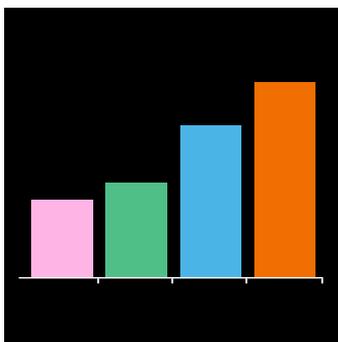
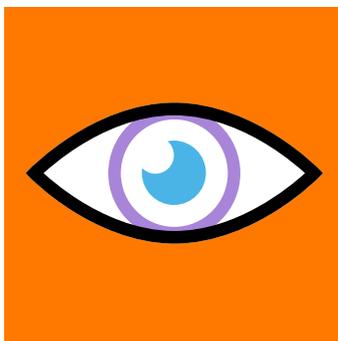


Orange

Vigilance plan

Fiscal year 2017



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Vigilance plan

This plan was from the 5 main obligations set out in the law on duty of care. Each of the legal obligations is part of the plan below.

In order to develop this vigilance plan which is applicable to all Orange Group companies - several working groups were established; composed of representatives from the following group departments: CSR, Purchasing, Human Resources, Risk Management, Legal, Compliance, MEA and Europe zones.

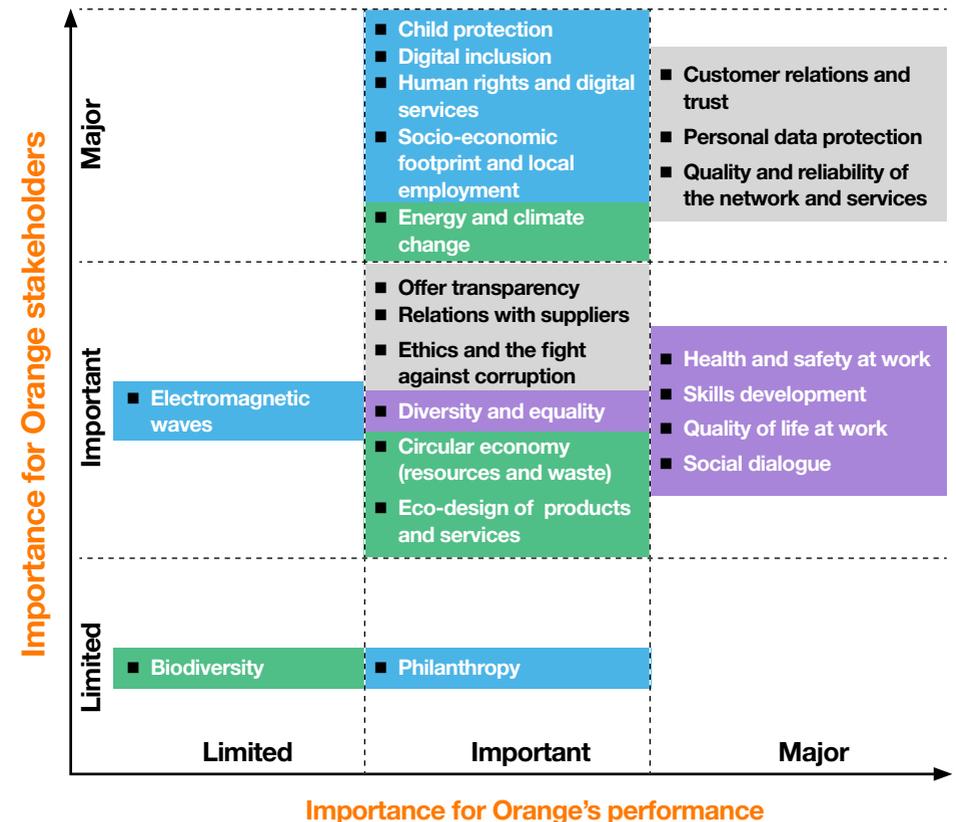
The draft plan was presented to several stakeholders: the CSR governance committee meeting (CGRSE) of the Orange board of directors Orange CSR Governance Committee (CGRSE) (November 2017 and February 2018), the trade union organisations representing the company (February 2018) and the Union Network International (UNI) (April 2018).

Furthermore, over the past six years various stakeholder dialogues have been held at all subsidiaries to cover all areas defined by the law on duty of care. The materiality of the dialogues has been used to produce the materiality matrix below. This matrix is a contribution to the vigilance plan.

The challenges can be presented in a simplified materiality matrix with 9 boxes

February 2018 materiality matrix

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



The issues defined in the matrix below use a colour code corresponding to a specific area.

Green: Environment **Purple:** Social **Blue:** Societal **Grey:** Ethics and customer relations

Orange and human rights

2016 Report



orange

Orange has adopted governance policies to comply with the areas covering human rights and fundamental freedoms, individual health and safety of people and the environment. Consequently, the Group published a report on human rights in November 2017 based on the United Nations guiding principles on Business and Human Rights and stakeholders' expectations on these topics.

The Group adopts an approach which covers all these areas for each system in place and described below.

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

The Group's **risk management method** (see methodology described in the 2017 Reference Document, in the Risk and activity control framework section) has been applied to areas covered by law on duty of care, i.e.: human rights and fundamental freedoms, individual health, safety and security and the environment.

The risk map was prepared using information required by the 2014/95/EU directive, as regards disclosure of non-financial and diversity information by certain large undertakings and groups¹, for each of the three areas covered by the law.

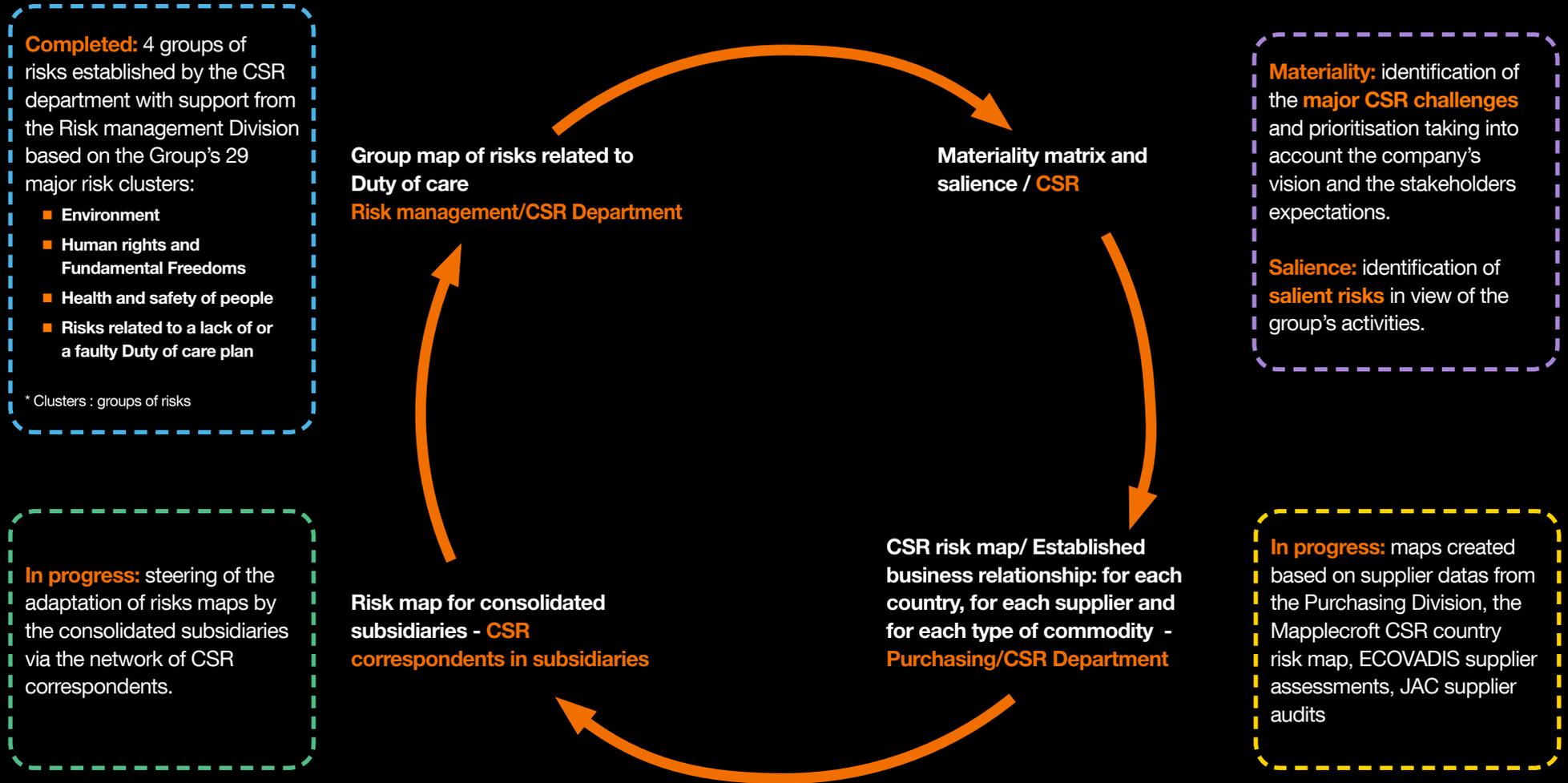
1. Transposed into French legislation by an ordinance dated 19 July 2017

The relevant elements were selected from the information set out above and the identified risks relating to Orange activity.

Therefore, dedicated clusters (groups of risks) were established and the new risks included in the company's general risk map already elaborated.

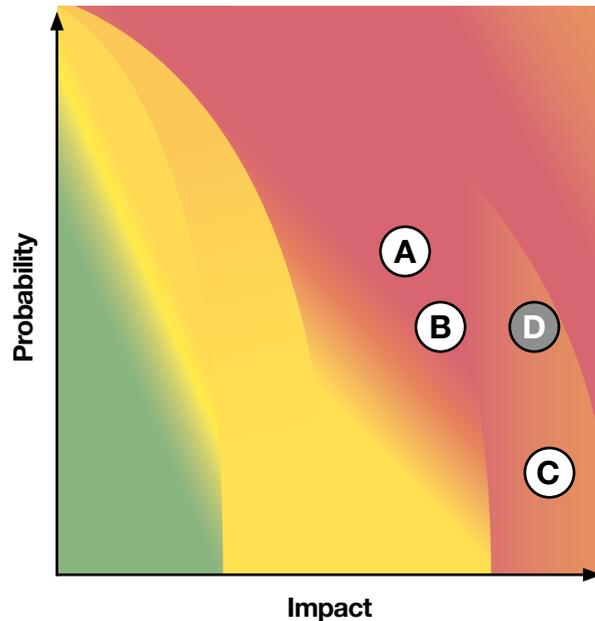
A risk analysis is then carried out for controlled companies and suppliers activity.

Process for establishing the Duty of care risk map: identification, analysis and ranking (2018)



Risk matrix relating to themes in the law on duty of care

- 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



Since six years, Orange has realised many stakeholders dialogue in the areas targeted by the law on duty of care. For each dialogue, assessments have been made. **A matrix of materiality**, which appears in the preamble, was prepared in February 2018. It summarizes all these dialogues and assessments.

However, the Group's risk map was not carried out alongside the matrix of materiality. Discussions are in progress to link this matrix more closely to the risk map, which will be further refined as this concept is adapted to Group entities..

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

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

Subsidiaries

Orange has a subsidiary assessment method which has been updated to consider the law on duty of care 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.

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 reference 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 2017 the following organisations were certified:

- **Orange France** (fully)
- **Orange Marine** (fully)
- **Orange Spain** (fully)
- **Orange Poland** (for mobile activity)
- **Orange Senegal** (fully)
- **Orange Mali** (totalement)
- **Orange Egypt** (fully)
- **Orange Slovakia** (fully)
- **Orange Romania** (fully)
- **Orange Moldova** (10% of business activity)
- **Orange Business Services for 3 sites and 4 sites are in the certification process**
- **The Orange Group headquarters is also ISO 14001 certified.**

Suppliers and subcontractors

Assessment during the selection process

For Orange and all Group subsidiaries, when a new supplier takes part in a tenders process, 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 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 allows buyers to assess CSR risk when selecting suppliers.

EcoVadis

The Eco Vadis 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.

These assessments are shared by Orange and Buy In 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 established commercial relationship

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 methodological framework for continual improvement and assessment of supplier performance. These surveys are used to ascertain internal stakeholder (opinion leaders) perception towards 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 the 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 December 2009 which brings together 13 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 this 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 the appropriation by suppliers of shared CSR expectations, and provide support for their implementation throughout the audit and monitoring process.

The audits, which are carried out according to the 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 seminar.

Since 2015, suppliers have come together to perform site audits with their first, second and third tier suppliers.

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.).

■ On-site audits in the MEA area

Based on the model used for on-site audits by JAC, Orange has decided in 2018 to perform on-site audits with suppliers in Africa using a third-party company. These audits will help to specifically measure the level of CSR progress of these suppliers.

3. Actions adapted to mitigate risks or prevent serious harm

Subsidiaries

■ Training

In 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, but also 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.

More specific classroom training courses will be provided to employees directly affected by these issues (e.g. CSR, ethics, compliance, purchasing and logistics chain personnel, etc.). Additionally, a programme to raise awareness on the Charter of Ethics principles of action and individual behaviour principles, based on ethical e-learning, will help spread a corporate culture respectful of human rights.

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

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

An annual Group CSR seminar and an 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.

An annual CSR seminar is also organised in the **Europe** zone.

Furthermore, **a global event takes place every 3 months** 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 infringement on the freedom of expression**

For a telecommunications operator, major events are occasional government requests which simultaneously impact a large number of customers. These events may include network shutdowns, including the internet or SMS 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 competent public authority and based on a regulation or a law.

Orange reserves the right to alert the international community and supra-national authorities in the event that these formalities are not respected.

Suppliers and subcontractors

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

■ CSR clause

This clause is included in all purchasing contracts and is available in French and English.

■ Supplier code of conduct

This **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.**

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

This code was rewritten in 2017 and will be annexed to all new contracts from 2018.

It will become mandatory as it will be an actual contractual commitment.

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

■ JAC Academy

As part of continual improvement and in order to develop the same CSR standards within the supply chains, the **JAC Academy** will be launched in 2018.

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 continual improvement approach.

In 2018, five major suppliers will deploy this method.

■ Supplier CSR forum

De nombreuses actions de sensibilisation et de formation sont engagées, notamment à travers un **forum fournisseurs RSE annuel** dont Orange est à l'initiative, et qui réunit ses principaux fournisseurs pour échanger sur les bonnes pratiques en matière de RSE.

■ Forum JAC

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), audit firms and other telecom operators.

■ CSR and purchasing steering committee

This committee meets twice a year in order to reconcile major CSR topics with purchasing strategy. 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 joins the Group Compliance Department working group, created as part of the Sapin 2 law on corruption, to extend the group's whistleblowing system to human rights and fundamental freedom, health and safety of people and environmental breach. 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 law and the law on duty of care. A description of this system is made available to employees through the intranet.

The whistleblowing system in place aims to encourage employees to report any concerns regarding unethical behaviour or any human rights violations or environmental damage. The reports will be received at a specific email address which will be sent 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 whistle-blowers' personal data and confidentiality and any information sent in a report are protected.

It is planned to open the Group whistleblowing system externally going forward.

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

In principle, this part should be provided when developing the plan for the 2018 financial year, but it has been discussed here already.

Currently, there are a certain number of indicators to assess the effectiveness of the measures. New indicators are currently being studied to monitor this system and respond to the requirement for continual improvement.

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

This label has been awarded to the Orange France Purchasing department since 2011. In 2017, the label was developed to take new recommendations into account from the ISO 20400 standard, the first international standard regarding responsible purchasing.

In addition to this **label** awarded to the France Purchasing Department, Orange wanted different Group Purchasing departments to take the new international recommendations into account. For this purpose, the Orange Group CSR 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 the scope of their deployment based on 5 themes and 30 essential guidelines.



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