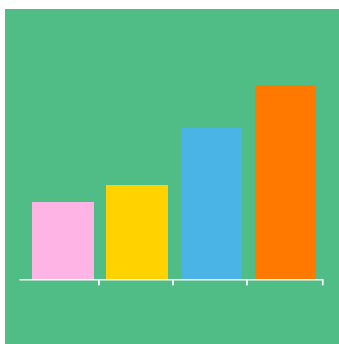
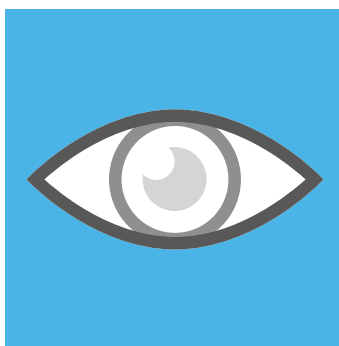


Orange Vigilance plan



2019

Contents

1. Risk mapping: identifying and assessing general risks per Orange activity	7
2. Regular assessment of the situation of subsidiaries, subcontractors and suppliers with whom the company has established business relations	11
3. Actions adapted to mitigate risks or prevent serious harm	16
4. Whistleblowing system and collecting reports	22
5. System to monitor measures put in place and assess their effectiveness	23
2018 vigilance plan implementation report	26

Vigilance plan 2019 financial year

This plan was based on the first Group vigilance plan published in 2018 and on the five main obligations set out in the law on duty of vigilance No. 2017-399 dated 27 March 2017 on.

The duty of vigilance of parent companies and ordering companies (hereinafter referred to as the “duty of vigilance law”, or simply, the “law”).

Various task forces were established to improve this vigilance plan applicable to all Orange Group companies. These are made up of representatives from the following group departments: CSR, Purchasing, Human Resources, Risk Management, Legal, Compliance, MEA and Europe zones, Orange Business Service (OBS) and Orange Bank.

The 2019 vigilance plan was presented to the Orange board of directors’ CSR Governance Committee (CGRSE) in February 2019, to the network of the subsidiary administrators and Orange companies. A manager’s kit on vigilance plan in English and French was sent to the 15,000 managers around the Group to provide them with information to pass on to their employees.

Orange has also adopted governance policies to comply with human rights and fundamental freedoms, health and safety of people and the environment. To this end, the Group published a report on human rights in November 2017 based on the UN Guiding Principles on Business and Human Rights and stakeholder expectations on these topics.

Similarly, stakeholder dialogues were conducted in a number of Group countries. These dialogues are based on a structured approach and a mapping of stakeholders that is based on a balance between external stakeholders (business, authorities, civil society) and internal stakeholders in Orange:

- to ensure the consistency of the Group's CSR approach with the priorities of stakeholders,
- to identify and prioritise risks related to societal and environmental issues in the countries and regions in which Orange operates, but also according to the issues at stake.

- to identify innovation opportunities opening new growth prospects for Orange while supporting the economic and social development of the countries.

These dialogues are organised into countries, regions and topics and may cover areas covered by the duty of vigilance law.

The substance resulting from these dialogues was used to establish the materiality matrix in the appendices.

Foreword

Orange intends to develop and extend a process of integrating stakeholders into future plans.

In addition, the implementation of the duty of vigilance law implies a paradigm shift and, as such, Orange is currently developing a methodology adapted to identify the risks that its activity can generate for stakeholders. A clearer statement can be expected in the next vigilance plans concerning the distinction between the materiality matrix, appended to this document, and the implementation of the mapping, still being examined, which will make it possible to apprehend

more precisely how Orange can cause or contribute to serious violations of human rights and fundamental freedoms, health and safety of people and the environment towards stakeholders.

This process is part of a continuous improvement process. The purpose of these changes is ultimately to allow a system of dialogue with stakeholders to be set up, including the introduction of complaints when required or relevant.



1. Risk mapping: identifying and assessing general risks per Orange activity

The Group's **risk management method** (see methodology described in the 2018 Registration Document, Chapter 2 "Risk factors and management of the Group's business") is integrated in the production and update of the risk mapping relating to the duty of vigilance. It covers the areas targeted by the law, namely: human rights and fundamental freedoms, health, safety and security of persons and the environment.

Since 2018, in accordance with the new obligations laid down in the European Directive 2014/95/EU on the disclosure of non-financial information and information on diversity by certain large companies and groups, extra-financial risks are mentioned in Reference document.

Some of these risks are related to the areas covered by the vigilance plan. (2018 Reference Document Chapter 2 "Risk factors and activity management framework").

This risk management methodology should be tempered during the preparation of future vigilance plans in order to put forward a mapping based on a methodology that takes into account the risks to stakeholders as required by the duty of vigilance law and the international human rights guidelines as outlined in the foreword.

Process for establishing the vigilance plan risk map: identification, analysis and ranking (2019)

Completed: 4 groups of risks established by the CSR department with support from the Risk management Division based on the Group's 29 major risk clusters*:

- Environment
- Human rights and fundamental freedoms
- Health and safety of people
- Risks related to a lack of or a faulty duty of vigilance plan

* Clusters : groups of risks

In progress: teering of the adaptation of risks maps by the consolidated subsidiaries via the network of CSR correspondents.

Group map of risks related to duty of vigilance -
Risk management/CSR Department

Risk map for consolidated subsidiaries - CSR correspondents in subsidiaries

Materiality matrix and salience / CSR

CSR risk map/ Established business relationship: for each country, for each supplier and for each type of commodity - Purchasing/CSR Department

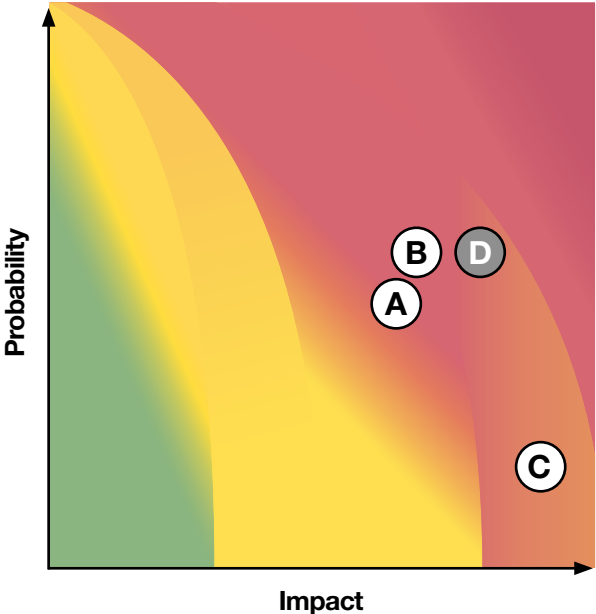
Materiality: identification of the **major CSR challenges** and prioritisation taking into account the company's vision and the stakeholders expectations.

Salience: identification of **salient risks** in view of the group's activities.

In progress: maps created based on supplier data from the Purchasing Division, the Mapplecroft CSR country risk map, ECOVADIS supplier assessments, JAC supplier audits.

Risk map relating to themes in the 2019 duty of vigilance law

- A** Lack of or faulty vigilance plan
- B** Environmental damage
- C** Abuses of human rights and fundamental freedom
- D** Health, safety and security of people



The Group reviews the risk map relating to duty of vigilance every year. The risk related to the absence and the lack of a plan was repositioned given the deployment of the vigilance plan in 2018.

2. Regular assessment of the situation of subsidiaries, subcontractors and suppliers with whom the company has established business relations

Orange has a collaborative, proactive and constructive policy with its subsidiaries, suppliers and subcontractors. To improve this plan, Orange takes the subsidiaries which are within the scope of Orange account consolidation into consideration.

Subsidiaries

Orange has a subsidiary assessment method that takes into consideration the duty of vigilance law obligations.

■ CSR self-assessment questionnaire

This method put in place by Orange internal control uses self-assessment of subsidiaries through a **questionnaire** based on Orange's expectations in terms of CSR.

This questionnaire is sent to subsidiaries every year. Their responses are then

analysed by the internal control department which summarises them and presents them to the CSR department. The CSR department can request further details or evidence as well as corrective action plans if needed.

The assessments can be audited by internal audit and/or by statutory auditors and also lead to more in-depth investigations linked to the audits which are already planned for some subsidiaries.

This method allows the sharing of best practices within the group and reflects Orange's continuous improvement approach.

In 2018, the questionnaire was completed to take into account the particular nature of the duty of vigilance law. Given the deployment of the vigilance plan and the data collected in 2018, this questionnaire will undergo appropriate modifications in 2019.

■ Audit for ISO 14001

In order to reduce its environmental risks and impacts and to have a process framework to guarantee regulatory compliance and meet stakeholder expectations, Orange has deployed Environmental Management Systems (EMS) in accordance with the international **ISO 14001** standard, which is the benchmark on this topic. This standard leads to a label - a certification - issued for a period of three years by an independent organisation following an audit; partial inspections are then carried out each year by the organisation to uphold the certification. The main Group organisations are ISO 14001 certified; this covers 2/3 of activity. More specifically, at the end of 2018 the following organisations were certified:

- **Orange France** (fully)
- **Orange Marine** (fully)
- **Orange Spain** (fully)
- **Orange Senegal** (around half of its business activity)
- **Orange Mali** (fully)
- **Orange Egypt** (fully)
- **Orange Poland** (fully)
- **Orange Slovakia** (fully)
- **Orange Romania** (fully)

- **Orange Moldova** (a quarter of its business activity)
- **Orange Business Services** for 3 sites and 4 processes

Suppliers and subcontractors

Assessment during the selection process

For Orange and all Group subsidiaries, when a new supplier takes part in a call for tenders, a checklist has been developed to identify if there is a CSR-related risk or not (related to product purchasing or the production site, for example). If such a risk is identified, the supplier assessment process is carried out. This assessment can be carried out in two ways: either via a **questionnaire** prepared by Orange, or via a specialised CSR performance assessment platform (EcoVadis).

■ The Orange questionnaire

Orange has created a questionnaire which covers all societal, social and environmental questions and allow buyers to assess CSR risk when selecting suppliers.

■ EcoVadis

The **EcoVadis** platform has a self-assessment tool based on the ISO 26000 standard regarding supplier commitment to CSR. The main themes covered in this questionnaire are the environment, ethics, social matters and responsible purchasing. All major Orange suppliers are assessed by this organisation. This assessment is rated and, depending on the rating, Orange may develop correction plans with the suppliers concerned. Currently, Orange favours solutions that enable the least developed CSR suppliers to work on areas for improvement.

These assessments are shared by Orange and BuyIn which is a joint company created with Deutsche Telekom in 2011 to pool the two group's purchases in certain areas.

■ Assessment of suppliers during business dealings

■ QREDIC

Suppliers are regularly assessed through an internal survey tool known as **QREDIC (Quality, Responsiveness, Environment-Ethics-Societal Responsibility, Delivery deadlines, Innovation, Costs)**, which provides a framework for continuous improvement and assessment of supplier performance. These surveys are used to know internal stakeholder (prescribers)

perception of suppliers. The results are provided to buyers through the Orange Purchasing intranet.

These assessments are scored and rigorously monitored through specific meetings between the Orange group and its suppliers. During these meetings, the supplier scores are presented and discussed, as well as observed trends. Where applicable, corrective or improvement actions are defined and planned with the supplier to improve these results as part of a collaborative approach.

■ Audits

Orange carries out verifications through on-site and telephone audits

■ Audits performed by JAC (Joint Audit Cooperation)

JAC is an organisation created in January 2010 which brings together 16 international telecommunications operators. This cooperation between operators aims to verify, assess and develop the implementation of CSR principles at major global supplier production



centres for the information technology and communication sectors in all countries, and more specifically in Asia. JAC member operators combine their resources to promote CSR principles to suppliers in the sector, using a shared frame of reference, including guidelines and a common audit methodology.

The guiding principles worked out by the JAC aim to facilitate supplier adoption of shared CSR expectations, and provide support for their implementation throughout the audit and monitoring process. The JAC questionnaires include 146 items divided into four topics (social (49), health & safety (49), ethics (29), and environment (19)).

The audits, which are carried out according to common methodology, are used to assess suppliers' compliance with labour and environmental standards (SA 8000, ISO 14001, etc.) and to develop corrective action plans when necessary.

Results and corrective action plans put in place after audits (if applicable) are shared between JAC members, notably during an annual forum.

Since 2015, suppliers have come together to perform site audits with their level 1, 2 and 3 subcontractors.

In order to reinforce the impact of these audits, JAC launched a pilot telephone audit in 2016 with the support of an NGO. This unique method, carried out alongside standard audits, anonymously and transparently collects employees' views on various subjects (salaries, discrimination, child labour, etc.).

Audits in the MEA area

In 2018, twelve audits were launched in the following countries of the MEA area: Côte d'Ivoire, Egypt (2 audits), Guinea-Conakry, Jordan, Mali, Morocco, Tunisia, Niger, Senegal, Cameroon and Botswana. Orange intends to plan new audits in the area.

Supplier relations and responsible purchasing label and self-assessment based on international standards

The Orange France Purchasing department has awarded this

label since 2011. In 2017, the label was developed to take new recommendations into account from the ISO 20400 standard, the main international standard regarding responsible purchasing. The France Purchasing Department was awarded the new, more stringent label in January 2019.

In addition to this label awarded by the France Purchasing Department, Orange wanted different Group Purchasing departments to take the new international recommendations into account. For this purpose, the Orange Group Social Responsibility Department has created a methodology to allow Group Purchasing Departments (Corporate and Countries) to perform a self-assessment based on ISO 20400 recommendations. This methodology can be used to assess the level of compliance with ISO 20400 recommendations and its scope is based on 5 themes and 30 essential guidelines.

3. Actions adapted to mitigate risks or prevent serious harm

Subsidiaries

■ Training

Since 2016, Orange has deployed an “online training” e-learning programme created as part of its participation in the Companies for Human Rights (EDH) association. This e-learning course, available online in English and French, enables employees to identify human rights issues in their daily activities and the most at-risk areas and activities, as well as to acquire good habits.

At the end of 2016 it was deployed in over 90% of the countries within the Group’s footprint. Ethics e-learning has also been developed. Similarly, the United Nations has also developed e-learning on corruption, launched in December 2018 throughout the Group and its business activity including CSR.

More specific face-to-face training courses have been provided directly to employees affected by these issues (e.g. CSR, ethics, compliance, purchasing and logistics chain personnel, etc.). Since 2018, Group CSR representatives have visited various subsidiaries in Europe and MEA to raise awareness of issues related to the vigilance plan.

Additionally, a programme to raise awareness of the code of conduct’s principles of action and individual principles of conduct, based on ethical



e-learning, have helped spread a corporate culture respectful of human rights.

The following training is available in French, English and Polish.

■ **CSR and environmental seminars & correspondent networks in all countries where Orange operates**

An **annual group CSR seminar and annual group environment seminar** are organised each year, bringing together all CSR and environment correspondents from Orange group subsidiaries and

entities. During these seminars, best practices are underlined as well as different issues and problems encountered by the Group. These CSR and environment correspondents then distribute this information within their subsidiary. The topics addressed during the 2018 Group CSR annual seminar focused on duty of vigilance and its deployment. The theme of the Group's 2018 annual seminar was the circular economy.

An annual CSR seminar is also organised in the **Europe** zone. This year, a particular focused was placed on the deployment of the vigilance plan. Furthermore, a **global event takes place regularly** between CSR manager correspondents in each country and the Group CSR department.

■ Responses to crisis situations: actions carried out by Orange:

Violation of fundamental rights, and more specifically freedom of expression

As part of the telecommunications business, ad hoc government requests that impact a large number of customers simultaneously are among the key concerns in terms of the violation of human rights and basic freedoms.

Orange is strongly involved in promoting freedom of expression and respect for privacy in the ICT sector, particularly within the Global Network Initiative (GNI), a multi-stakeholder platform, including internet operators, NGOs, academics and socially responsible investors.

Orange and its peers meet regularly in this instance to discuss best practices in response to government requests in the telecommunications sector. These relate in particular to potential conflicts between the will and the duty of sovereign governments and the responsibility of telecommunications companies in terms of human rights (network shutdowns, illegal content on the internet, etc.).

By pooling the means of each operator, it allows for the complete analysis of the legal and regulatory framework country by country, dialogue with governments and international institutions (United Nations, European

Commission, Council of Europe) to make recommendations on local policies or laws to enforce freedom of expression and respect for privacy around the world.

The principles of the GNI in 2017 constitute a shared Group-level framework for the development of policies and processes relating to freedom of expression and the right to privacy in the ICT sector. Every year, Orange reports on its website on the way the Group applies these guiding principles.

In practice, these events may include network shutdowns, including the internet services being interrupted; access to social media being blocked; or mass distribution of SMS (containing government information) and requests for information on our customers.

Orange's process for responding to these major events consists of receiving a formal, traceable request, i.e. a written order signed by a public authority with the necessary jurisdiction and based on a regulation or law. This process is under the responsibility of its Group

Corporate Secretary and the Corporate Social Responsibility Department, which ensures that each application complies with the legal or regulatory formalities and is analysed by the GNI. Orange reserves the right to alert the international community and supra-national authorities in the event that these formalities are not respected.

With this in mind, as part of its annual impact study on human rights, Orange has commissioned Verisk Maplecroft (a specialized external firm using a methodology based on United Nations and OECD standards) to set up a tailor-made assessment of the risk of human rights violations in each country where Orange operates. This multi-criteria analysis makes it possible to assess the risk of human rights violations and may reveal the need for enhanced vigilance in certain countries.

Suppliers and subcontractors

Orange has a proactive policy, notably the inclusion of a **CSR clause** and a **Supplier code of conduct and training**.

■ CSR clause

In 2018, the CSR clause was overhauled. The clause is included in all purchasing contracts and is available in French and English. Training has also been developed as described below (Training for Purchasers).

■ Supplier Code of Conduct

The **supplier code of conduct** specifies the social, societal and environmental commitments required by the Group and covers the following aspects:

- ▶ commercial ethics and the fight against corruption,
- ▶ fundamental human rights (respect of ILO fundamental conventions, on forced labour, child labour, freedom of association and the fight, against discrimination), working conditions (working hours, remuneration, disciplinary practices),
- ▶ health and safety at work,
- ▶ preventing environmental impacts including environmental protection and natural resources and waste management.

Suppliers are asked to adhere to these principles and to adapt them to their own supply chains.

This code was rewritten in 2017 and has been attached to all new contracts from 2018. It has become mandatory as it has been an actual contractual commitment.

Supplier code of conduct training has also been given through the Orange Group and BuyIn purchasing network.

■ Training for purchasers

Training on the CSR clause was set up in 27 countries by the Group purchasing department. The practical training provides purchasing managers and purchasers with the tools to integrate and negotiate CSR clauses more easily with joint contractors.

■ Supplier CSR forum

Various awareness and training actions are in place, notably through an **annual CSR supplier forum** created by Orange, which brings together the main suppliers to discuss CSR best practices.

The 2018 supplier CSR forum focused on the circular economy.

■ JAC forum

As part of the JAC, an **annual forum in China** has taken place for several years with industry players (suppliers and subcontractors), NGO (IPE, ICO), institutions (Nanjing University, Global Compact, ministry representatives), audit firms and other telecom operators.

The Annual JAC Forum in 2018 focused on two issues: long-term compliance with CSR standards and the long-term implementation of these fundamental rules along the production chain. The Annual JAC Forum in 2019 focused on the circular economy.

■ JAC Academy

As part of continuous improvement and in order to develop the same CSR standards within the supply chains, the **JAC Academy** has been launched in 2018. This allows for a cascade effect of the JAC methodology among suppliers.

It aims to improve supplier awareness and train them in the JAC audit methodology described above. Once trained, suppliers must perform the audits on production sites themselves and report the results to JAC. To measure the CSR performance of production sites, indicators must be put in place by the suppliers.

Indicators and audit reports received by JAC will be analysed to ascertain the main problems encountered and they will be subject to discussions on best practices during the quarterly themed seminars organised by JAC.

This process must allow suppliers to collaborate as part of a shared CSR continuous improvement approach.

In 2018, five major suppliers deployed this method. Around twenty are scheduled for 2019.

■ CSR and purchasing steering committee

The committee meets twice a year **in order to reconcile the major CSR topics with the purchasing strategy. It is co-chaired by the Group Purchasing Director and the Group CSR Director**. As part of this, the main CSR themes are debated at a Group, Europe and MEA level.

4. Whistleblowing system and collecting reports

The Group CSR department reports to the Group Compliance Department working group, created as part of the Sapin 2 law on corruption, to extend the group's whistleblowing system to environmental and human rights offences. The objective is to have a single whistleblowing system for the Group.

This whistleblowing system is the same one the group has used for several years. It was reviewed and the whistleblowing procedure was formalised and made more detailed to comply with the provisions of the Sapin 2 and duty of vigilance law. A description of this system is made available to employees through the Intranet.

The whistleblowing procedure is intended to encourage employees to share any conduct or situation they are personally aware of that is contrary to our anti-corruption policies or our accounting policies and procedures, internal control, or audit, or seriously undermining human rights and fundamental freedoms, health and safety of persons, or the environment.

The reports will be sent to a specific email address which will be given to employees. Whistleblowing processes are already in place in some countries and employees who wish to file a report can choose the system which seems most appropriate to them.

In accordance with the Sapin 2 law, Orange has made it clear in its system that employees will not be subject to penalties or discriminatory measures if a report is filed. In addition the company has implemented all resources to ensure that whistleblowers' personal data and confidentiality and any information sent in a report is protected. The Group's whistleblowing procedure can be activated externally by writing to this email address: deontologie.alerte@orange.com

5. System to monitor measures put in place and assess their effectiveness

Currently, a number of indicators can be used to monitor the measures implemented and evaluate their effectiveness. So, the table below* lists the main indicators relating to the duty of vigilance law. For the choice of these indicators, the Group relies on the standard and methodology of the Global Reporting Initiative (GRI). The source of the qualitative and quantitative data comes from feedback from the countries via a CSR reporting tool, Indicia. It is available to all Group entities with access to the Intranet.

* This table contains informations which may evolve in the context of continuous improvement, as per the law on duty of vigilance.

Table of key indicators related to the scope covered by the duty of vigilance law

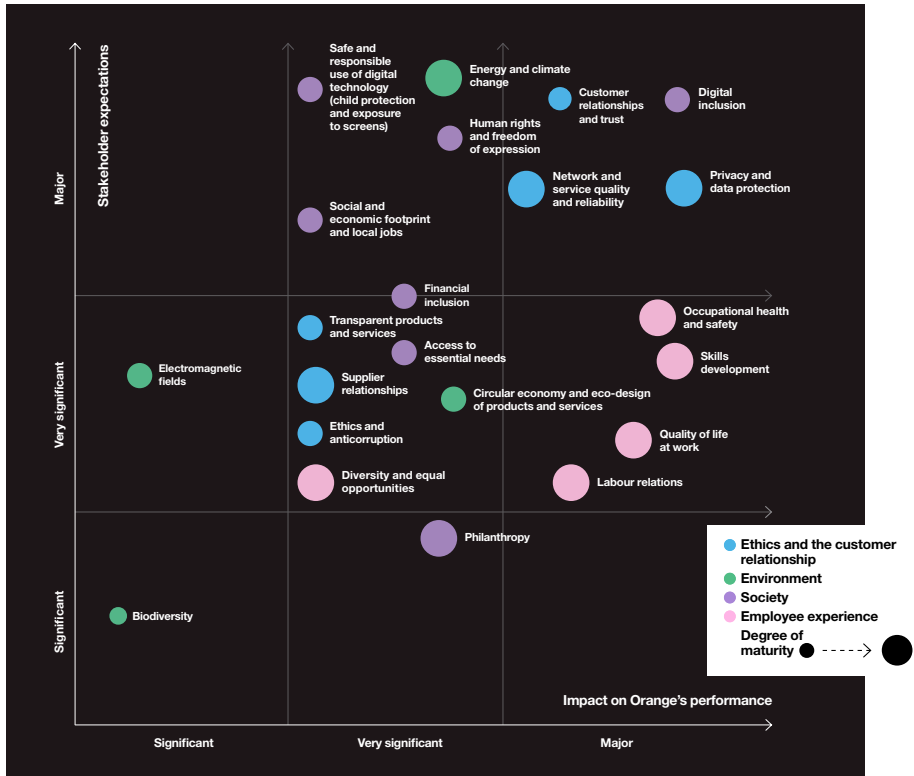
Risks	Monitoring mechanisms	Monitoring indicators	Efficiency	Verification audits
Environment				
Inappropriate management of toxic wastes	CSR/Purchasing steering committee CGRSE(1)	<ul style="list-style-type: none"> - Measures to control dangerous materials from suppliers - Battery disposal - Weight of batteries and accumulators 	Certification ISO 14001	JAC Audits Certification audit
Inefficient collection of used equipment (WEEE)	CPGEC(5)	<ul style="list-style-type: none"> - Disposal of cables - Weight of WEEE network 	Certification ISO 20400	
Circular economy model not deployed in the business	ComEx(6)	Environmental management programme		
No adaptation to the world 2-degree restrictions		<ul style="list-style-type: none"> - Replacement of harmful substances - CO₂ emissions - CO₂ avoided by compensation 		
Health, safety and security				
Physical or psychological disability	CSR/Purchasing steering committee CGRSE(1) DPQVT(2) CGM(3) CHSCT(4) ComEx (6)	<ul style="list-style-type: none"> - Number of fatal accidents - Number of sick days lost - Number of professional accidents - Rate/frequency of professional accidents 	OHSAS 18001	DEKRA Audit JAC Audit
Human rights and fundamental freedoms				
Abuse of the freedom of expression	CSR and purchasing steering committee CGRSE(1)	Number of restriction requests (shutdowns)	Compliance with GNI principles	JAC Audit GNI audit (in progress)
Invasion of privacy		<ul style="list-style-type: none"> - Customer data protection measures - Number of legal interceptions - Number of client information requests 		
Slavery and forced labour		<ul style="list-style-type: none"> - Measures taken against forced labour 		

Legend:

- | | |
|---|--|
| 1) CGRSE: Group Corporate Social Responsibility and Environment Committee | 4) CHSCT: Health, Safety and Work Conditions Committee |
| 2) DPQVT: International Prevention and Quality of Life at Work Department | 5) CPGEC: Circular economy steering committee |
| 3) CGM: Worldwide Works Council | 6) ComEx: Group executive comm |

Appendix 1: materiality matrix February 2018

Please note that it is a summary of the results from various sources and dialogues with stakeholders.



During 2017, a discussion was held to link the materiality matrix and the risk mapping, as and when the concept of materiality of the Group was formed. The analysis led to the publication of the materiality matrix in the Group's integrated report, as it is more in line with the spirit of the Directive on the Extra-Financial Performance Declaration. Indeed, the materiality matrix is designed for the purposes of extra-financial reporting rather than for the duty of vigilance law.

Therefore, prominent elements are currently being defined to be integrated in future plans and contribute to the stakeholder risk mapping.

2018 vigilance plan implementation report

In application of the law No. 2017-399 dated 27 March 2017 relating to the duty of vigilance of parent companies and purchasing companies, Orange established a vigilance plan published in May 2018¹. The law also requires the publication of a report of its effective implementation at the end of the first financial year following its publication, i.e. the 2018 financial year.

The report presents the measures taken in 2018 under the first four obligations referred to in the law (risk mapping, procedures for assessing the situation of subsidiaries, subcontractors and suppliers, adapted risk mitigation or prevention of serious violations and whistleblowing procedure), on each of the three areas covered by the law: human rights and fundamental freedoms, health and safety of people and the environment.

Under the terms of the law, 372 Orange subsidiaries are affected, as are some 77,000 active suppliers.

The Group CSR Department, in coordination with the other Corporate functions (Internal Control, Risk Management, Purchasing, HR, Legal, etc.), has decided to adopt an approach for the implementation of the vigilance plan that is pedagogical (information/ awareness-raising among management and operational teams), pragmatic (collection and prioritisation of existing systems, processes and actions) and progressive (start-up with some countries before being extended to all of the Group's consolidated subsidiaries).

This year's report is mainly based on the contributions of France, Poland, Spain, Moldova, Romania, Slovakia, Ivory Coast, Egypt, Niger, the Democratic Republic of Congo (DRC), Senegal, Orange Business Services (OBS) and Orange Bank, representing about 3/4 of Orange's turnover.

1. General implementation projects

1.1 Information and awareness

Since the publication of the law, a number of presentations, consultations or publications have been organised by the Group's CSR Department:

- at the CGRSE committee of the Board of Directors and the Orange Directors programme
- at the Group's General Meeting
- in CSR seminars (Group, Europe) and Health & Safety seminars (Group HR)
- in board meetings (Group HR, Group Purchasing, Audit, Côte d'Ivoire, Niger, Senegal)
- to managers and operational teams (Côte d'Ivoire, Niger, Senegal, Orange Bank)
- to union groups (Orange France, Orange UNI Global Union)

1.2 Internal Control

In May 2018, the Group's Internal Control Department issued a general CSR self-assessment questionnaire to the main subsidiaries.

Nine subsidiaries or Corporate entities responded: Côte d'Ivoire, Egypt, Spain, Poland, DRC, Slovakia, Group HR, OBS and Orange Bank. The two main messages were, 1) an increased need for training (especially on human rights and the environment) and, 2) the need to reinforce ex-post control of local suppliers and subcontractors.

1. available at <https://www.orange.com/fr/content/download/46451/1361766/version/7/file/Plan%20de%20Vigilance%20-%20Orange%202017.pdf>

1.3 Materiality matrix

The 2018 vigilance plan refers to a discussion under way to link the materiality matrix and the risk matrix, as and when the concept of materiality of the Group was formed.

The materiality analysis (ranking the many sustainable development issues in relation to an organisation's priorities and the expectations of its stakeholders) sheds light on the relationship between financial and extra-financial performance more so than it illustrates the application of the vigilance plan. Prominent elements (issues relating to human rights, digital inclusion and climate change that are most likely to be negatively affected by business activities or relationships), more relevant in this framework, will be included in future vigilance plans.

2. Risks: mapping, measures to mitigate and assess performance

2.1 Risk Mapping

As indicated in the vigilance plan, four clusters (including the main risks) dedicated to duty of vigilance have been established. Risks have been incorporated into the company's overall risk mapping².

The first cluster includes the risks related to the absence of a plan or failure to implement it:

- lack of risk identification,
- lack of effective preventive measures,
- inadequately defined prevention measures,
- the inadequacies in the implementation of prevention measures,
- the inability to produce proof to the authorities on time.

The second cluster focuses on potential violations of human rights and fundamental freedoms:

- slavery and forced labour,
- indecent work conditions (suppliers and subcontractors),
- abuse of children's rights to education and development,
- abuse of the freedom to be a union member and collective bargaining for work condition,
- discrimination,
- abuse of the freedom of expression (in civil society),
- invasion of privacy;

The third cluster identifies the risks in the field of personal health and safety:

- -physical or psychological disability,
- worsened working conditions.

The fourth and last cluster is devoted to the environment:

- inappropriate management of toxic wastes,
- inefficient collection of used equipment,
- circular economy model not deployed in the businesses,
- no adaptation to the world 2-degree restrictions.

Monitoring of this mapping is organised at the Group level under the overall direction of the CSR Department in collaboration with the Group Audit, Control and Risk Management Department (for the 1st, 2nd and 4th clusters) and the Group HR Department (for the 3rd cluster).

2. Section 2.2 of the Reference Document describes the organisation, procedures and controls implemented to manage the risks identified by Orange, including those relating to due diligence.

2.2 Subsidiaries

2.2.1 Human rights and fundamental freedoms

Orange was one of the first companies to sign the United Nations Global Compact upon its publication in 2000, and has since illustrated in many ways its constant desire to promote these ten principles focused on human rights, working, environmental and anti-corruption standards as well as the fundamental principles set out in the Universal Declaration of Human Rights and by the International Labour Organization (see the 2016 Orange and Human Rights report³). Moreover, Orange publishes a yearly declaration on modern slavery and forced labour in accordance with the English law on the “Modern Slavery Act” of 2015⁴.

This commitment is embodied in three main areas of responsibility:

- the promotion of a responsible employer model protecting the fundamental rights of all employees, in all countries where the Group operates: Orange has made strong commitments in this area with its social partners; this is the bedrock of its responsible employer model;
- the promotion of these principles within its sphere of influence and in particular with its suppliers and subcontractors, thanks in particular to its participation in the work of the JAC⁵,
- given the heightened surveillance of Internet exchanges, taking into account the growing concerns regarding the protection of the freedom of expression and the confidentiality of private data, a complex issue that requires a concerted effort of all the players of the sector: this is the meaning of Orange’s involvement in the Global Network Initiative.

Orange also uses Verisk Maplecroft data to assess human rights risks in all countries where the Group operates. This assessment includes the monitoring of five indices related to the risks identified in this chapter: discrimination in the workplace, freedom of expression, freedom of conscience, minority rights, women’s rights.

In 2018, after examining these indices, Orange focused on three countries: the Central African Republic, the Democratic Republic of Congo and Egypt (mainly on the freedom of conscience and the rights of minorities).

2.2.2 Personal health and safety

Orange, in line with its “Essentials 2020” strategy, is committed to providing each employee with a unique, digital and human experience: the Group therefore pursues the implementation of a policy to guarantee the safety of its employees, protect their health and improve the quality of life at work.

This policy is based on the November 2014 Worldwide Health and Safety Agreement, and the applicable laws and regulations in each country. The agreement also involves the Group’s partners and subcontractors. As such, all Group subsidiaries:

- define a documented health, safety and quality of life at work policy, in line with the Group agreement and risk assessment map,
- -set quantifiable objectives based on this policy,
- promote health and well-being at work and create a safe and healthy workplace environment,
- strive to improve working conditions, involving employees and their representatives,
- develop a workplace health and safety management system, including fundamental rules, procedures and instructions,
- include initiatives targeting its partners and subcontractors in this policy.

3. Published in November 2017: https://www.orange.com/fr/content/download/46782/1366701/version/7/file/181019_RAPPORT%20DE%20TRANSPARENCE%20libert%C3%A9%20d%27expression.pdf

4. For 2017: https://www.orange.com/fr/content/download/47218/1372327/version/2/file/180613_MSA2017_FR.pdf

5. The JAC (Joint Audit Cooperation), which includes 16 telecommunications operators (ATT, Telekom, KPN, MTC, Orange, Proximus, Rogers, Swisscom, Telefonica, Telenor, Telia, Telstra, TIM, Verizon, Veon and Vodafone), carried out 116 supplier audits in 2018

Since 2017, Orange has also used an external audit (Dekra) to monitor the deployment of its health and safety policy⁶. Five subsidiaries (Madagascar, Niger, Belgium, Luxembourg and Poland) were audited in 2018 on the basis of a questionnaire of 232 questions grouped into 11 topics: Occupational Health and Safety policy, risk assessment, security management, communication, training, security performance evaluation, staff representation, chemicals, protective equipment, regulatory compliance, personnel outside the company. A reflexion was initiated in 2018 on the eventual use of the results of these audits in the context of duty of vigilance.

2.2.3 Environnement

At COP21, Orange reaffirmed its commitment to protecting the environment by setting itself 2 new priorities:

- reduce CO₂ emissions by half per customer use by 2020 (in relation to 2006),
- encourage the inclusion of circular economy principles in its organisation and processes.

At the end of 2018, Orange reduced its CO₂ emissions by 56.59% per customer use. Its overall carbon footprint is almost stable (1.37 MTCO₂ at the end of 2018 vs. 1.33 MTCO₂ at the end of 2017) and 12.1% of the energy used by the Group is renewable.

Orange has rolled out an Environmental Management System, which has resulted in ISO 14001 certification of 60% of the Group's Global business in 2018. The situation is as follows:

- Fully certified subsidiaries: France, Spain, Poland, Slovakia, Romania, Egypt, Mali and Orange Marine,
- subsidiaries with part of their business certified: Senegal, Moldavia, Orange Business Services.

2.3 Suppliers and subcontractors

The Group's priorities are as follows:

- incorporate CSR issues into the RFI / RFP process by using Ecovadis more widely (self-assessment platform of supplier commitment to CSR, according to the ISO 26000 standard): awareness-raising started in 2018, a phased implementation is planned between 2019 and 2020,
- reinforce the binding documents ensuring that the revised CSR clause in 2018 is inserted and by appending to the contracts the new Supplier Code of Conduct common to BuyIn (a joint venture between Orange and Deutsche Telekom) and the Group; training of all Group Purchasers on these items was made mandatory in 2018,
- develop supplier audits to speed up their commitment to comply with new legal requirements.

On the first point, it should be noted that for the past 3 years, 70% of BuyIn's suppliers (those most at risk and for expenditure amounts exceeding €2 million) were assessed by Ecovadis at the time of tenders, i.e. 560 assessments.

On the second point, a request was made to append the new Supplier Code of Conduct common to BuyIn (a joint venture between Orange and Deutsche Telekom) and the Group to contracts; training of all Group Purchasers on these items was made mandatory in 2018.

On the third point, in addition to the Supplier Forum organised every year and the use of QREDIC (Quality, Reactivity, Environment-Ethics-Social Responsibility, Delivery Times, Innovation, Costs), the internal assessment tool and continuous improvement of the performance of suppliers, audits were conducted at various levels of the Group.

6. Dekra uses the OHSAS 18001 standard to perform its audits

Group Purchasing has decided to supplement the 116 JAC audits with specific audits (but based on the same questionnaire) in the MEA zone⁷: 12 audits were initiated in 2018 in Botswana, Cameroon, Côte d'Ivoire, Egypt (2), Guinea, Jordan, Mali, Morocco, Niger, Senegal and DR Congo. These new audits, which are being tested in 2018, will become standard in 2019. They will be the subject of a detailed description when drafting the next vigilance plan implementation report of the 2019 financial year which will accompany the 2020 vigilance plan.

3. System to monitor measures implemented and assess their effectiveness

See section 5 of the vigilance plan.

4. Whistleblowing procedure

In October 2018, Orange extended the Group whistleblowing procedure implemented under the Sapin 2 law on corruption, reporting violations of human rights and fundamental freedoms, health and safety of people and the environment⁸.

The Group CSR Department (in the areas of human rights and the environment) and the Group HR Department (in the field of health and safety) process the reports and carry out the necessary investigations in a rigorous and professional manner, and in compliance with the laws and regulations.

The country subsidiaries all have a local whistleblowing procedure and gradually incorporate new requirements into them.

5. Conclusion

This first report on the implementation of the duty of care law was carried out on the basis of information gathered in the second half of 2018, with the help of voluntary "pilot countries" (Côte d'Ivoire, France, Niger, Poland) to discuss their relevance and to test the methods of collection.

The process ultimately used to establish it has revealed some obstacles the need to be overcome before reaching a comprehensive and consistent result:

- the size of the Group and the number of suppliers and subcontractors; an "standardisation" of the process, by extension or reconciliation of existing but disjointed processes (whistleblowing procedure, reporting of indicators by field, qualification of suppliers, etc.), and the creation of recommendations for use or new mechanisms (procedures to handle new types of reports, sharing of good practices, etc.) will be necessary,
- the processes in place are generally useful and effective, but the results obtained are most often only transformed into quantified performance indicators; qualitative data (measures taken, action plans, etc.) exist, but their recovery must be made systematic and a broader analysis organised for greater homogeneity.

As indicated at the outset, Orange has chosen to use this document as a starting point of a continuous improvement approach. The work with subsidiaries, the exchanges with the suppliers, the comments of the stakeholders, etc. will be important sources of inspiration for future years.

7. Audits of local suppliers by the subsidiaries is also being examined with the support of Group Purchasing.

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