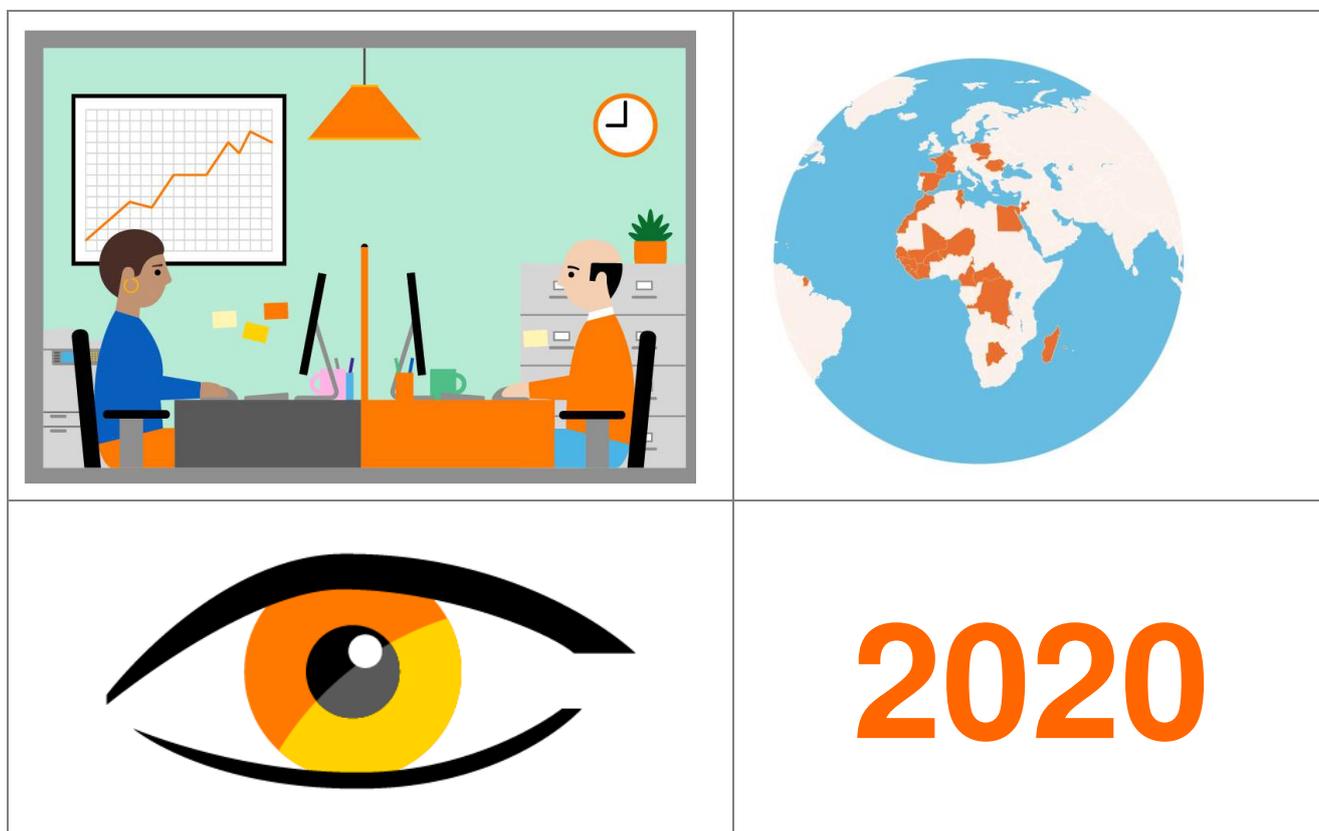


# Vigilance Plan

## Orange



# Contents

<b>1.</b>	Risk mapping: Identifying and assessing risks generated by Orange's operating activities .....	4
<b>2.</b>	Procedures for the regular assessment of the circumstances of subsidiaries, subcontractors or suppliers with which Orange has an established commercial relationship.....	6
<b>2.1</b>	Subsidiaries .....	6
<b>2.2</b>	Suppliers and subcontractors.....	7
<b>3.</b>	Targeted actions taken to mitigate risks and prevent serious breaches.....	9
<b>3.1</b>	Subsidiaries .....	9
<b>3.2</b>	Major mitigation and specific prevention actions for the areas covered by the Law on the duty of vigilance. ....	9
<b>3.2.1</b>	Violations of fundamental rights, and more specifically breaches of the freedom of expression .....	9
<b>3.2.2</b>	Health and safety preventive measures applicable to Orange and its subsidiaries .....	10
<b>3.2.3</b>	Given the ongoing strong growth in digital usage, Orange is also implementing additional environmental protection measures.....	11
<b>4.</b>	Whistleblowing and reporting mechanism .....	12
<b>5.</b>	Monitoring mechanism and assessment of measures taken.....	13

# 2020 Fiscal year Vigilance Plan

This plan was developed based on the five obligations set out by Law no. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and contracting companies, (hereinafter the "Law on the duty of vigilance" or the "Law"). It follows the first two plans which Orange published respectively in 2018 and 2019.

This plan forms part of Orange's new strategic plan, Engage 2025, and the purpose that it outlined in December 2019. This new strategy is based on the idea that economic performance is achieved by leading by example on social and environmental issues. It aims to prepare the route to a sustainable and responsible transformation, in order to monitor the social and human cohesion of the Orange group's projects (hereinafter the "Group") worldwide. The Group's commitment is embodied in the Sustainable Development Goals (SDGs) set by the United Nations member states which are:

- investment in infrastructure which is crucial to achieving sustainable development and the empowerment of communities in many countries. Orange's core business is to offer its customers connectivity with ever faster speed and new related services;
- inclusion to reduce inequality. In addition to its ambitions for digital regional coverage, Orange leads the way on social issues through its commitment to inclusion by training those affected by digital exclusion, supporting its customers, promoting access to responsible service provision to as many people as possible and supporting digital entrepreneurship. Orange is also striving to use digital technology to promote equal opportunities;
- combating climate change and its repercussions. For Orange, leading by example on the environment takes the form of a target of being Net Zero carbon by 2040, despite a continuous and steady increase in use across its networks. This involves an unprecedented effort to achieve energy efficiency for its own emissions as well as those of its customers and increased use of renewable energy. In addition to these measures, and without seeking compensation, the Group will invest in carbon sinks for its residual greenhouse gas emissions.

Orange has also created the following purpose: "As a trusted partner, Orange gives everyone the keys to a responsible digital world." Our mission is to ensure that digital services are well thought-out, made available and used in a more caring, inclusive and sustainable way in all areas of our business. Orange does everything in its power to ensure people and organizations enjoy a more autonomous, secure digital life. Through the engagement and expertise of the Group's teams, Orange employs innovative technologies and services everywhere, and for everyone." This purpose was developed following months of consultations with internal and external stakeholders.

In addition, in 2019 stronger governance was put in place for the vigilance plan. This change provided a clearer definition of the various levels of the Company involved in preparing, approving and implementing the vigilance plan. The Governance and Corporate Social and Environmental Responsibility Committee (CGRSE) is a specialized Committee of the Board of Directors for Corporate Social Responsibility (CSR). It examines social and environmental information and documents produced by the Company, including the vigilance plan. It examines the vigilance plan before it is sent to the Orange Board of Directors for approval.

The Ethics Committee, which is one of the ExecComm's (Executive Committee's) internal governance committees, comprised primarily of senior executives, saw its responsibilities extended to monitoring the Group's non-financial performance in July 2019. These new responsibilities include preparing the Group's vigilance plan, the operational monitoring of its deployment and the associated reporting. The Ethics Committee confirmed that the Group's CSR Department was responsible for the operational monitoring of the plan's implementation.

Risk mapping for the vigilance plan has also been sent to the Audit Committee (another specialized Committee of the Board of Directors).

Each entity in scope for the vigilance plan must set out a related action plan which adapts the Group's risk mapping processes and the relevant risk mitigation and prevention measures to its own context. This action plan must be approved by the Board of Directors of the relevant subsidiaries, or by the Management Committee for Orange SA divisions.

Moreover, since December 2019, the Group's CSR Department has been linked to annual Internal Control Reviews (ICR) of Orange divisions. The purpose of the ICRs is to report to the Senior Executive Vice-President on the main risks and hedging instruments in place for each division.

A cross-functional steering group was formed for the implementation of the plan (CSR Department, Audit, Internal Control and Risk Management Department and Legal Department), to define new operational directions and to better associate the subsidiaries and entities of the Group with actions linked to the implementation of the vigilance plan.

Each entity covered by the plan has nominated a manager responsible for its implementation.

Orange has also continued to adopt other governance measures to boost compliance with human rights and fundamental freedoms, health and safety and the environment. Therefore, in November 2017 the Group published a human rights report based on the United Nations Guiding Principles on businesses, human rights and stakeholder expectations in this area.

Orange is a signatory of the United Nations Global Compact in compliance with the fundamental principles stated in the Universal Declaration of Human Rights and by the International Labour Organization, and publicly defends its values, in particular as concerns its responsibility towards its supply chain.

Similarly, in a number of the Group's countries, discussions have been held with stakeholders on the areas covered by the Law on the duty of vigilance (including diversity, digital inclusion and the circular economy). This dialog is based on structured processes and stakeholder mapping requiring a balance between external stakeholders (businesses, authorities and civil society) and internal Orange stakeholders, in order to:

- ensure that the Group's CSR topics are consistent with the priorities of stakeholders;
- identify and prioritize the risks related to the social and environmental issues in the countries in which Orange operates, with a particular effort devoted to detecting "weak signals";
- identifying opportunities for innovation opening up new prospects of growth for Orange, while supporting the social and economic development of the countries concerned.

# 1. Risk mapping: Identifying and assessing risks generated by Orange's operating activities

The Group's risk management method (see methodology described in the 2019 Universal Registration Document (URD), Chapter 2 "Risk factors and activity management framework") is incorporated into the processes used to complete and update risk mapping for the duty of vigilance. It covers the areas set out by the Law, i.e. human rights and fundamental freedoms, health and safety and the environment.

Four clusters (risk groups) have therefore been established. These clusters, which are incorporated into the Company's overall risk map, are as follows:

Cluster one covers risks related to an insufficient or faulty implementation of the plan:

- Failure to identify risks
- Inefficient preventive measures
- Failures in the definition of preventive measures
- Failures in the implementation of preventive measures
- Failure to provide evidence to authorities on time

Cluster two relates to potential breaches of human rights and fundamental freedoms:

- Slavery and human trafficking
- Unacceptable working conditions (supplier and subcontractor sites)
- Breach of a child's rights to a good education and healthy development
- Infringement of the freedom of association and right to collective bargaining on working conditions
- Discrimination
- Breach of the freedom of expression (in civil society)
- violation of privacy

Cluster three identifies risks to personal health and safety:

- Physical or mental disability of employees (death, occupational accident, occupational illness, disability, etc.)
- Deterioration of working conditions jeopardizing human health, safety and security

The fourth and final cluster is related to the environment:

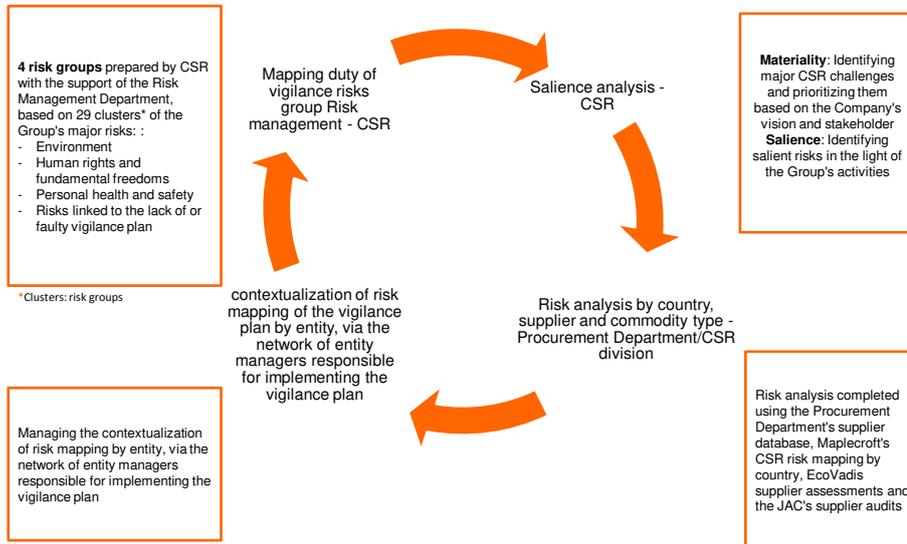
- Inadequate treatment of toxic waste (poles in France and Poland, batteries, etc.)
- Ineffective collection of used equipment (WEEE)
- Circular economy (4R) not implemented in businesses (Marketing and Networks)
- Failure to adapt to a 1.5°C world: trajectory not met, failures due to physical climatic risks

For each of these clusters Orange define the various risks, their consequences (impact) and causes (probability) should they arise, and the main hedging mechanisms and action plans.

Since 2018, non-financial risks have been included in the URD in accordance with the new obligations set out by Directive 2014/95/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups. Some of these risks are linked to the areas covered by the vigilance plan (URD 2019 Chapter 2 "Risk factors and activity management framework").

When preparing future vigilance plans, the risk management method must be adjusted, to ensure that the methodology will fully take account of risks to stakeholders based on the mapping, as recommended by the Law on the duty of vigilance and by international human rights guidelines. The salience analysis must however ensure that the mapping can be developed as such once external stakeholders have been consulted.

### 1. Risk mapping preparation process for vigilance plan risks (2020)

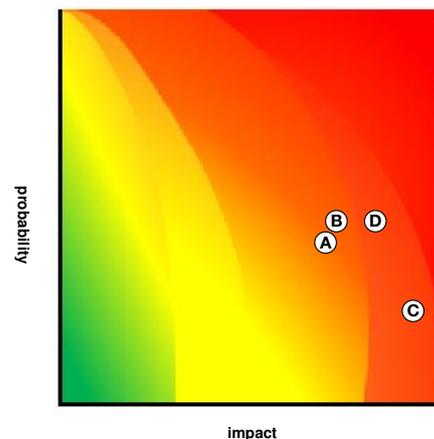


1/11

## 2020 Risk mapping in relation to the topics of the Law on the duty of vigilance

### Risks matrix (alphabetical order)

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



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Every year, the Group reviews and approves risk mapping for the duty of vigilance, based on the governance structure set out by the preamble. Certain risks have been positioned slightly differently in the 2020 Plan in relation to the policies and mitigation plans implemented in the previous plan. However no significant changes have been made to the mapping prepared for the 2019 vigilance plan.

## Salience analysis based on the Severity scale, Compensation or remediation

The implementation of the Law on the duty of vigilance requires a change of paradigm in how risk is understood. Therefore Orange is currently developing specific methodology to identify the risks to stakeholders which its activity may generate. In 2019, Orange launched a method based on the salience analysis. To that end, Orange's policies are derived from the definition and criteria chosen in the Reporting Framework based on the United Nations Guiding Principles (UNGP) launched in February 2015 on salient issues (related to human rights)<sup>1</sup>. This methodology is based on:

- an assessment of the severity of the risks in terms of their effects on people, independently of any policies or action plans implemented by Orange to mitigate the consequences thereof;
- on the likelihood of occurrence, given the scope of the Group, independently of any policies or action plans implemented by Orange to mitigate the occurrence thereof;
- on Orange's ability to propose a remedy, i.e. for the effects resulting from any policies or action plans developed by Orange.

Criteria for the Orange salience analysis will cover human rights and the environment.

Dialog with external stakeholders will be held in the coming months in order to review salience components currently being established and therefore define a method and mapping which enables us to more accurately understand how Orange may cause or contribute to serious breaches of human rights and fundamental freedoms, personal health and safety and the environment, in respect of stakeholders.

Moreover, Orange has opted not to update the materiality matrix published in previous vigilance plans. There were not any major changes to the matrix in 2019, and Orange therefore opted to formally respond to the issues identified through the commitments made under its new Engage 2025 strategic plan (see introduction to the plan). However, the strategic directions on the environment and inclusion are covered by the Law on the duty of vigilance, and therefore changes to the materiality matrix will probably be required in the coming years.

Finally, to enhance its mapping, Orange plans to develop an impact measurement to better gauge the scale of the risk to fundamental freedoms.

## 2. Procedures for the regular assessment of the circumstances of subsidiaries, subcontractors or suppliers with which Orange has an established commercial relationship

Orange works collaboratively, willingly and constructively with its subsidiaries, suppliers and subcontractors.

### 2.1 Subsidiaries

Orange uses an assessment method for its subsidiaries which incorporates the obligations of the Law on the duty of vigilance.

#### CSR self-assessment questionnaire

This method has been put in place by the Group Audit Control and Risk Management Department (DACRG), and is based on a self-assessment of the entities by way of a **questionnaire on CSR governance**. The questionnaire is sent to a selection of entities every year, based on a risk analysis, which includes Orange SA divisions and the Group's main subsidiaries.

The answers and evidence provided by entities is jointly analyzed by the DACRG and the Group CSR Department. A summary is then produced, and action plans and analyses are issued at entity or Group level.

The internal audit may be based on self-assessments or on analyses as part of the annual audit program.

<sup>1</sup> <https://www.ungpreporting.org/resources/salient-human-rights-issues/>

This method enables the Group to circulate its expectations of CSR governance within the entities, and to contribute to the continuous improvement process which forms part of Orange's commitments.

## ISO 14001 audit

In order to achieve its targets for reducing environmental impacts and risks the Group has been progressively rolling out ISO 14001 compliant Environmental Management Systems (EMS) in its main countries of operation. The ISO 14001 standard describes how companies should organize themselves to manage the environmental impact of their activities. The 2015 version of this standard includes new requirements, which the Group is gradually incorporating, particularly through stakeholder dialogue and by taking into account complete life cycle impacts. The Group's main entities and subsidiaries are ISO 14001-certified, representing approximately 60% of the Group's electricity consumption.

## 2.2 Suppliers and subcontractors

### Orange's responsible purchasing principles

Orange has for several years implemented a responsible purchasing policy which embeds CSR in its supplier relationships and improves control of social, societal and environmental risks.

This policy is implemented by the Global Procurement & Supply Chain Department, which is part of the Orange Group Finance & Performance Department and which ensures consistency among all the companies of the Group, each of which has its own procurement Department. Its Group-wide CSR action plan aims to promote the adoption of CSR commitments by purchasing stakeholders and their application in the related business processes, and to guarantee the Group's compliance with the law on the duty of vigilance. All of these principles have also been adopted by BuyIn, the joint venture between Orange and Deutsche Telekom, which covers the Group's main purchasing domains.

This policy was updated in 2018 (available on the [orange.com/Group/Non-financial Reporting](http://orange.com/Group/Non-financial Reporting)) and is designed around the following themes:

- developing balanced relationships with suppliers based on trust, respect and sustainable commercial relationships;
- contributing to economic performance by creating value and ensuring the availability of products and services at the best cost, while preserving competition among strategic suppliers by establishing an industrial policy that protects the interests of the stakeholders;
- controlling CSR risks and opportunities related to procurement and the supply chain, by requiring suppliers to adhere to a code of conduct and respect for laws and regulations;
- providing the Group and its customers with the benefit of the know-how of innovative and high-performance suppliers.

It is based on the systematic incorporation of a CSR clause in the Group's framework agreements as well as into exclusively local contracts, reinforced by the integration of the Code of Conduct into the appendices to these contracts. The Code of Conduct describes in particular the ethical, social and environmental commitments expected by the Group. Orange thus requires that its partners, suppliers and their sub-contractors i) respect all national, European and international rules with respect to ethical and responsible behavior. This includes, without limitation, standards relating to human rights, respect for the environment, sustainable development, occupational health and safety conditions for the employees, corruption and child protection; ii) adopt and apply ethical standards and the Group's commitments and to continue to grow in these domains. Orange supports its suppliers throughout the pre-contractual and contractual relationship to ensure the effective implementation of the Code of Conduct.

Orange's CSR program was developed in cooperation the CSR and Procurement teams. It covers all the subsidiaries and is based on five pillars:

- clear CSR commitments defined in Orange's "Commitments in terms of responsible procurement". They are also stated in the CSR clause of the supplier Code of Conduct and apply to all suppliers (Group and local);
- a strong CSR culture thanks to CSR training sessions for buyers;
- effective CSR risk management based on CSR evaluations and supplier audits;
- the active search for opportunities through dialog with subsidiaries and suppliers;
- transparent reporting on the CSR maturity of all the subsidiaries.

### Supplier assessment

Suppliers are assessed at several levels of the contractual relationship, using several tools.

First of all, they are assessed on a documentary basis thanks to the use of a recognized expert, which offers a self-assessment tool based on ISO 26000 for supplier commitment in terms of CSR. The results of the assessment are used to prioritize the actions towards the most vulnerable suppliers from a CSR standpoint.

Then, suppliers are assessed through on-site audits by an expert partner company either within the framework of the JAC, or on behalf of Orange in collaboration with its subsidiaries. Orange deploys a coordinated program of on-site CSR audits founded on verification, assessment, and the development of a common methodology. Audits to assess suppliers' compliance with social and environmental accountability standards (SA 8000, ISO 14001) and, if necessary, to implement corrective action plans.

The Group has set up a monitoring and alert system for purchasing and procurement risks related to suppliers deemed strategic to the organization and whose default could have major consequences on the Group's operations.

In response to the requirements of the Orange Vigilance Plan, the supplier assessment program was revamped and implemented in 2019 in the Group's main subsidiaries (see implementation report) and will be expanded in 2020.

## Audits

Orange carries out verifications through on-site and telephone audits.

Audits performed by the JAC (Joint Audit Cooperation)

The **JAC**, founded in January 2010, covers 17 telecommunications operators worldwide. The purpose of this operator collective is to verify, assess and develop the implementation of CSR principles across the manufacturing centers in which the largest ICT suppliers are located, in all countries worldwide and particularly in the Asia region.

The JAC's member operators pool their resources in order to promote CSR principles to suppliers in the sector, based on a shared reference framework which includes Guidelines and a shared audit methodology. The purpose of the JAC Guidelines is to make it easier for suppliers to meet the shared CSR expectations, and to provide support for their implementation throughout the audit and monitoring process. The JAC's questionnaires include 146 items, divided into four areas (social (49), health and safety (49), ethics (29) and environment (19)).

Suppliers have been working together since 2010 to conduct on-site audits of their tier 1, 2 and 3 suppliers.

To boost the impact of its audits, in 2017 the JAC launched a pilot telephone audit with the support of an NGO. This unprecedented method was used alongside traditional audit methods to anonymously and transparently gather employee testimonies under various categories (including wages, discrimination, child labor, etc.).

In 2020 the JAC plans to work with institutions such as the ITU (International Telecommunication Union), the BSR, the CDP (Carbon Disclosure Project), the RMI and the GSMA to adopt standards related to other CSR priorities, including:

- climate change,
- the circular economy,
- the traceability of minerals from supply sources which comply with human rights and environmental regulations.

Lastly, the JAC plans to welcome new telecommunications operators so that it can expand its geographical coverage (in Asia, South America and Africa), thus indicating the global nature of its commitment.

## Audits in the MEA region

Orange and its subsidiaries have been carrying out on-site audits in the MEA region, concerning local suppliers identified as potentially at high CSR risk. This on-site audit program is intended to be renewed in 2020.

## Supplier Relations/Responsible Procurement label and self-assessment based on the international standard

Orange France's Procurement department has been awarded this label since 2011. In 2017, the label evolved to encompass new ISO 20400 recommendations (the first international standard on responsible procurement). The French Procurement department was awarded the (now more stringent) label again in January 2019.

Orange wanted to extend the certification process undertaken by the French Procurement Department by ensuring that the Group's Procurement departments worldwide also adopt these new international recommendations.

Therefore, the Orange Group's Corporate Social Responsibility division has devised a methodology which enables the Group's (Corporate and Country-based) Procurement departments to self-assess their performance against the ISO 20400 recommendations. The methodology measures to what extent the ISO 20400 recommendations have been adopted, and their implementation scope, based on 5 topics and 30 essential guidelines.

To improve the plan and its assessment measurements: Orange intends to improve its assessment of local suppliers.

# 3. Targeted actions taken to mitigate risks and prevent serious breaches

## 3.1 Subsidiaries

### Training

Backed by its membership of EDH (Entreprises pour les droits de l'homme) association, an organization grouping together 16 of the largest French companies, Orange has been deploying an e-learning training since 2016, which is available in 90% of the countries in which the Group operates, to disseminate its main principles among its employees. E-learning, which is available on the intranet in both English and French, enables employees to identify human rights-related issues in their day-to-day activities as well as the most high-risk areas and activities, and to develop good instincts.

An ethics e-learning module is also available. In addition, in December 2018 Orange launched an e-learning module based on the United Nation's corruption recommendations, which was circulated to all Group functions including CSR.

In 2020, Orange will roll out a CSR visa for all Group employees. The visa raises awareness of CSR principles and the themes of the Engage 2025 Strategy, specifically digital inclusion and the environment. These themes tie in with human rights, environmental and sustainable development risks.

More specific face-to-face training is provided for employees directly affected by these issues (i.e. those working in CSR, ethics, compliance, procurement and the logistics chain). Since 2018, representatives from the Group's CSR Department have visited various subsidiaries in the Europe and MEA regions to raise awareness on issues related to the vigilance plan.

Furthermore, an awareness program (focusing on the ethics e-learning module) on Code of Ethics action and individual behavior principles is helping to foster a human rights-compliant culture within the Company.

### CSR and Environment seminars/Network of CSR and Environment contacts in all countries in which Orange operates

Each year, the Group holds a CSR seminar and an Environment seminar, attended by CSR and environment contacts from the Group's subsidiaries and entities. Seminar topics include best practices as well as the various business challenges and issues faced by the Group. The CSR and environment contacts then circulate this information to their own subsidiaries. In addition, a regular overarching event is held for managers responsible for implementing the vigilance plan and the for the Group's CSR Department.

With a view to improving the plan and its risk prevention and mitigation measures, Orange intends to set out a common basis for action plans in order to mitigate the risks identified in the vigilance plan, and to ensure that the plan is properly deployed for in-scope entities.

## 3.2 Major mitigation and specific prevention actions for the areas covered by the Law on the duty of vigilance

### 3.2.1 Violations of fundamental rights, and more specifically breaches of the freedom of expression

In the telecommunications sector, one of the main concerns regarding breaches of human rights and fundamental freedoms relates to infrequent government requests which impact a large number of customers at the same time.

Orange is strongly committed to promoting freedom of expression and respect for privacy in the ICT sector, in particular within the Global Network Initiative (GNI), a multi-stakeholder platform, including Internet operators, NGOs, universities and socially responsible investors. Orange and its peers meet regularly as part of this body to exchange best practices relating to government requests in the telecommunications sector. More specifically, they deal with potential conflicts between the commitment and duty of sovereign governments and the responsibility of telecommunications companies with respect to human rights (network interruptions, illegal Internet content, etc.). By pooling the resources of every operator, it makes it possible to perform a complete analysis of the legal and regulatory framework country by country and to establish a dialog with governments and international institutions (United Nations, European Commission, the Council of Europe). It is aimed at making recommendations on local policies or laws in the interest of respecting freedom of expression and respect for privacy throughout the world.

The GNI principles updated in 2017 provide a common framework at Group level for the preparation of policies and procedures relating to freedom of expression and respect of privacy in the ICT sector. Each year on its website, Orange reports on the ways in which the Group applies these principles (see [orange.com/Group/Non-financial](http://orange.com/Group/Non-financial) Reporting).

Any demands by governments that could violate freedom of expression or fundamental liberties are treated locally by Orange, but under the authority of the Group's General Secretary and the Group Corporate Social Responsibility Department in order to ensure that every demand respects the required formal legal or regulatory requirements as analyzed by the GNI. Thus, Orange ensures that an official request in writing has been received by the manager of the relevant entities, and that it has been subject to an internal report to the Group. A synthesis of these elements as well as the guidelines set forth by the Group CSR Committee are presented to the Ethics Committee.

Since 2012, as part of its annual impact assessment of human rights or EIDH (measurement of the difference between the commitments made by States (human rights in principle) and the possibility of these rights being enjoyed in practice in the countries (human rights in practice)), Orange has asked Verisk Maplecroft, a specialist external firm using a methodology based on the UN and OECD standards, to carry out a customized assessment of the risks incurred in terms of compliance with human rights in each country where Orange operates, in to assess and target its actions. This multi-criteria analysis notably includes the risks of corruption, breaches of democracy and freedom of expression, the degree of digital inclusion and discrimination.

### **3.2.2 Health and safety preventive measures applicable to Orange and its subsidiaries**

The Orange group is committed to making its occupational health, safety and quality of life policy a cornerstone of its CSR policy. This policy is based on the global health and safety agreement and the laws and regulations in force in each country.

#### **Group occupational health and safety policy**

Orange's commitment on occupational health and safety is led by its Chairman and Chief Executive Officer: on January 21, 2017, in a third policy communication on health, safety and quality of life at work, Orange reaffirmed its enduring commitment in these areas. Protecting its employees' occupational health and safety and improving their quality of life at work contributes fully to Orange's aim to be a leading employer in its sector.

This policy is based on the global health and safety agreement, signed in November 2014, and the laws and regulations in force in each country. This agreement commits our partners and subcontractors.

In line with the Group's health and safety agreement, and as part of the vigilance plan, different measures have been deployed to continuously improve the quality of life at work for the Group's employees:

- the definition of a common Group platform in terms of occupational health and safety, based on a policy of participation by all the players including a dialog with employees in the area of occupational health and safety, the promotion of any initiative to participate in health protection programs adapted to the context and local practices, as well as non-discrimination in terms of health for employees and special vigilance regarding vulnerable groups in terms of health;
- the implementation of an occupational health and safety management system in all Group companies in a continuous improvement approach;
- specific discussion of healthcare costs coverage in the African region;
- the need for specific vigilance to ensure that Orange's service providers have their own health and safety policy. Subcontractor accident rates are closely monitored, in particular by the health and safety officers and OH&S experts, with follow-up assessments and the preparation of action plans.

These actions are supported and monitored by the Risk Prevention and Occupational Quality of Life Department, and presented annually to the Worldwide Works Council and UNI global union. This presentation is based on the Group's annual health and safety report.

#### **Social dialogue on occupational health and safety**

Social dialogue on occupational health and safety takes place within the legal or employee representative bodies and takes the form of agreements signed with social partners.

Numerous agreements promote the deployment of the Group's quality of life at work policy and the active prevention of risks to employee health and safety:

- the teleworking agreement, amended in 2017, makes teleworking part of an overall economic, social and environmental approach, with expected benefits in terms of well-being at work and travel time savings;
- the agreement on the assessment and adaptation of workloads (2016) sets a methodological framework and common references for specifically understanding the problems of workloads related to changes in the workforce and skills;

- the digital transformation support agreement (2016) notably enables the implementation of individual digital use reports;
- the agreement on the assessment and prevention of psychosocial risks (2010) notably endorsed the creation of a National Stress Prevention Committee;
- the agreement on workplace gender equality and work-life balance (2018) offers a framework to facilitate the best balance between professional and private life for each employee, whilst enabling them to overcome major life events.

Internationally, each subsidiary now has a Health and Safety and Working Conditions Committee or a Health and Safety Committee. In the Africa and Middle East region, specific training programs for Health and Safety Committee members have been deployed since the signature of the global health and safety Agreement.

In Europe, joint work with the UNI Europe union alliance and ETNO (European Telecommunications Network Operators' Association) resulted in the publication of a guide to best practices in workplace safety taking into account the new labor organizations: Good Work Good Health II.

### **Orange group's occupational health and safety management system (OHSMS)**

The OHSMS is based on either the Group's OHSMS guidelines or a recognized national or international (OHSAS 45001) standard, to be chosen by the entity or subsidiary. Its deployment enables a shift towards a real culture of managing occupational health and safety within the Group.

Training for managers and information sessions for pilot partners (member of the Management and OH&S expert) are regularly held in France.

Audits are periodically conducted throughout the Group, according to a schedule that depends on the framework selected.

### **The Coronavirus pandemic (COVID-19)**

The COVID-19 epidemic affects human health, and specifically that of Orange's employees, suppliers, subcontractors and customers, as well as the Group's activity and financial position.

As a supplier of key business services, Orange must ensure the service continuity of its electronic communications services, and particularly its critical services.

Orange is closely following developments in the epidemic, and is prioritizing the health and safety of its employees. The Group has appointed a global Coordinator who reports directly to the Chairman and Chief Executive Officer, as well as contacts for the Group's various geographical areas. Orange has adjusted its business practices to comply with the health guidelines issued by each national authority, whilst also ensuring business continuity.

It is impossible to predict the long-term effects of public authority lockdown measures which the Group has also applied, and particularly on the probable psychological effects of isolation on employees.

### **3.2.3 Given the ongoing strong growth in digital usage, Orange is also implementing additional environmental protection measures**

Orange has been working for more than ten years to control its environmental footprint.

Orange confirmed its commitment to the climate during the United Nations summit for Climate Action in New York in September 2019, by signing alongside other major corporations the pledge under the United Nations Global Compact for an increase limited to 1.5°C. This commitment is aimed at adopting climate objectives covering the Company's operations and value chain 1) limiting the temperature increase to 1.5°C by 2100 compared with pre-industrial levels and 2) reaching Net Zero Carbon no later than 2050.

As part of its strategic plan "Engage 2025" announced in December 2019, Orange made the commitment to a Net Zero Carbon footprint by 2040, which is ten years before the GSMA target, and the recommendations by the IPCC for a limit of 1.5 degrees. For Orange, environmental exemplarity is one of the two cornerstones of its corporate responsibility. This commitment involves various stages with the intermediary target by 2025 of reaching a decline of 30% of CO2 emissions at the Group level, scopes 1 and 2, in absolute terms compared with 2015 levels; to that end, Orange is rolling out a sweeping energy efficiency plan, is planning to achieve a usage rate of at least 50% renewable electricity by 2025 and for its residual emissions expected in 2040, is developing a carbon sequestration plan.

During the year 2020, the Group will define a target to its scope 3 emissions for 2025. This will enable the Group to commit its suppliers to further reducing their own carbon footprint.

To become a Net Zero Carbon company, in 2019 Orange developed an action plan based on a number of simultaneous approaches: pursuing energy efficiency actions in IT and the networks, developing new capacities for renewable electricity, with the use of PPAs (Power Purchase Agreements), the creation of new solar farms and expanding ESCO programs as well as a specific policy for its buildings and vehicle fleets. As a priority, Orange is attempting a real reduction in its scope 1 and 2 emissions on which the Group has a direct influence. Orange is acting on the other part of scope 3 with its main suppliers through the International Telecommunications Union, the GSMA and the JAC (Joint Audit Cooperation).

### 3.2.3.1 Suppliers and subcontractors

#### Training for buyers

The Group Procurement Department has set up CSR clause training in 27 countries. The training is based on a largely practical format which provides procurement managers and buyers with the necessary skills to easily negotiate CSR clauses with co-contracting parties.

#### CSR-dedicated supplier forum

Orange's many awareness-raising and training actions include its annual CSR supplier forum, which brings together the main suppliers to discuss best CSR practices. The 2019 annual CSR supplier forum addressed the theme of the circular economy.

#### JAC forum

For a number of years, the JAC has held an **annual forum in China**, which is attended by industry stakeholders (suppliers and subcontractors), NGOs (IPE, ICO, Ellen MacArthur Foundation), academic and international institutions (ILO, Global Compact, CDP), representatives of government departments, audit firms and other telecoms operators.

The 2018 JAC annual Forum addressed two areas: Long-term compliance with CSR standards, and the sustainable implementation of these basic rules throughout the production line. The 2019 JAC annual forum was dedicated to the circular economy.

#### JAC Academy

The **JAC Academy** was launched in 2018 as part of a drive towards continuous improvement and the applying equivalent CSR standards to supply chains.

The Academy enables the JAC's methodology to be cascaded down to suppliers. Its purpose is to raise suppliers' awareness and to train them on the JAC's audit methodology as described above. Once trained, suppliers must carry out their own production site audits and feed the results back to the JAC. Suppliers establish indicators to measure the CSR performance of their production sites.

The indicators and audit reports which the JAC receives are analyzed to identify the main issues which arose, and best practices are shared at the quarterly thematic JAC seminars. This process encourages suppliers to work together on the continuous improvement of CSR policies and approaches.

Thanks to this (JAC CSR) approach, five expert suppliers now have accreditation to carry out JAC audits, 45 audits have been completed, and seminars have been held to discuss best practices for preventing occupational accidents.

In 2020, the JAC Academy will continue to build its JAC CSR management capacity in factories, based on a training program for ten new experts from five suppliers, and 25 new internal JAC audits are scheduled to provide a detailed verification of JAC CSR conditions on the production line.

#### CSR & Procurement Steering Committee

The Committee meets twice a year in order to reconcile major CSR issues with the procurement strategy. It is co-chaired by the Group Procurement Manager and the Group CSR Manager. It also discusses the main CSR topics at Group level, for the Europe and MEA regions.

## 4. Whistleblowing and reporting system

In 2018, the Group CSR department joined the Group's Compliance Department working group, created under the French Sapin 2 anti-corruption Law, to extend the Group's whistleblowing system to infringements related to human rights and fundamental freedoms, personal health and safety and the environment.

The whistleblowing system set up is the same system which has already been in place for a number of years. It is now open both for internal reports and reports from outside the Orange Group, via the e-mail address [deontologie.alerte@orange.com](mailto:deontologie.alerte@orange.com).

The whistleblowing system aims to encourage everyone, including employees, to report any personal knowledge of conduct or circumstances which contravene Orange's anti-corruption policy, its policies and procedures on accounting, internal control or auditing, or which constitute a serious breach of human rights and fundamental freedoms, personal health and safety or the environment.

In future years, the system plans to make improvements by adding new services, including a secure whistleblowing report collection and processing platform from 2020. A consultation is set to be launched at the beginning of 2020 to select a platform.

To improve this plan and the related whistleblowing procedure, Orange plans to create easier access to reports by outsourcing the system, and with a communication plan linked to this new platform.

## 5. Monitoring mechanism and assessment of measures taken

The 2019 vigilance plan had set out a number of indicators. Following the duty of vigilance work undertaken in 2019 and therefore its now more extensive experience on this topic, Orange has decided to change the indicators proposed previously and add new ones. The table below lists the indicators that the Orange Group has set out to meet its obligation to implement a monitoring mechanism and assessment of measures taken.

RISKS	GOVERNANCE	INDICATOR	CONTROL (STANDARDS AND AUDITS)
<b>Lack of or faulty vigilance plan</b>			
1. Lack of risk identification in its operations and in those of its suppliers (risk mapping)	CGRSE Ethics Committee Cross-functional steering group CSR & Procurement Steering Committee	Implementation of Group mapping in the entity	Internal audit CSR Department JAC audits
2. Failure in the design of preventive measures	GCSER Ethics Committee Cross-functional steering group	approval of the Plan in the entity's governance bodies (monitoring on the European scope)	Internal audit CSR Department
3. Failures in the implementation of preventive measures: execution of operations and processes (control systems)	GCSER Ethics Committee BoD or Management Committee of Entities Cross-functional steering group	approval of the Plan in the entity's governance bodies (monitoring on the European scope)	Internal audit CSR Department
4. Failure to provide evidence to authorities on time	Ethics Committee BoD or Management Committee of Entities Cross-functional steering group	appointment or designation of the person responsible for the vigilance plan in the entity (broadened SOX scope)	Internal audit CSR Department
<b>Human health, safety and security</b>			
1. Physical or mental disability (death, occupational accident, occupational illness, disability, etc.)	GCSER ExecComm DPQVT CGM (4) OHSWCC until 03/12/2019 and ESC from 04/12/2019	Frequency rate of occupational accidents (number of occupational accidents with lost time per million theoretical working hours)	DEKRA audits JAC audit Audit of local suppliers OHSAS 18001
2. Deterioration of working conditions jeopardizing human health, safety and security	GCSER ExecComm DPQVT CGM OHSWCC until 03/12/2019 and ESC (6) from December 4, 2019	employee barometer: % > "satisfactory" for "Orange provides a working environment guaranteeing health and safety"	DEKRA audits JAC audit Audit of local suppliers OHSAS 18001

Abuses of Human rights and fundamental freedom			
1. Modern slavery or human trafficking within the framework of a known established contractual relationship	GCSER Ethics Committee CSR & Procurement Steering Committee	number of action plans in the areas handled by the Joint Audit Cooperation	JAC audits Audit of local suppliers
2. Non-decent working conditions at suppliers' and subcontractors': remuneration that does not allow an adequate standard of living, right to rest, etc.	GCSER Ethics Committee CSR & Procurement Steering Committee	number of action plans in the areas handled by the Joint Audit Cooperation	JAC audits Audit of local suppliers
3. Infringement of the child's right to harmonious education and development: prohibition of child labor, protection against content unsuitable for a young audience	GCSER Ethics Committee CSR & Procurement Steering Committee	number of action plans in the areas handled by the Joint Audit Cooperation	JAC audits Audit of local suppliers
4. Infringement of the freedom of association and right to collective bargaining on working conditions	GCSER Ethics Committee CSR & Procurement Steering Committee	number of action plans in the areas handled by the Joint Audit Cooperation	JAC audits Audit of local suppliers
5. Any act of discrimination: recruitment, work, salary, diversity, unfair procedures	GCSER Ethics Committee CSR & Procurement Steering Committee	number of action plans in the areas handled by the Joint Audit Cooperation	JAC audits Audit of local suppliers
6. Breach of the freedom of expression (in civil society)	GCSER Ethics Committee CSR Department	number of disconnection requests received from authorities	Commitment to GNI Principles JAC audits Audit of local suppliers
7. Violation of privacy	GCSER Ethics Committee CSR Department	number of customer data interception requests received from authorities	Commitment to GNI Principles JAC audits  Audit of local suppliers
Environment			
1. Inadequate treatment of toxic waste (poles, batteries, etc.)	GCSER Ethics Committee Circular economy committee	% of hazardous waste recovery	ISO 14001 certification JAC audits Group audits
2. Ineffective collection of used equipment (WEEE)	GCSER Ethics Committee Circular economy committee	% of mobiles collected in Europe	JAC audits Group audits
	GCSER Ethics Committee Circular economy committee	% of reconditioned boxes	JAC audits Group audits

3. Circular economy (4R) not implemented in businesses (Marketing and Networks)	GCSER ExecComm Ethics Committee Circular economy committee	% progress on the roadmap of the Strategic circular economy committee	Certification ISO 20400 JAC audits Group audits
4. Failure to adapt to a 2°C world (related financial risks)	GCSER ExecComm Ethics Committee	CO2 emitted in tonnes	Certification ISO 20400 JAC audits Group audits
		Percentage of renewable energy used	Certification ISO 20400 JAC audits Group audits

GCSER: Governance and Corporate Social and Environmental Responsibility Committee  
ExecComm: Group Executive Committee  
DPQVT: Risk Prevention and Occupational Quality of Life Department  
CGM: Worldwide Works Council  
OHSWCC: Occupational Health & Safety and Working Conditions Committee, which from 1 January is replaced by the ESC  
ESC: Social and Economic Committee

**To improve this plan and the monitoring mechanism for measures,** Orange intends to change the monitoring indicators for the vigilance plan, based on reporting by business line



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