orange's solutions have the potential to support end users to save energy across industrial sectors. Sustainalytics is of the opinion that investments in this category are expected to provide net-positive environmental impacts while noting variations in the energy demands on the network and the range of end-user technologies that it supports.
 - Sustainalytics notes that the Framework excludes specific activities that are associated with fossil fuels. Additionally, Sustainalytics understands that the Company cannot exercise any control over the use and application of the IoT- and AI-enabling technologies once sold.
 - Sustainalytics acknowledges that the expansion of IoT and AI networks and increasing data flow resulting from IoT and AI solutions may result in additional energy demands on telecommunications networks. Nevertheless, Sustainalytics believes that the enabled savings outweigh the potential adverse effects of additional network energy demand.
 - Sustainalytics notes that Orange will limit financing under the Framework to projects where the Company can report on the expected quantitative environmental impact in line with the indicators included under the Framework.
 - Orange has confirmed to Sustainalytics that solutions under this category exclude the application to transmissions lines connected or dedicated to fossil fuel power.
 - Sustainalytics considers the investments under this category to be in line with market practice.
- Under the Renewable Energy category, Orange may finance or refinance the installation, maintenance and repair of onsite renewable energy projects related to solar PV and onshore and offshore wind. Orange has confirmed to Sustainalytics that the fossil fuel back-up of

⁸ Orange, "Smart Operations", at: <https://www.orange-business.com/fr/solutions/data-intelligence-iot/smart-operations>

⁹ Orange, "Smart Eco-Energy", at: <https://www.orange-business.com/fr/solutions/data-intelligence-iot/smart-eco-energy>

the offshore wind facilities is limited to power monitoring, operating and maintenance equipment, as well as resilience or protection measures and restart capabilities. Sustainalytics considers the investments under this category to be in line with market practice.

- Under the Circular Economy category, Orange may finance or refinance the following activities:
 - Repairing, refurbishing, remanufacturing and recycling of fixed customer premises equipment, such as liveboxes, airboxes, routers, set-up boxes or set-top boxes. Orange has confirmed to Sustainalytics that the eligible projects related to e-waste recycling will have a robust waste management plan to ensure mitigation of any risks associated with such activities. For additional detail, see Section 2.
 - Acquisition of refurbished IT and network equipment, including those for data centres with a PUE of less than 1.5. Orange has confirmed that there will be no double counting of financing among expenditures related to data centres under the Energy Efficiency and Circular Economy categories under the Framework.
 - Investments related to the provision of products through service models for customer equipment with an aim to extend the lifespan of the equipment,¹⁰ such as mobile phones through the Orange Circular Mobility Offer.^{11,12}
 - Orange has communicated to Sustainalytics that the proceeds will be used to finance the: i) acquisition of eligible assets, such as mobile phones, for leasing; and ii) post-asset acquisition expenditures, including the maintenance of assets. Sustainalytics notes that Orange's eligibility criteria are consistent with the EU Taxonomy's Annex 2 Substantial Contribution Criteria for "Product-as-a-service and other circular use- and result-oriented service models".¹³ Sustainalytics considers such programmes to have positive environmental impact as Orange recollects and refurbishes the eligible assets before redistribution.
 - Sustainalytics also notes that the expenditures financed under the Framework may include the acquisition of assets to be leased, and further notes that the primary impact from leasing contributing to a circular economy would be derived from the operational leasing, including the take-back and maintenance of assets and products, which leads to their extended use.
 - Sustainalytics recognizes that financing operational leasing contributes to a circular economy by allowing one asset to be utilized by several users, and notes that it has the potential to contribute to limiting GHG emissions resulting from the manufacturing of new products.
 - Sustainalytics considers the investments under this category to be in line with market practice.
- Under the Accelerating Deployment of Optic Fibre Networks in Areas at Risk of Digital Exclusion category, Orange may finance or refinance projects that improve access to optic fibre networks to unconnected or underserved populations lacking network connectivity in rural areas in Europe, the Middle East and Africa:
 - Upgrading of copper ADSL to optic fibre in rural areas in France limited to the French government's "Public Initiative Networks" (PIN)^{14,15} or "French Local Public Expression of Interest" (AMEL) national high-speed broadband programmes¹⁶ as part of the French government's "Plan France Très Haut Débit".¹⁷

¹⁰ Such programmes will be governed by the following terms and conditions: i) Orange remains the owner of the equipment; ii) Orange is obliged to take back the equipment at the end of the programme; iii) the customer is obliged to return the equipment at the end of the agreement; and iv) the customer pays for the access to and use of the equipment or the result of access to and use of the equipment.

¹¹ Orange has communicated to Sustainalytics that the programmes also follow International Telecommunication Union's ITU-T L.1480 (12/2022) recommendations.

¹² ITU, "ITU-T L.1480 (12/2022)", at: <https://www.itu.int/ITU-T/recommendations/rec.aspx?rec=15030&lang=en>

¹³ European Commission, "Annex 2 to the Commission Delegated Regulation", (2023), at: https://finance.ec.europa.eu/system/files/2023-06/taxonomy-regulation-delegated-act-2022-environmental-annex-2_en_0.pdf

¹⁴ ARCEP, "Les réseaux d'initiative publique (RIP)", at: <https://www.arcep.fr/mes-demarches-et-services/collectivites/les-reseaux-d-initiative-publique-rip.html>

¹⁵ ARCEP, "Comment s'organise le déploiement de la fibre en France?", at: https://www.arcep.fr/fileadmin/user_upload/espace_collectivites/rapport-TC-2020/rapport-TC-2020-CHAP2_FICHE1.pdf

¹⁶ FIBRE.guide, "AMEL", at: <https://fibre.guide/deploiement/amel>

¹⁷ Agence nationale de la cohésion des territoires, "France très haut débit", at: <https://agence-cohesion-territoires.gouv.fr/france-tres-haut-debit-53>

- Plan France Très Haut Débit identifies the PIN and AMEL areas by using population density data (the PIN and AMEL areas being considered as “low density”) as a proxy for connectivity.¹⁸ Orange has communicated to Sustainalytics that the reliability and speed of a copper network depends on the distance between the connection node and the user. As a result, the PIN and AMEL areas are expected to have an average speed below the national average of between 8 and 10 Mbps.¹⁹
- Sustainalytics considers investment in areas that have an average network speed of below 10 Mbps to be socially impactful in line with the International Telecommunication Union’s (ITU) definition of “meaningful connectivity”. Sustainalytics further notes that financing under the Framework may indirectly benefit areas that have an average network speed of above 10 Mbps, which Sustainalytics views as having limited social impact.
- Nevertheless, Sustainalytics considers that the positive social impact of these expenditures is assured to a certain extent given their alignment with the national infrastructure goals and their objective to enhance connectivity in areas with inadequate access to such infrastructure. Sustainalytics encourages Orange to prioritize the financing of locations with average network speeds of less than 10 Mbps, where feasible.²⁰
- Underserved rural areas in Poland, which are identified by Poland’s Krajowego Planu Odbudowy (KPO)²¹ and Funduszy Europejskich na Rozwój Cyfrowy (FERC) programmes.²²
 - Orange has communicated to Sustainalytics that the Company will target the “white spots” under the KPO and FERC programmes. Sustainalytics notes that white spots are generally defined as areas with no access to mobile networks and fixed broadband, while definitions might vary depending on the local definitions. Sustainalytics views this to be credible targeting and views the expenditure to be socially impactful.
- Underserved rural areas outside France and Poland, including the population living in white spots defined by local authorities that require FTTH network to be developed or upgraded to meet or exceed the minimum speed expectation of the government’s broadband plan.
 - Sustainalytics views this targeting positively and further encourages Orange to invest in areas with network speeds below 10 Mbps, in line with the International Telecommunication Union’s (ITU) definition of “meaningful connectivity”.²³
- Underserved rural areas outside France and Poland with broadband network speed below 10 Mbps. Sustainalytics views this targeting to be credible and views the expenditure to be socially impactful.
- Under the Accelerating Deployment of Mobile Networks in Areas at Risk of Digital Exclusion category, Orange may finance projects that improve access to mobile networks for underserved populations in rural areas located in Europe, the Middle East and Africa. The Framework defines the target population as follows:
 - Underserved populations with mobile broadband speed below 3G+.

¹⁸ Ibid.¹⁹ Ariase, “Débit ADSL: tout comprendre à la vitesse de votre connexion Internet”, at: <https://www.ariase.com/box/dossiers/debit-adsl>²⁰ ITU, “Global Connectivity Report 2022”, at: <https://www.itu.int/itu-d/reports/statistics/global-connectivity-report-2022/>²¹ Ministerstwo Funduszy i Polityki Regionalnej, “Krajowy Plan Odbudowy i Zwiększenia Odporności”, at: <https://www.kpo.gov.pl/strony/o-kpo/o-kpo/informacje/>²² Ministerstwo Funduszy i Polityki Regionalnej, “Fundusze Europejskie na Rozwój Cyfrowy”, at: <https://www.rozwojcyfrowy.gov.pl/>²³ ITU, “Global Connectivity Report 2022”, at: <https://www.itu.int/itu-d/reports/statistics/global-connectivity-report-2022/>

- Rural areas in France identified by the French government's "la couverture des zones peu denses" (Coverage of Sparsely Populated Areas) national high-speed mobile broadband programme.²⁴
- Rural areas outside France are defined as populations living in white spots or equivalent, as defined by local authorities, and rural areas requiring mobile networks to be developed or upgraded to meet or exceed the minimum speed expectation of the government's broadband plan.
- Sustainalytics views this targeting positively and further encourages Orange to invest in areas lacking access to mobile networks of 3G or above, in line with the International Telecommunication Union's (ITU) definition of "meaningful connectivity".²⁵
- Under the Digital skills category, Orange may finance or refinance digital support and training programmes to reduce the digital divide of digitally excluded populations.
 - Orange has confirmed that the programmes financed under this category are provided free of charge.
 - Orange has communicated to Sustainalytics that the programmes financed will be: i) available in Europe, the Middle East and Africa; ii) conducted in the form of in-person or online workshops or training courses; and iii) provided through Orange Group's subsidiaries, Orange Foundations and partnerships with non-governmental organizations (NGOs).
 - The Framework defines the target population for this activity as digitally excluded populations for reasons of purchasing power, technological skills or their personal situations, particularly in terms of education or training. Orange has communicated to Sustainalytics that the Group, its subsidiaries and Orange Foundations select the target populations. The main target groups include children under 15, young people (aged 15-24), digitally excluded women, the elderly and rural communities. Orange has confirmed that it will review and approve each training programme and associated targeted populations. In addition, Orange intends to evaluate the social impact of the programmes being financed under this category.
 - Sustainalytics considers the intended programmes to be socially impactful in the regional context and encourages the Company to transparently report on the social impact of the projects, especially for the identified target groups.
- Under the Supporting Financial and Social Integration category, Orange may finance the development of digital banking services.
 - The Framework defines the target population for this activity as individuals living in emerging markets and developing economies²⁶ within the Middle East and Africa.
 - Orange has communicated to Sustainalytics that financing under this category will be limited to capex related to the development of the Orange Money platform, which is an "electronic wallet" that provides mobile financial services, such as money transfers, bill payments and purchasing phone credits, which are primarily available in 18 African and Middle Eastern countries.²⁷
 - Orange has confirmed to Sustainalytics that the Company is not involved in the provision of financial services.
 - Sustainalytics considers these investments to be socially impactful.
- Under the Supporting entrepreneurship category, Orange may finance or refinance impact funds for start-ups aimed at supporting employment generation, including the Orange

²⁴ ARCEP, "la couverture des zones peu denses", at: <https://www.arcep.fr/la-regulation/grands-dossiers-reseaux-mobiles/la-couverture-mobile-en-metropole/la-couverture-des-zones-peu-denses.html>

²⁵ ITU, "Global Connectivity Report 2022", at: <https://www.itu.int/itu-d/reports/statistics/global-connectivity-report-2022/>

²⁶ As defined by the International Monetary Fund. IMF, "Real GDP growth", (2024), at:

https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

²⁷ These countries include Botswana, Burkina Faso, Cameroon, Central African Republic, Ivory Coast, the Democratic Republic of Congo, Egypt, Guinea, Guinea-Bissau, Jordan, Liberia, Madagascar, Mali, Mauritius, Morocco, Senegal, Sierra Leone and Tunisia.

Ventures Impact Fund in the Middle East and Africa.²⁸ Orange intends to provide financial assistance to technology start-ups under the following initiatives:

- Orange has communicated to Sustainalytics that financing under the fund would be limited to MSMEs within the Middle East and Africa.
- Middle East & Africa Seed, which supports MSMEs specifically located in 18 countries within the Middle East and Africa.²⁹
- Middle East & Africa Growth, which supports MSMEs within the Middle East and Africa. Orange has confirmed to Sustainalytics that financing will not be extended to MSMEs in developing, high-income countries in the Middle East.³⁰
- Sustainalytics notes that credit conditions in developing economies are more restrictive and, therefore, views the targeting of this expenditure as socially impactful.
- Project Evaluation and Selection:
 - Orange has established a Sustainable Financing Committee (the “SFC”) which will be responsible for evaluating and selecting projects in line with the Framework’s eligibility criteria. The SFC convenes at least annually and consists of representatives from the Corporate Social Responsibility, Treasury, Controlling and Legal departments supported by other business departments or functional teams that have relevant technical and sustainability expertise.
 - The SFC will leverage Orange’s corporate governance and internal standards to monitor and mitigate environmental and social risks associated with the projects financed through the Framework. The SFC is also responsible for enforcing the policy as well as applicable laws and regulations and applying them to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the requirements of GBP, GLP, SBP, SLP and SBG. For additional detail, see Section 2.
- Management of Proceeds:
 - The SFC will be responsible for the management of net proceeds and will track their allocation using a Sustainability Register.
 - The Company intends to allocate proceeds within 24 months after each issuance. Pending full allocation, unallocated proceeds will be placed temporarily in cash, cash equivalent, socially responsible investment funds or other liquid marketable instruments. Orange has confirmed the exclusion of financing carbon-intensive assets or activities under the temporary use of proceeds.
 - Orange has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. The Company intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - The Company commits to report on the allocation of proceeds and the corresponding impact in an allocation and impact report, which will be published on its investor relations website on an annual basis until the proceeds have been fully allocated. Allocation reporting will include the total amount of proceeds allocated per category, share of financing and refinancing, amount of unallocated proceeds, share of co-financing when relevant and breakdown of eligible projects per geography.
 - Impact reporting will include relevant environmental impact metrics, where available, such as: estimated reduced or avoided GHG emissions (in tCO₂e); energy consumption reduction (in GWh); estimated increase of number of beneficiaries in the target population; number of new mobile data users per country and per underserved area; number of beneficiaries of digital skills training programmes; and the number of jobs supported.

²⁸ Orange Ventures, “Orange Ventures Middle East and Africa”, at:

<https://ventures.orange.com/africa/?stage%5B%5D=MEA+Champions&stage%5B%5D=MEA+Seed>

²⁹ These countries include Botswana, Cameroon, Central African Republic, Democratic Republic of Congo, Egypt, Guinea Bissau, Guinea, Jordan, Liberia, Madagascar, Ivory Coast, Mali, Morocco, Senegal, Sierra Leone and Tunisia.

³⁰ These countries include Bahrain, Kuwait, Oman, Qatar and Saudi Arabia.

- Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Orange SA Sustainability Financing Framework aligns with the four core components of the GBP, SBP, GLP and SLP.

Section 2: Sustainability Strategy of Orange

Contribution to Orange's sustainability strategy

Orange's sustainability commitments focus on four key environmental and social areas: i) reducing carbon emissions in its value chain; ii) promoting a circular economy in its production processes and businesses; iii) supporting its B2B operations to be more sustainable; and iv) making technology accessible to all and improve digital inclusion.³¹

Orange has set a target to achieve net zero emissions by 2040. At the end of 2023, Orange had reduced its scope 1 and 2 emissions by 37.4%, compared to the 2015 baseline, surpassing its original target of reducing such emissions by 30% by 2025 ahead of schedule.³² Orange has also committed to near-term targets, such as reducing its scope 3 emissions by 14% by 2025, compared to the 2018 baseline, and absolute scope 1, 2 and 3 GHG emissions by 45% by 2030 for the digital sector, compared to the 2020 baseline.³³ As of 2023, 46.6% of the Company's consumed electricity is derived from renewable sources. The Company committed to reduce scope 3 GHG emissions from fuel- and energy-related activities covering purchased and resold electricity by 73.8% per MWh within the same timeframe.³⁴ To achieve net zero across its value chain by 2040, Orange has committed to: i) reducing CO₂e emissions by 90% from a 2020 base year through decreasing electricity consumption that is directly or indirectly linked to fossil fuels that the Company, its suppliers or customers consume; and ii) reducing absolute scope 1, 2 and 3 GHG emissions by 90% by 2040, compared to the 2020 baseline.^{35,36}

To promote a circular economy in its production processes and businesses, Orange has implemented several initiatives that focus on sustainability and resource efficiency in its value chain in order to reduce its direct and indirect emissions and support the Company's decarbonization targets. For example, Orange introduced the "Re" initiative in 2020, which promotes the collection of used devices that encourages customers to return their old phones and equipment while creating job opportunities.^{37,38} In 2023, Orange achieved a mobile phone collection rate of 25.4% in Europe, and 480,000 mobiles were collected in Africa for recycling. In addition, the Company has implemented an eco-design approach, which involves designing products and services that use recyclable materials and minimizing the use of hazardous substances in its devices.³⁹ In 2023, 9.5% of Orange's products were based on the eco-design approach.⁴⁰

To make technology accessible to all and improve digital inclusion, Orange has invested in projects to expand high-speed broadband and enhance its mobile network coverage, including the rollout of fibre, increasing its 4G/5G coverage and introducing consumer satellite services in France to improve digital cohesion in underserved regions.⁴¹ In addition, Orange has implemented several initiatives and programmes in the Middle East, Africa and Europe, including free digital training programmes deployed by the Orange Foundation to help people acquire basic digital skills and gain confidence in using digital tools.⁴² The programmes were conducted in 25 countries and have reached 1.8 million beneficiaries between 2021 and 2023.⁴³ The Company has also set a target of reaching 6 million cumulative beneficiaries by 2030.⁴⁴

³¹ Orange SA, "On track to Lead the Future - 2023-2024 Integrated Annual Report", at: https://gallery.orange.com/_h/i3Lxg7

³² Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

³³ Ibid.

³⁴ Science Based Targets Initiative, "Companies Taking Action", at: <https://sciencebasedtargets.org/companies-taking-action>

³⁵ Orange SA, "Net zero carbon by 2040", at: [https://orange.com/en/commitments/to-the-environment/netzero-carbon-by-2040#roadmap](https://orange.com/en/commitments/to-the-environment/net-zero-carbon-by-2040#roadmap)

³⁶ Science Based Targets Initiative, "Companies Taking Action", at: <https://sciencebasedtargets.org/companies-taking-action>

³⁷ Orange SA, "On track to Lead the Future - 2023-2024 Integrated Annual Report", at: https://gallery.orange.com/_h/i3Lxg7

³⁸ Orange SA, "Orange launches the "Re" initiative in Europe during the 2022 ChangeNOW international summit", at:

<https://newsroom.orange.com/orange-launches-the-re-initiative-in-europe-during-the-2022-chagenow-international-summit/?lang=en>

³⁹ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁴⁰ Ibid.

⁴¹ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁴² Orange SA, "For Digital Equality", at: <https://www.orange.com/en/digital-equality>

⁴³ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁴⁴ Orange SA, "For Digital Equality", at: <https://www.orange.com/en/digital-equality>

Sustainalytics is of the opinion that the Orange SA Sustainability Financing Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental and social priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues related to: i) data privacy and security; ii) effluents and waste during construction; iii) risks related to the processing of electronic waste; iv) supply chain risks; v) occupational health and safety (OHS); vi) community relations and stakeholder engagement; and vii) business ethics.

Sustainalytics is of the opinion that Orange is able to manage and/or mitigate potential risks through the implementation of the following:

- To manage data privacy and security risks, Orange processes personal data in compliance with international regulatory requirements, such as the General Data Protection Regulation (GDPR)⁴⁵ in Europe and other applicable laws in the Middle East and Africa.⁴⁶ The Company has also implemented the Global Security Management System ("GSMS") framework to manage security risks by defining responsibilities, resources and necessary controls.⁴⁷ As part of the GSMS, the Company has adopted a Group Security Policy ("GSP"), which sets out the main guidelines and requirements to implement security measures to protect customer data, employee information, business processes and infrastructures.⁴⁸ Additionally, the Company has established a Group Security Department, which is responsible for identifying cybersecurity risks and regularly assessing and monitoring the proper implementation of the GSP.⁴⁹
- Sustainalytics notes that the Democratic Republic of Congo and the Central African Republic have faced controversies related to freedom of expression and the right to privacy. Orange's Vigilance Plan notes that government orders in these countries to suspend or alter the Company's connectivity services do not comply with international legal frameworks, including Articles 12 and 19 of the United Nation's Universal Declaration of Human Rights⁵⁰ and Articles 17 and 19 of the International Covenant on Civil and Political Rights (ICCPR).^{51,52} Therefore, for requests from national authorities to make such changes, including reducing internet speeds, limiting access to certain social networks, interrupting telecommunication services, suspending or intercepting communications, or sharing personal data with third parties, the Company will respond in accordance with the laws and regulations of each country and the licences authorizing telecommunication operations.⁵³ In addition, Orange follows the Global Network Initiative's (GNI) guidelines on handling such requests for interruptions.⁵⁴ During periods of expected high risk, such as elections or international events, Orange establishes dedicated units coordinated by its security department to monitor compliance with the GNI principles.⁵⁵ Furthermore, Orange has conducted an annual risk assessment since 2012 in all the countries where it operates and has established management plans for different scenarios resulting from government requests.⁵⁶
- For risks related to effluents and waste generated in construction, Orange has established a supplier code of conduct that requires suppliers to comply with environmental practices, including monitoring

⁴⁵ European Parliament, "Regulation (EU) 2016/679 of the European Parliament and of the Council", (2016), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0679>

⁴⁶ Orange SA, "Protection of Personal Data", (2021), at: https://gallery.orange.com/_h/gr241s

⁴⁷ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁴⁸ Orange SA, "Group Security Policy", (2023), at: <https://gallery.orange.com/rse/media/91ad22ef-8cbd-45d4-ba43-080a7258845e/document/a49b180fb77d-4827-bfb0-cc6dea286453/#v=Version1&l=en&p=0>

⁴⁹ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁵⁰ United Nations, "Universal Declaration of Human Rights", at: <https://www.ohchr.org/en/universal-declaration-of-human-rights>

⁵¹ United Nations, "International Covenant on Civil and Political Rights", at: <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-civil-and-political-rights>

⁵² Orange SA, "2024 Vigilance Plan and its 2023 report", (2024), at: <https://gallery.orange.com/rse?od=768c16fd-673f-46f3-b074-356df7bbba23&om=a82a1f72-5350-433a-89dc-ca180bf62a74&v=root>

⁵³ Orange, "Human Rights Group Policy", (2024), at: <https://gallery.orange.com/rse/?od=9624639a-1fea-491b-930c-c868d1e0b7d7&om=9274af8f-5031-485f-9649-5f1b19eaf5ca&v=sharedSelection#l=row&ss=e283a8e9-6ef6-40b8-8531-a5d7e42eb01e>

⁵⁴ Orange SA, "2024 Vigilance Plan and its 2023 report", (2024), at: <https://gallery.orange.com/rse?od=768c16fd-673f-46f3-b074-356df7bbba23&om=a82a1f72-5350-433a-89dc-ca180bf62a74&v=root>

⁵⁵ Orange, "Human Rights Group Policy", (2024), at: <https://gallery.orange.com/rse/?od=9624639a-1fea-491b-930c-c868d1e0b7d7&om=9274af8f-5031-485f-9649-5f1b19eaf5ca&v=sharedSelection#l=row&ss=e283a8e9-6ef6-40b8-8531-a5d7e42eb01e>

⁵⁶ Ibid.

and managing waste, treating air, water and soil pollutants before they are discharged, as well as reducing GHG emissions and minimizing energy use.⁵⁷ The Company also has in place a Waste Prevention and Management policy that focuses on extending equipment life through the optimization of their end-of-life treatment.⁵⁸ Furthermore, the Company has established an Environmental Management System ("EMS") that aligns with applicable regulations and standards to mitigate the environmental impact of construction activities. For example, the Company encourages its suppliers to implement an EMS based on international standards, such as ISO 14001⁵⁹ or an equivalent standard. As of 2023, 58.1% of the Company's global operations are ISO 14001:2015 certified. In addition, Orange Marine and Orange's subsidiaries in Egypt, Mali, Poland, Romania, Slovenia and Spain are fully ISO 14001:2015 certified.⁶⁰

- To address risks related to the processing of electronic waste, Orange has in place a Waste of Electrical and Electronic Equipment ("WEEE") policy to manage hazardous waste from collection to treatment.⁶¹ Under this policy, the Company is committed to: i) establishing an internal strategy for collecting, treating and tracking electronic and battery waste; ii) organizing processing channels through partnerships to properly dismantle e-waste; and iii) selecting service providers for e-waste treatment based on service performance evaluations.⁶² Sustainalytics notes that for its operations in the EU, Orange complies with the Waste Electrical and Electronic Equipment Directive,⁶³ which encourages the reuse, recycling and recovery of electrical and electronic waste, and ensures the safe disposal and treatment of hazardous substances. Orange also complies with the EU Battery regulation,⁶⁴ which establishes efficient management of batteries throughout their life cycle, including production, use, recycling and disposal. Additionally, the Company observes the European Directive 2011/65/EU (RoHS2),⁶⁵ which limits the use of specific hazardous substances in electrical and electronic equipment from suppliers, and the European regulation 1907/2006 (REACH),⁶⁶ on the registration, evaluation, authorization and restriction of chemicals.⁶⁷ Sustainalytics notes that the Middle East and Africa regions do not implement such strong legal frameworks to regulate e-waste management. However, Sustainalytics notes that Orange's WEEE policy applies to the above regions and is supported by specific guidelines to help the aforementioned countries manage electronic waste.⁶⁸ Specifically, the guidelines require the Group's subsidiaries to: i) separate, collect and trace waste; ii) store it in secure locations; iii) select a processing sub-contractor that is required to provide documentation for tracking the waste; and iv) report on the recycling or destruction of the waste. Additionally, Orange is dedicated to offering electronic waste recovery and treatment solutions to facilities located in the Middle East and Africa by 2024, as well as establishing long-term appropriate waste treatment infrastructure in its subsidiaries in these regions.^{69,70} Orange informed Sustainalytics that the Group began identifying service providers in 2024 for the collection, transport, processing and traceability of waste in Africa, and that only a few were able to meet Orange's requirements. Under the French law no. 2017-399, all of Orange's subsidiaries and divisions are required to locally implement the Group's Vigilance Plan, which includes a risk assessment for the ineffective recovery of used equipment and devices.⁷¹
- To manage supply chain risks, Orange requires its suppliers to adhere to its supplier code of conduct to enforce responsible and ethical procurement practices.⁷² The code mandates that all suppliers: i) implement internationally recognized standards on human rights and child labour, such as the United

⁵⁷ Orange SA, "Supplier Code of Conduct", (2023), at: https://fournisseurs.orange.com/wp-content/uploads/coc_en.pdf

⁵⁸ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁵⁹ ISO, "ISO 14001:2015", at: <https://www.iso.org/standard/60857.html>

⁶⁰ Ibid.

⁶¹ Orange SA, "Orange group policy on the management of household & professional Waste of Electrical and Electronic equipment (WEEE) and battery waste", (2023), at: <https://gallery.orange.com/rse/media/ed8ca866-030a-48a4-9329-ab3e93a6f1cf>

⁶² Ibid.

⁶³ European Parliament, "Directive 2012/19/EU of the European Parliament and of the Council", (2012), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012L0019>

⁶⁴ European Parliament, "Regulation (EU) 2023/1542 of the European Parliament and of the Council", (2023), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1542>

⁶⁵ European Parliament, "Directive 2011/65/EU of the European Parliament and of the Council", (2011), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32011L0065>

⁶⁶ European Commission, "Regulation (EC) No 1907/2006 of the European Parliament and of the Council", (2006), at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32006R1907>

⁶⁷ Orange SA, "2024 Vigilance Plan and its 2023 report", (2024), at: <https://gallery.orange.com/rse?od=768c16fd-673f-46f3-b074-356df7bbba23&om=a82a1f72-5350-433a-89dc-ca180bf62a74&v=root>

⁶⁸ Orange SA shared the documents with Sustainalytics confidentially.

⁶⁹ Ibid.

⁷⁰ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁷¹ Ibid.

⁷² Orange SA, "Supplier Code of Conduct", (2023), at: https://fournisseurs.orange.com/wp-content/uploads/coc_en.pdf

Nations Universal Declaration of Human Rights⁷³ and the International Labor Organization Declaration on Fundamental Principles and Rights at Work;⁷⁴ ii) implement necessary measures to prevent accidents and occupational illnesses; iii) refrain from all forms of corruption; and iv) minimize the environmental impact of their activities.⁷⁵ The code also includes a reporting mechanism to disclose any violations or risks related to corruption, fraud, environmental violations or human rights abuses.⁷⁶ Additionally, Orange conducts regular corporate social responsibility assessments of suppliers deemed to have high risks and prepare corrective action plans on a case by case basis.⁷⁷

- Regarding occupational health and safety (OHS) management, Orange has adopted a Health, Safety and Quality of Life Group policy, which establishes a framework to regulate the Company's health and safety measures in line with the recommendations of the World Health Organization and the conventions of the International Labor Organization.^{78,79} The policy is applicable to Orange's stakeholders, partners and subcontractors and mandates the Company's entities to have an ISO 45001⁸⁰ compliant OHS management system that includes: i) implementing risk management processes that prioritize primary prevention; ii) monitoring compliance towards health and safety instructions; iii) conducting regular assessments of health and safety objectives and indicators; and iv) conducting regular information and training initiatives.⁸¹
- Sustainalytics notes that financing under the Framework could be allocated to investments in the Middle East, which faces allegations over human and labour rights issues, especially related to migrant workers. Orange has in place a Human Rights Group policy which applies to all the Company's stakeholders, namely employees, their representatives, suppliers, business partners, B2C and B2B customers, civil society and its representatives, investors, authorities, and international and industry organizations.⁸² The policy follows internationally recognized human rights frameworks, including the UN Declaration on Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work, United Nations Guiding Principles on Business and Human Rights,⁸³ OECD Guidelines for Multinational Enterprises⁸⁴ and the UN Global Compact.⁸⁵ The Company is also a signatory to the British and Australian Modern Slavery Acts.⁸⁶ In addition, Orange requires its suppliers and subcontractors to apply these standards in their own purchasing processes using the CSR clause in contracts and the Supplier Code of Conduct. The Company also assesses the compliance of its international equipment suppliers, including their subcontractors, with human rights standards through audits conducted by an association of telecommunication operators, namely, Joint Alliance for CSR.⁸⁷
- To address risks related to community relations and stakeholder engagement, Orange has developed a stakeholder dialogue methodology, which involves interactions and consultations with internal and external stakeholders, aimed at identifying improvement areas of Orange's business activities.⁸⁸ The Company employs a semi-quantitative rating system to prioritize stakeholders' opinions and expectations, allowing for a comparison of the internal perspective with an external one.⁸⁹
- With respect to business ethics, the Group Code of Ethics and Orange Group Anti-Corruption policy follow internationally-recognized business ethics principles, such as the United Nations Global Compact. It covers the Company's processes to manage unethical business behaviour, including

⁷³ United Nations, "Universal Declaration of Human Rights", at: <https://www.ohchr.org/en/universal-declaration-of-human-rights>

⁷⁴ International Labor Organization, "ILO Declaration on Fundamental Principles and Rights at Work", at: https://normlex.ilo.org/dyn/normlex/en/f?p=1000:62:0::NO:62:P62_LIST_ENTRY_ID:2453911:NO

⁷⁵ Orange SA, "Supplier Code of Conduct", (2023), at: https://fournisseurs.orange.com/wp-content/uploads/coc_en.pdf

⁷⁶ Ibid.

⁷⁷ Orange SA, "Our expectations from suppliers", at: <https://fournisseurs.orange.com/en/our-expectations-from-suppliers/>

⁷⁸ International Labor Organization, "ILO Conventions", at: <https://www.ilo.org/resource/ilo-conventions>

⁷⁹ Orange SA shared the documents with Sustainalytics confidentially.

⁸⁰ ISO, "ISO 45001", at: <https://www.iso.org/standard/63787.html>

⁸¹ Orange has shared the Orange Group Health, Safety and Quality of Life at Work Policy with Sustainalytics confidentially.

⁸² Orange, "Human Rights Group Policy", (2024), at: <https://gallery.orange.com/rse/?od=9624639a-1fea-491b-930c-c868d1e0b7d7&om=9274af8f-5031-485f-9649-5f1b19eaf5ca&v=sharedSelection#l=row&ss=e283a8e9-6ef6-40b8-8531-a5d7e42eb01e>

⁸³ United Nations, " Guiding Principles on Business and Human Rights", at:

https://ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁸⁴ OECD, "Guidelines for Multinational Enterprises", at: <https://mneguidelines.oecd.org/mneguidelines/>

⁸⁵ United Nations, "Global Compact", at: <https://unglobalcompact.org/>

⁸⁶ The Government of Australia, "Modern Slavery Act", (2018), at: <https://www.legislation.gov.au/C2018A00153/latest/text>

⁸⁷ Orange, "Human Rights Group Policy", (2024), at: <https://gallery.orange.com/rse/?od=9624639a-1fea-491b-930c-c868d1e0b7d7&om=9274af8f-5031-485f-9649-5f1b19eaf5ca&v=sharedSelection#l=row&ss=e283a8e9-6ef6-40b8-8531-a5d7e42eb01e>

⁸⁸ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁸⁹ Ibid.

fraud, corruption, influence peddling and tax avoidance.^{90,91,92} Orange has also implemented local business ethics policy frameworks and appointed an ethics committee in each country the Company operates.⁹³ In addition, all of Orange's employees receive training on compliance and business ethics on a regular basis.⁹⁴ The Company also has a whistleblower tool, called Hello Ethics, which allows employees and third parties to anonymously report suspected misconduct.⁹⁵

- Sustainalytics notes that Orange intends to finance its Orange Money platform, which offers mobile financial services, in several countries across the Middle East and Africa, including the Democratic Republic of Congo and the Central African Republic – both of which present elevated risks related to poor business practices, including corruption, money laundering and the financing of terrorism. To address these risks, Orange has in place a comprehensive compliance policy that aligns with both national and international regulatory requirements, as well as its own internal guidelines. This includes regional compliance policies tailored to each country in which Orange operates. These policies outline governance processes and measures designed to prevent, mitigate, manage and report unethical business behaviour.⁹⁶

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Orange has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories. Sustainalytics further notes that despite the adequate procedures and assessments, limitations and restrictions on network access remain a prevalent issue in the Democratic Republic of Congo and the Central African Republic where authorities can limit freedom of expression. Therefore, Sustainalytics considers this to be an ongoing risk.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by GBP, SBP, GLP or SLP. Sustainalytics has focused on one below where the impact is specifically relevant in the local context.

Impact of network transformation to increase energy efficiency globally

As of 2022, the ICT sector accounted for at least 1.7% of global GHG emissions, with telecom operators responsible for 0.4% of global GHG emissions from energy and 1% of global electricity consumption.⁹⁷ Current mobile networks use only 15% of the energy that they demand towards data transfer, but waste the remaining 85% because of heat loss, intermittency and inefficient infrastructure.⁹⁸ Demand for data centres and network services is expected to continue to grow and, if left unchecked, could lead the industry's share of global emissions to reach up to 14% by 2040.⁹⁹

To align with the 1.5-degree target of the Paris Agreement, the sector needs to reduce its GHG emissions by 45% between 2020 and 2030.¹⁰⁰ According to the Science based Targets initiative (SBTi), decarbonization actions in the ICT sector to align with a 1.5°C trajectory by 2030 should mainly focus on: i) continued implementation of energy efficiency plans; ii) a shift to renewable or low-carbon electricity supply; and iii) encouragement of carbon consciousness among end users.¹⁰¹ A report by the ITU and World Benchmarking Alliance emphasizes that improving energy efficiency will be essential for the telecom sector's decarbonization pathway by transitioning from legacy to newer technologies.¹⁰² Notably, increasing the use of smart digital solutions have the potential to reduce global CO₂ emissions by up to 15%,¹⁰³ with fibre touted

⁹⁰ Orange, "Orange Group Anti-Corruption Policy", at: https://fournisseurs.orange.com/wp-content/uploads/pdf_leaflet_corruption_2021_en.pdf

⁹¹ Orange SA, "The Group Code of Ethics", at: https://fournisseurs.orange.com/wp-content/uploads/2.2.2.6_the_group_code_ethics_en.pdf

⁹² Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁹³ Orange SA, "The Group Code of Ethics", at: https://fournisseurs.orange.com/wp-content/uploads/2.2.2.6_the_group_code_ethics_en.pdf

⁹⁴ Orange SA, "Annual Financial Report - 2023 Universal Registration Document", at: https://gallery.orange.com/_h/ZqLDG3

⁹⁵ Orange SA, "Welcome to "Hello Ethics" the Orange group reporting service", at: <https://orange.integrityline.org/>

⁹⁶ Orange has shared Orange Money-related documentation with Sustainalytics confidentially.

⁹⁷ World Bank and International Telecommunication Union, "Measuring the Emissions & Energy Footprint of the ICT Sector: Implications for Climate Action", (2024), at: <https://documents1.worldbank.org/curated/en/099121223165540890/pdf/P17859712a98880541a4b71d57876048abb.pdf>

⁹⁸ McKinsey, "The case for committing to greener networks", (2020), at: <https://www.mckinsey.com/industries/technology-media-andtelecommunications/our-insights/the-case-for-committing-to-greener-telecom-networks?cid=eml-web>

⁹⁹ European Commission, "Supporting the Green Transition: Shaping Europe's digital future", (2020), at: <https://op.europa.eu/en/publication-detail/-/publication/bd211835-5390-11ea-aece-01aa75ed71a1>

¹⁰⁰ International Telecommunication Union, "ICT industry to reduce greenhouse gas emissions by 45 per cent by 2030", (2020), at: <https://www.itu.int/en/mediacentre/Pages/PR04-2020-ICT-industry-to-reduce-greenhouse-gas-emissions-by-45-percent-by-2030.aspx>

¹⁰¹ Science Based Targets initiative, "Guidance for ICT Companies Setting Science Based Targets", at: https://sciencebasedtargets.org/resources/legacy/2020/04/GSMA_IP_SBT-report_WEB-SINGLE.pdf

¹⁰² International Telecommunications Union, "Greening Digital Companies: Monitoring emissions and climate commitments", (2022), at: <https://www.itu.int/en/ITU-D/Environment/Documents/Publications/2022/Greening-Digital-Companies-22June2022.pdf>

¹⁰³ European Telecommunications Network Operators' Association and BCG, "Connectivity & Beyond: How Telcos Can Accelerate a Digital Future for All", (2021), at: <https://etno.eu/library/reports/96-connectivity-and-beyond.html>

as the most energy-efficient technology for broadband networks.¹⁰⁴ Moreover, the provision of energy-efficient and low-carbon smart solutions and products by telecom network operators will enable other industries to reduce their own energy consumption and GHG emissions.¹⁰⁵

Sustainalytics is of the opinion that Orange's investments in network technologies are expected to improve energy efficiency and contribute to the decarbonization efforts of the telecom sector.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Orange Sustainability Financing Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Circular Economy	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Accelerating Deployment of Optic Fibre Networks in Areas at Risk of Digital Exclusion	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.
Accelerating Deployment of Mobile Networks in Areas at Risk of Digital Exclusion	9. Industry, Innovation and Infrastructure	9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States
Digital Skills	10. Reduced Inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Supporting Financial and Social Integration	8. Decent Work and Economic Growth	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
Supporting Entrepreneurship	8. Decent Work and Economic Growth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

¹⁰⁴ Europacable, "Fibre: the most energy-efficient solution to Europe's bandwidth needs", (2022), at:

<https://europacable.eu/wpcontent/uploads/2022/07/Europacable-Whitepaper-on-Energy-Efficiency-of-Fiber-networks-05-July-2022.pdf>

¹⁰⁵ BCG, "Putting Sustainability at the Top of the Telco Agenda", (2021), at: <https://www.bcg.com/publications/2021/building-sustainable-telecommunications-companies>

Conclusion

Orange SA has developed the Orange SA Sustainability Financing Framework, under which it may issue and obtain GSS Financings and use the proceeds to finance projects in the following categories: Energy Efficiency; Renewable Energy; Circular Economy; Accelerating Deployment of Optic Fibre Networks in Areas at Risk of Digital Exclusion; Accelerating Deployment of Mobile Networks in Areas at Risk of Digital Exclusion; Digital Skills; Supporting Financial and Social Integration; and Supporting Entrepreneurship. Sustainalytics considers that the eligible projects are expected to provide positive environmental and social impacts and support the decarbonization efforts of the telecom services and digital inclusion in Europe, the Middle East and Africa.

The Orange SA Sustainability Financing Framework outlines a process for the tracking, allocation and management of proceeds and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework is aligned with the overall sustainability strategy of Orange and that the use of proceeds will contribute to advance the UN Sustainable Development Goals 7, 8, 9, 10 and 12. Additionally, Sustainalytics is of the opinion that the Company has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Orange is well positioned to issue sustainability bonds and obtain sustainability loans and that the Orange SA Sustainability Financing Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023.

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