

## Trust

Benchmark employer / Customer experience / Personal data / Support for families / Radio waves / **Responsible purchasing**

# Promoting our responsible purchasing policy

## Challenges / vision / beliefs

For Orange, sustainable cooperation between a company and its suppliers represents a shared enabler of performance. An exemplary relationship like this requires mutual trust:

- compliance with the principles and rights expected by their customer;
- helping suppliers and sub-contractors to define and implement responsible best practices.

We have put our Group's impact on local economies at the heart of our purchasing policy, in particular developing our SME partners in the best possible conditions.

We place particular emphasis on assessing and monitoring our suppliers' and sub-contractors' CSR commitments, by verifying compliance with our requirements in the field:

- Supplier Code of Conduct;
- contractual CSR clauses;
- implementation of corrective action plans...

Our suppliers are regularly assessed on CSR issues. These assessments can be carried out by Orange with the help of specialist partners, such as Ecovadis, or by collaborative and sectoral structures such as the Joint Audit Cooperation (JAC).

## Roadmap

- As a responsible purchaser:
  - continue to develop CSR in purchase and logistics processes; adoption of CSR principles and commitments by the purchasing function;
  - contribute to local development and employment by encouraging participation in our tenders for innovative SMEs and companies in the adapted and protected work sector.
- As a promoter of CSR standards in the subcontractor chain:
  - strengthen the importance of environmental and social requirements in tenders and ensure that suppliers implement Orange's CSR requirements;
  - contribute to the deployment of these standards, particularly via the expansion of the Joint Audit Cooperation and its guiding principles.

### About the Joint Audit Cooperation (JAC)

- An association of operators co-founded in 2009 by Orange, Deutsche Telekom and Telecom Italia.
- 13 members at end May 2016

- Objective: to control, assess and develop the implementation of SCR principles by global ICT suppliers.
- Means: audits and corrective action plans when necessary.

In 2016, launch of a test audit via smartphone by the JAC. This unique method, carried out alongside standard on-site audits, anonymously and transparently collects employees' views on various subjects (salaries, discrimination, child labour, etc.). 4800 responses were collected.

#### Indicators / Key figures (2016)

Amount of external purchases: <b>€18.3 billion</b>	69 on-site supplier audits in 2016 within the framework of JAC (target: 65)	<b>278 audits</b> carried out within the framework of JAC since 2010	Orange works with companies in the adapted work sector for a total of €16.9 million (commitment of €15m per year).	<b>€135 million</b> per year in direct purchases from innovative SMEs (66% in France)
	<b>67%</b> of which involved level 2 or 3 suppliers	<b>173 sites</b> visited		
		<b>743,000 employees</b> involved		

#### News / achievements in 2016

- For the second consecutive time, Orange earned the "Responsible Supplier Relations" label for France. Orange is one of 39 companies to have achieved the label amongst the 1,800 signatories of the Responsible Supplier Relations charter
- Systematic inclusion of the CSR clause in Group framework contracts as well as contracts exclusively for local application
- Support for open-innovation by simplifying the purchasing process for start-ups involved in a pilot: 236 start-ups and innovative SMEs listed in 2016 for a purchase volume of €135 M (€107 M in France)
- JAC Forum (Joint Audit Cooperation) in China in January 2017 on the topic of sharing best practice, tools and challenges in the search for a responsible subcontractor chain (133 participants including telecoms operators and equipment manufacturers, academics and NGOs; broadcast live for the first time, with nearly 1,400 connected)
- 2nd Suppliers Forum in June 2016, on "CSR: driving value creation" (109 participants)

#### Going further

- [The Orange responsible purchasing policy](#) (pdf)
- [2013 Supplier Code of Conduct](#) (pdf)
- [2017 Supplier Code of Conduct](#) (pdf)
- [White Paper on relations between Orange and its suppliers](#) (pdf)
- [Orange's statement on the Modern Slavery Act](#) (pdf)
- [Orange Portal on Responsible Purchasing and Supplier Relations](#)
- [JAC website](#)
- [Guidelines issued by JAC](#) (pdf in English only)