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Orange CSR Suppliers Forum 2021

Orange Group

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About us

- Carbone 4 supports **the world's transformation towards decarbonization and adaptation** to climate change.
- Acting as a link between scientific excellence and the economic world, we help our clients understand the challenges of our changing world with clarity and enthusiasm.

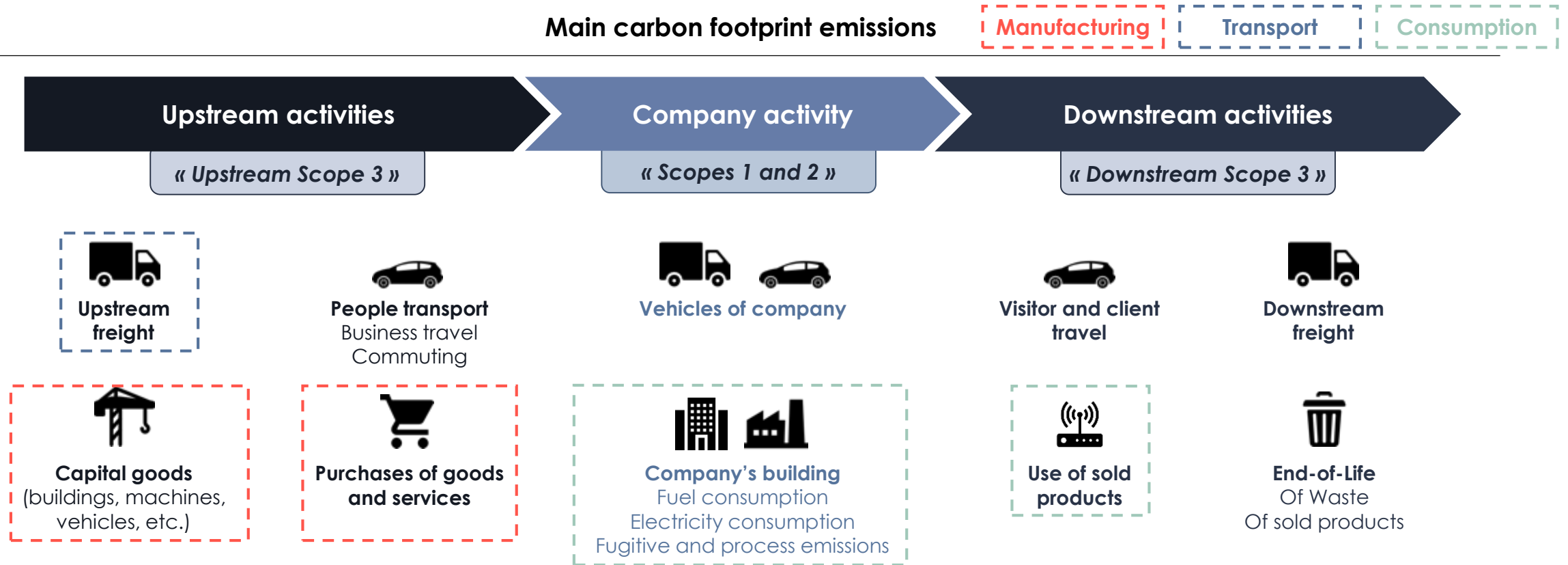
Our mission

- To guide and help implement **strategies that ensure sustainability and resilience** in an emerging world shaped by climate change and limited resources.
- To empower stakeholders **to transform themselves by integrating the energy-climate factor** and tackle climate challenge.

Our added value

- ▶ Cutting-edge expertise on climate strategy
- ▶ Climate data solutions for the economic and financial world
- ▶ Development of methodological tools and innovations
- ▶ Production of reference publications and analyses
- ▶ Support in operational and human change

A quick reminder of what is carbon footprint for corporate companies



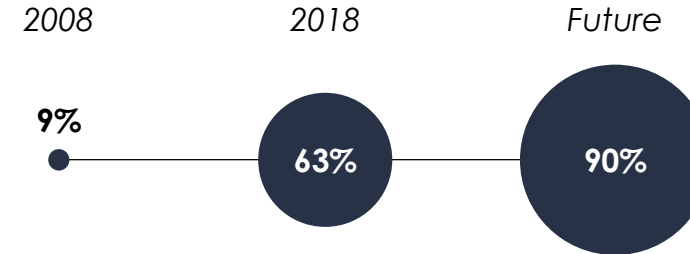
- Tackling climate change with Orange suppliers means measuring and reducing emissions on several sides:
 - The manufacturing of all equipment, counted for Orange as purchases (e.g.: smartphones) or capital goods (e.g.: network equipment)
 - The transport of all equipment from suppliers warehouses to Orange sites
 - The energy consumption of all equipment in Orange buildings and networks

Disclosing its carbon impact is now widespread and companies, regardless of the sector, are now focusing on engagement & action

TRANSPARENCY

Increasingly more companies use **environmental disclosures** in the contracting process.

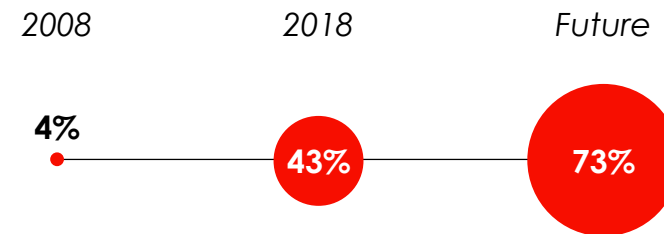
Number of CDP members using environmental data in the contracting process



PERFORMANCE

Increasingly more companies **deselect suppliers** based on environmental performance.

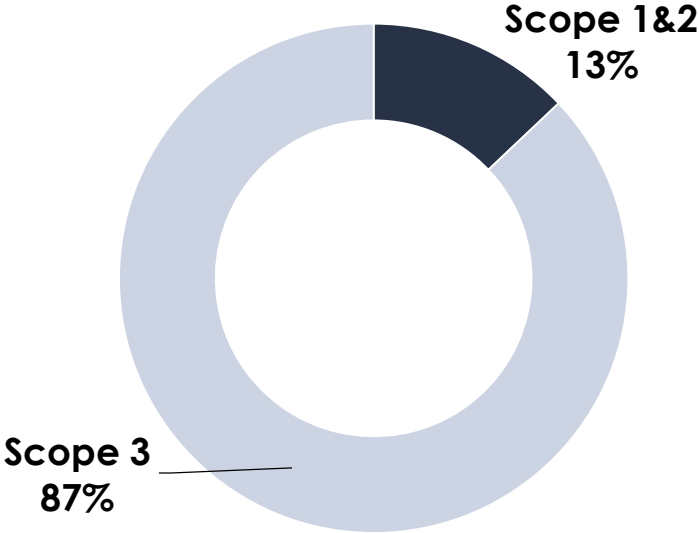
Number of CDP members deselecting suppliers based on environmental performance



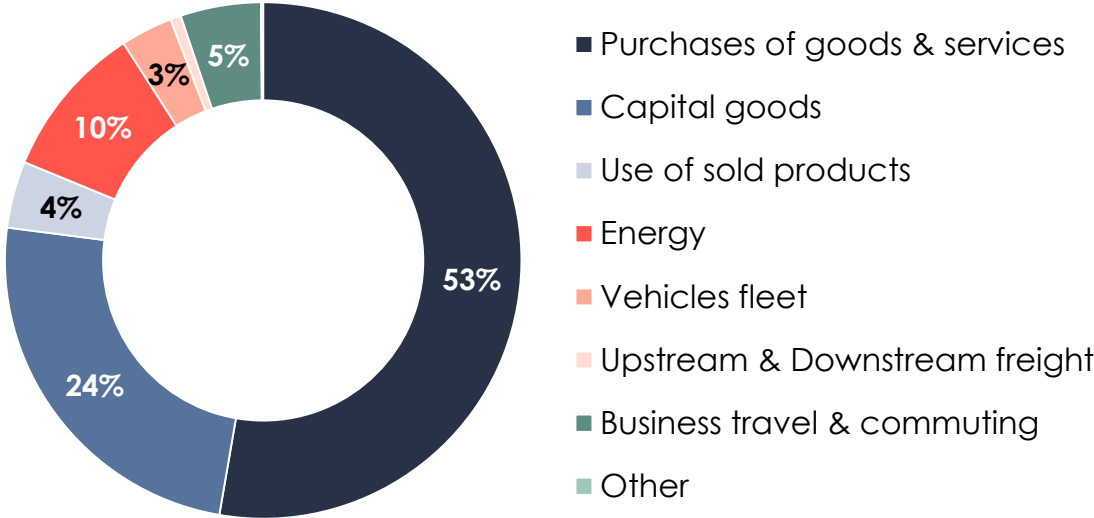
- Within the frame of CDP questionnaire which gathers around 8 000 international companies, a large part now measures its carbon footprint and uses it in the contracting process.
- **The current trend is to go beyond carbon disclosure and to show progress and performance in matters of GHG emissions.**

Overview of the carbon footprint for Orange

Emissions breakdown by scope
Orange France (in %)



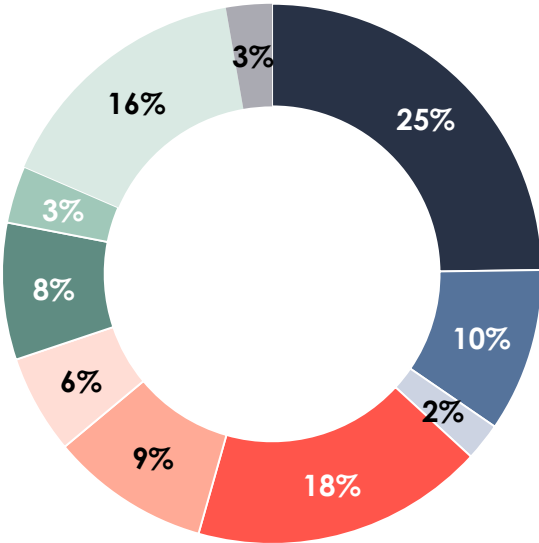
Emissions breakdown by categories
Orange France (in %)



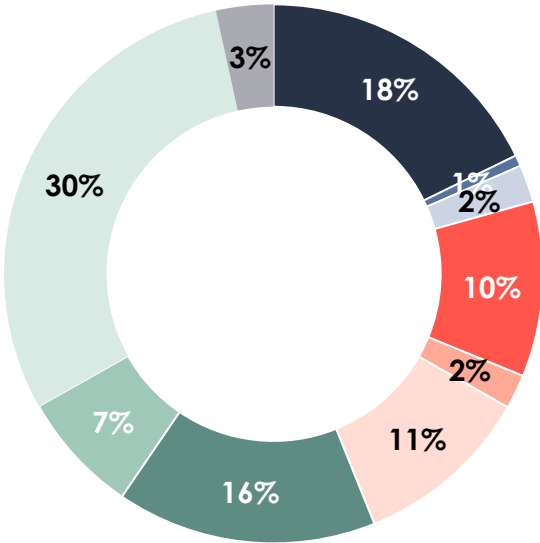
- For telecom operators, a large part of emissions come from scope 3 (equivalent to the supply chain).
- For Orange France, three-quarter of carbon footprint results from the **manufacture of equipment** (i.e.: customer and network equipment) or **delivery of services** (i.e.: network construction & maintenance, non-material services such as media, etc.).

Behind global results, Orange & Carbone 4 calculated emissions for each category and subcategory of purchases

Volumes of customer products purchases (in %)



Emissions of customer products purchases (in %) – Only manufacturing



- With this example focused on the purchase of customer products, **it is noticeable that CPE purchases (Livebox, STB) account for half of volumes but only 1/3 of total emissions.**
- This is explained by the fact that refurbished Livebox and STB have a smaller carbon impact compared to any other equipment, and in particular smartphones.

Measuring a more accurate carbon footprint of Orange Suppliers

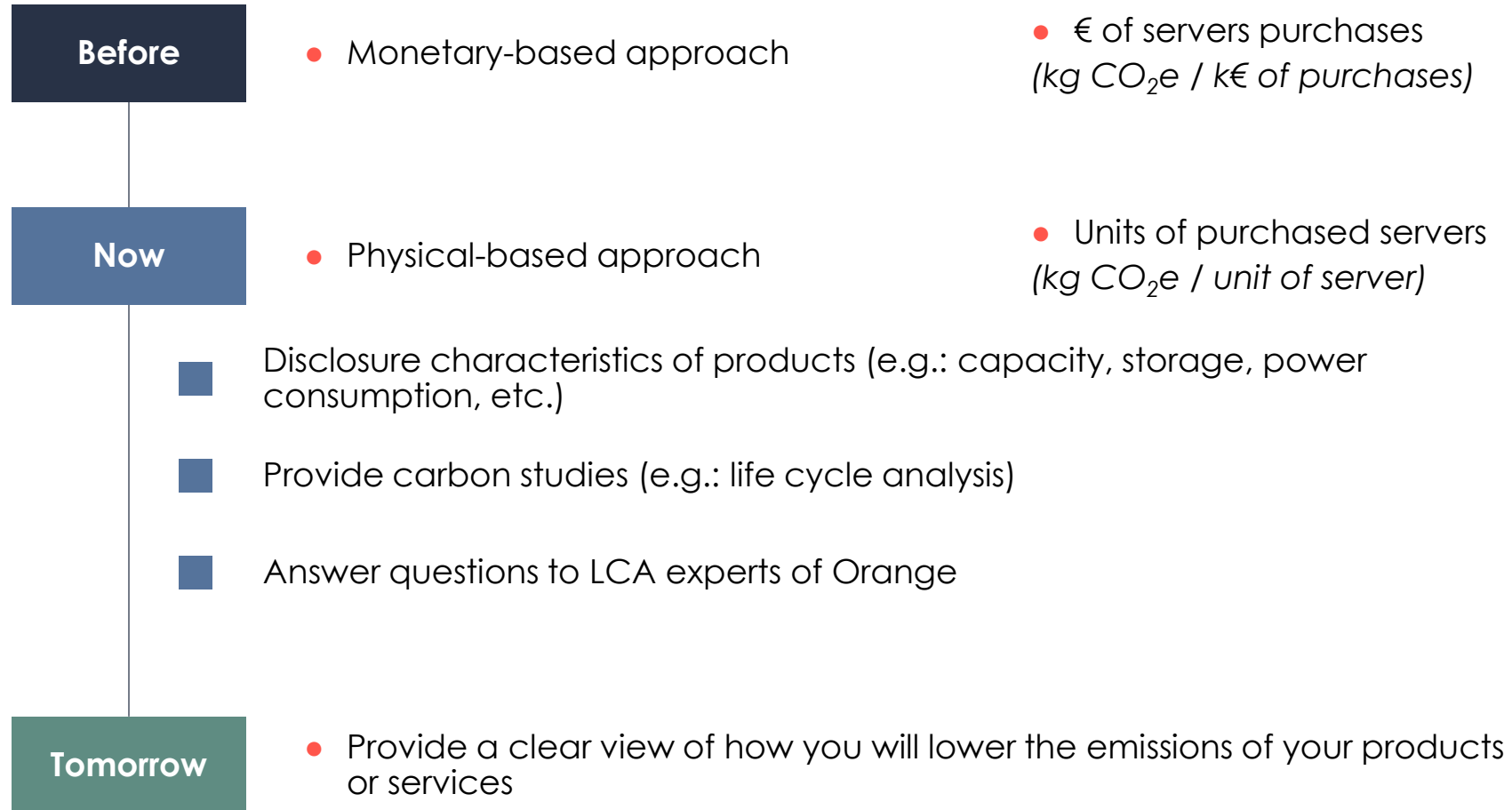
Why measuring a more accurate carbon footprint?

- **Carbon footprint is historically measured with average emissions factors** extracted from official databases (e.g. : ADEME, EcoInvent).
- If this approach is suitable to understand which emissions sources are significant, **it is essential to go further now Orange set emissions reduction targets on scope 3 and to measure the real carbon performance of its suppliers.**

What does it mean for Orange Suppliers?

- **Provide as much as possible physical-based data with information on product's characteristics** (e.g. : its weight, main type of materials, its average energy consumption etc.).
- Provide emissions factors or life-cycle analysis if relevant and possible.

An example of this program with the case of servers purchases





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