

Orange Statement on modern slavery and forced labour

This statement is made in compliance with the provisions of the Modern Slavery Act and applies to Orange and its subsidiaries for the 2017 financial year.

Orange is one of the world's leading telecommunications operators with sales of 41.1 billion euros in 2017 and 151,556 employees worldwide as at 31 December 2017, including 92,759 in France. The Group operates in 28 countries, including 8 in Europe and 20 in Africa and the Middle East, serving 273 million customers worldwide as at 31 December 2017, including 211.4 million mobile customers and 19.5 million fixed broadband customers.

Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the Orange Business Services brand. The company works with several thousand suppliers and subcontractors all over the world, mainly in Europe, Asia and Africa.

Orange takes steps to **combat modern slavery and human trafficking**, particularly **through actions involving Ethics, HR, Purchasing and Human Rights**.

Orange was one of the first companies to sign the United Nations Global Compact in 2000, thus asserting its commitment to respecting and promoting fundamental human rights in its activities and sphere of influence. Compliance with the fundamental principles set out in the Universal Declaration of Human Rights and by the International Labour Organization figures explicitly in the **Group's Code of Ethics**¹. This document sets out the Group's principles of action with regard to its customers, shareholders, employees, suppliers and competitors, as well as all other stakeholders in the countries in which the Group operates.

In 2006, Orange reinforced its commitment by signing a **worldwide agreement with the UNI Global Union**. Through this agreement, Orange reaffirmed its intention to respect fundamental human rights, both internally and in its relations with its suppliers and subcontractors.

When it comes to human rights, Orange concentrates its efforts on targeted areas and players:

- **respect for the fundamental rights of its employees and collaborators**
- **promoting respect for human rights to suppliers and subcontractors**
- **addressing the issues of freedom of expression and privacy protection**

Orange published a **report on "Orange and Human Rights"**² for the year 2016, based on the United Nations' Guiding Principles for Business and Human Rights, in response to stakeholders' expectations. This document surveys the Group's approach to human rights issues, its awareness-raising resources and internal procedures to ensure implementation of its commitments within all entities, and the stakeholder dialogue process on human rights.

The Group is also subject to the French law of 27 March 2017 on the Duty of Care of parent

¹ The Group Code of Ethics is available online:

https://www.orange.com/fr/content/download/3210/28240/version/4/file/CHARTE-DE-DEONTOLOGIE_03-10_VF.pdf

² The Orange and Human Rights report is available online:

<https://www.orange.com/fr/content/download/45336/1348004/version/9/file/Rapport%202016%20Orange%20Droits%20Humains%20DIGITAL-VF.pdf>

companies and purchaser companies, which has a broader scope than the Modern Slavery Act. Like the MSA, this law is based on the OECD's guiding principles for multinational businesses. It requires implementation of reasonable vigilance measures to identify risks and prevent and mitigate serious harm related to individual health and safety, the environment, and human rights (including fighting modern slavery) and fundamental freedoms. Its scope also includes any risks and violations which are the result of the activities of the Orange Group, its subsidiaries or companies it controls, and the activities of the sub-contractors and suppliers with which it has established business relationships, and thus its supply chain.

Orange's vigilance plan for the financial year which ended on 31 December 2017 is available online on the Orange website³. The process of drafting this plan led to the development of a specific risk related to human rights and fundamental freedoms, which was incorporated into the risk map required by the law. Furthermore, all human rights violations can be reported via an whistleblowing mechanism.

Orange combats modern slavery and human trafficking via measures including the process and prevention and awareness-raising actions described below.

Employee awareness

An e-learning module on the topic is available on the company intranet and employees are encouraged to take this training. More specific (in-person) training focusing on combating forced labour and on protecting individuals is given to employees directly affected by these issues (CSR, ethics, compliance, purchasing and supply chain personnel, etc.).

Impact studies

Orange performs human rights risk assessments in the countries where it operates. These impact studies are carried out by an independent expert, and make it possible to very precisely define priorities and identify vulnerabilities in each country. To improve the way in which risks related to Group and supplier activities are taken into account, Orange has introduced specific indicators related to the number of customers, staff headcounts and the Group's geographic scope.

Orange principles for responsible purchasing

For several years, Orange has implemented a responsible purchasing policy⁴ that aims to build principles of social responsibility into its supplier relations while strengthening risk management, including human rights risks.

The policy is structured around two approaches:

- being a responsible purchaser by including CSR principles in governance and internal processes for purchasing and logistics, while contributing to local development and employment through purchasing
- requiring suppliers and subcontractors to meet their own CSR standards and in turn apply them to their own purchasing and supply chain.

³ Orange's 2017 surveillance plan is available online:

<https://www.orange.com/fr/content/download/46451/1361766/version/1/file/Plan%20de%20Vigilance%20%20Orange%202017%20%28draft%29.pdf>

⁴The responsible purchasing policy is available online:

<https://www.orange.com/fr/content/download/31869/949513/version/2/file/Politique%20Achats%20responsables%20VF.pdf>

Group purchasing contracts and a growing proportion of local contracts include a specific clause on Orange's requirements in the various areas covered by CSR. This clause has been strengthened by the inclusion of the Code of Conduct as⁵ a contractual appendix.

Orange requires its partners and suppliers, and their sub-contractors in turn, to comply with all national, European and international rules associated with standards of ethical and responsible behaviour. This includes, without limitations, standards on human rights, environmental protection, sustainable development, child protection, and preventing forced labour. Orange promotes these standards to all its suppliers during purchasing and selects suppliers through a structured seven-step process. This process includes assessing suppliers when they are first referenced, but also throughout the duration of the contract.

Joint Audit Cooperation (JAC)

In order to enhance the evaluation process, in December 2009, Orange, with Deutsche Telekom and Telecom Italia, instigated the creation of a cooperation agreement between telecommunications operator.

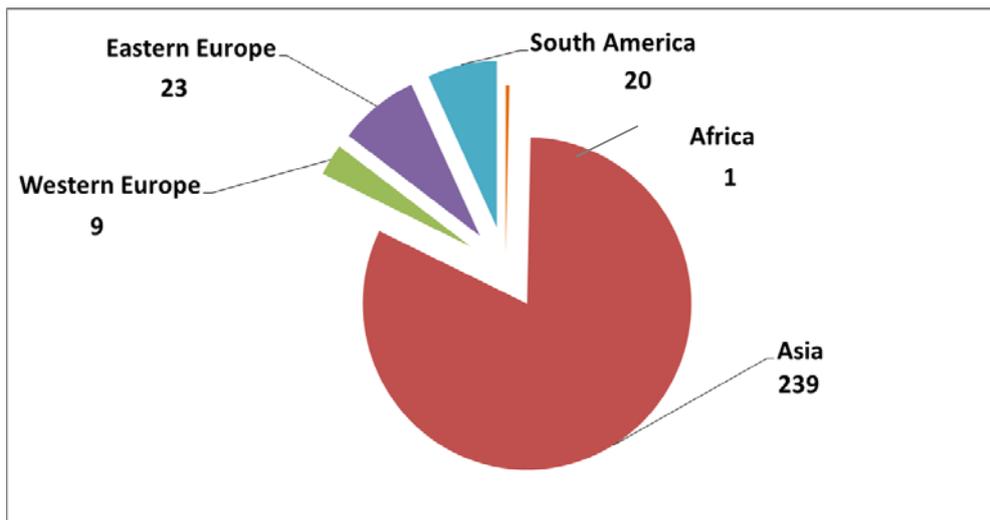
The JAC aims to **verify, evaluate and develop CSR implementation at the production centres of the leading multinational ICT suppliers.**

The JAC now includes 16 telecommunications operators: AT&T, DT, KPN, MTS, ORANGE, PROXIMUS, ROGERS, SWISSCOM, TELEFONICA, TELENOR, TELIA COMPANY, TELSTRA, TIM, VEON, VERIZON and VODAFONE.

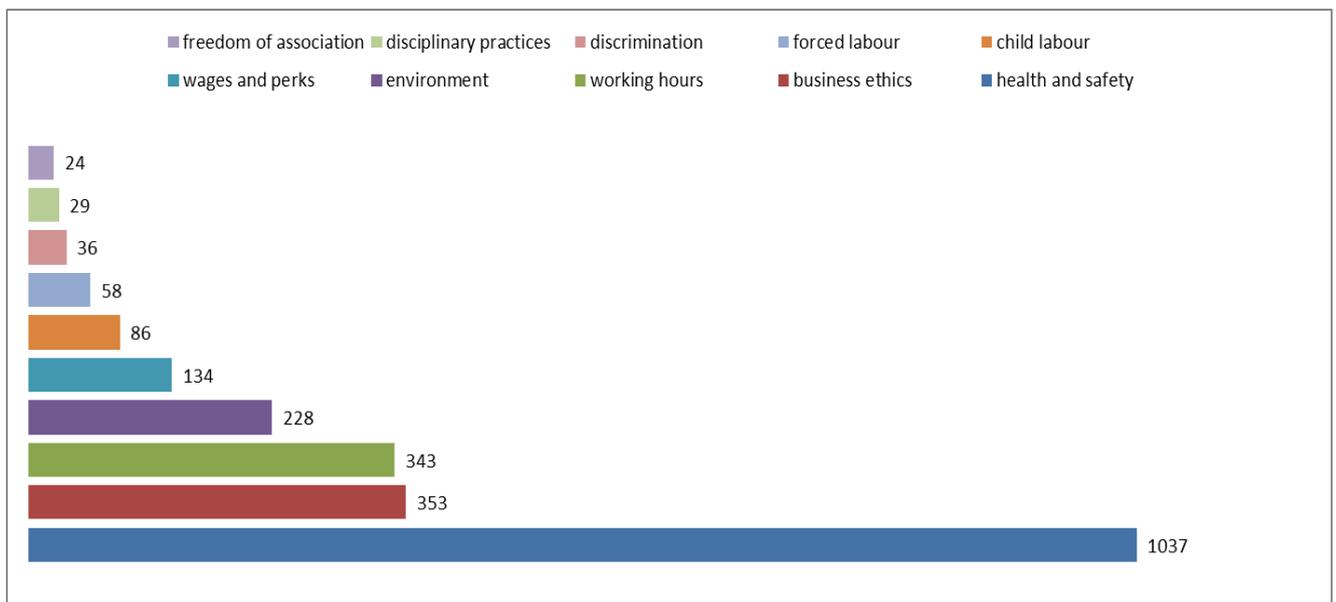
The audits, which are carried out according to common methodology, are used to assess suppliers' compliance with labour and environmental standards (SA 8000, ISO 14001, etc.) and to develop corrective action plans when necessary.

By the end of December 2017, 99 supplier audits had been carried out in Asia, Africa, Eastern Europe, South America and North America. From 2010 through end December 2017, a total of 292 site audits were completed in 27 countries (a total of 366 site audits, counting sites which were audited multiple times).

⁵ The Code of Conduct is available online:
https://www.orange.com/fr/content/download/46299/1359924/version/4/file/Code_de_conduite_fournisseur_2017_VF.pdf



292 sites audited in 22 countries, 817,000 workers concerned (from 2010 to end of December 2017)



Breakdown of non-conformity cases by type (from 2010 to end of December 2017)

In order to reinforce the impact of these audits, JAC launched a pilot phone-based audit in 2016 with the support of an NGO. This unique method, carried out alongside standard audits, anonymously and transparently collects the views of suppliers' and subcontractors' employees on various subjects including salaries, discrimination, child labour, and more.

JAC ACADEMY

In order to develop the same CSR standards within the supply chains, the **JAC Academy** was 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, suppliers must set up indicators.

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.

In 2018, five major suppliers will deploy this method.

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

Stéphane RICHARD

Chief Executive Officer (CEO)

A handwritten signature in black ink, appearing to read 'Stéphane Richard', with a stylized, flowing script.