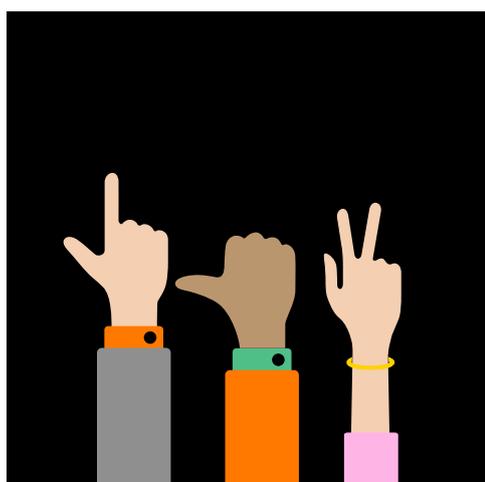
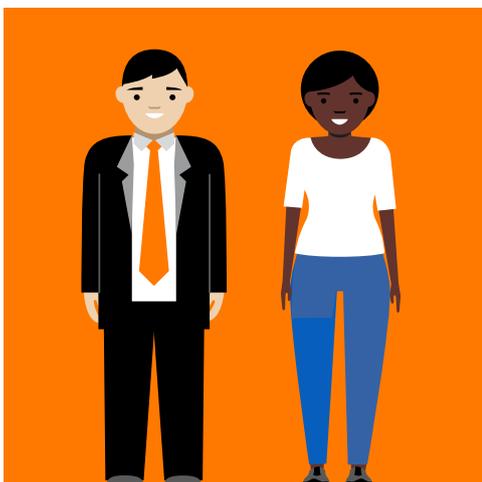


Orange and human rights

2016 Report



Human rights



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About Orange

Orange is one of the world's leading telecommunications operators with sales of 40.9 billion euros in 2016 and 152,000 employees worldwide at 30 September 2017, including 93,000 employees in France. Present in 29 countries, the Group has a total customer base of more than 269 million customers at 30 September 2017, including 208 million mobile customers and 19 million fixed broadband customers worldwide.

Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the brand Orange Business Services.

The company works with several thousand suppliers and subcontractors all over the world, chiefly in Europe, Asia and Africa.

About this report

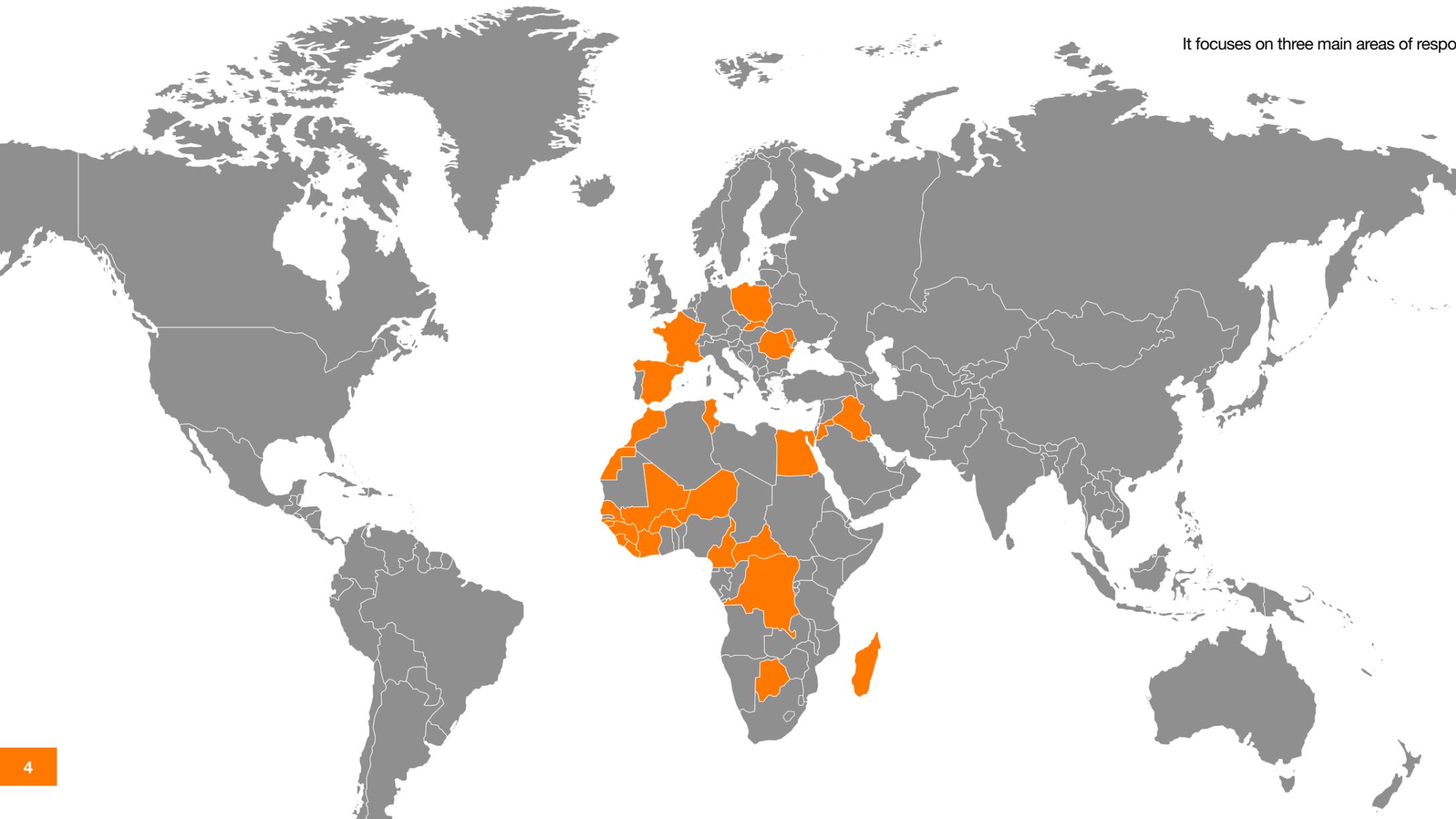
This purpose of this first report is to provide an overview of Orange's human rights policies and efforts. Aware of the responsibilities its international dimension implies, the Group has been committed to this issue for several years.

To prepare this report, Orange drew on the reporting framework in line with the United Nations Guiding Principles relating to companies and human rights, to ensure that the information communicated on its impacts in terms of compliance with Human Rights meets the expectations of its stakeholders.

This first edition aims to reflect as precisely as possible the Group's general approach to human rights, the procedures and tools used in-house to raise awareness that support the implementation of commitments in all entities, and dialogues with stakeholders on issues related to Human Rights.

It focuses on three main areas of responsibility described in dedicated sections:

- respect for the fundamental rights of employees;
- promoting respect for human rights to suppliers and subcontractors;
- addressing the issues of freedom of expression and the protection of private data.



Message from Stéphane Richard

Chairman and CEO

In a world undergoing a major technological transformation, Orange has chosen to build its strategy based on a strong belief: making digital technology a driver of progress for all. This humanist approach is at the heart of our responsible operator vision, brought to life in our “Human Inside” business philosophy. This ambition to make digital technology human-centred naturally translates into clearly affirmed Human Rights commitments. 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.

This commitment is embodied in three main areas of responsibility.

Respecting human rights primarily involves promoting a responsible employer model that protects the basic rights of all our employees in all the countries where we operate. We have made strong commitments in this area with our social partners; this is the bedrock of our responsible employer model.

Respecting human rights also involves promoting these principles in our sphere of influence, notably to our suppliers and sub-contractors. Because our responsibility extends beyond the four walls of our company, we are determined to support our suppliers to better address corporate social responsibility issues, of which respect for human rights is an integral part. Along with Deutsche Telekom and Telecom Italia, Orange instigated the creation of the Joint Audit Cooperation (JAC), a cooperation agreement between telecom operators, designed to control, assess and support the implementation of CSR in the production centres of the biggest multinational suppliers in the ICT domain. This initiative, which is now supported by 13 operators, mainly European and North American, is a real catalyst for CSR progress in the supply chain.

Lastly, respecting human rights in a context of heightened surveillance of exchanges over the Internet, involves addressing growing concerns related to the protection of freedom of expression of the confidentiality of private data, a complex issue that requires a joint effort from all stakeholders in the sector. This is the whole aim of our involvement in the Telecom Industry Dialogue and the Global Network Initiative, two international initiatives aiming to prevent violations of freedom of expression and privacy.

I invite you to discover our actions in these different areas in our first report on human rights, prepared according to a reporting framework in line with the United Nations Guiding Principles related to companies and human rights.



Strong commitment based on a structured approach

In a world undergoing significant social, ecological and technological changes, Orange is striving to set itself apart via its societal commitment, with a humanist philosophy: putting digital technology at the service of human progress. The Group is particularly keen to promote this vision to its employees and all its stakeholders, and contributes to strengthening the sector's commitment to human rights by participating in international efforts.

Fundamental commitments

As a signatory of the United Nations Global Compact in 2000, Orange very early on affirmed its commitment to respecting human rights in its business and promoting them in its sphere of influence. Respecting the basic principles set out in the Universal Declaration of Human Rights and the International Labour Organization figures explicitly in the Group's Code of Ethics, published in 2003.

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. It also specifies the individual principles of conduct that every administrator, employee or manager must adhere to, in compliance with the Group's four fundamental principles: respect, integrity, quality of service and team spirit.

In 2006, Orange reinforced its commitment by signing a worldwide agreement with the UNI Global Union, reaffirming its desire to respect fundamental social rights both in-house and in its relations with suppliers and sub-contractors, paying particular attention to:

- preventing the use of forced labour;
- banning child labour and exploitation;
- fighting discrimination;
- guaranteeing health and safety at work;
- respecting freedom of association and the principle of collective negotiation.

Policies contributing to compliance with human rights

Beyond these fundamental commitments, the Group has formalised policies contributing to strengthening efforts to address human rights issues in specific areas of activity:

- **at the social level**, in addition to the worldwide agreement on fundamental social rights, specific policies have reinforced commitments to workplace health and safety, diversity and equal opportunities (see dedicated section p. 13-19);
- **the responsible purchasing policy and the supplier code of conduct** contribute to better integration of human rights in the sub-contracting chain (see dedicated section p. 20-22);
- **the Group's global security policy**, compliant with the ISO 27001 standard on information security management systems, aims to guarantee the security of communications and preserve user's privacy. Covering all Group entities, it is associated with regular internal security audits conducted by a dedicated division;
- **the Orange Charter for the protection of personal data and privacy**, officialised in 2013, addresses customers' growing concerns about the confidentiality of private data (see dedicated section p. 23-26). It builds on the commitments made by Orange France in 2010 at Group level, with its charter on the protection of personal data and privacy, which can be viewed on the website bienvivreledigital.orange.fr;
- **Orange's responsible communication policy** aims to ensure that all Group publications and communications adhere to the rules guaranteeing their compliance with Orange's social, societal and environmental commitments. In particular, it makes sure the messages disseminated by the Group are free of stereotypes, especially related to origin, religion, gender, age, disability or sexual orientation, that they reflect the diversity of audiences and respect local cultures;
- **the Group's fiscal ethics charter** formalises its commitment to ensuring the compliance of its fiscal practices with the OECD's transfer pricing guidelines for multinational enterprises and tax administrations. Aware of its essential role in the development of the local economies to which the Group contributes directly through taxes and duties, every year Orange also publishes the list of Orange SA's consolidated subsidiaries accounted for by the equity method, and presents information on taxes paid in its Registration Document. To enhance this transparency, since 2015 Orange has published an annual fiscal transparency report detailing taxes paid for each country.

Key dates in Orange's commitment to human rights:

2000	Orange is one of the first corporations to sign the United Nations Global Compact
2003	Adoption of the Group's professional code of ethics
2005	Adoption of the fiscal ethics charter
2006	Signature of a worldwide agreement on basic social rights with UNI Global Union
2008	Publication of the Group's responsible purchasing policy
2010	Orange launches the Joint Audit Cooperation with Deutsche Telekom and Telecom Italia, a cooperation agreement to pool supplier CSR audits
2011	Contribution au lancement du Telecom Industry Dialogue (TID)
2013	Publication of the guiding principles of the Telecom Industry Dialogue and the Orange charter for the protection of personal data and privacy
2014	Signature of a worldwide agreement on workplace health and safety with UNI Global Union
2015	Signature of the UN Women's Empowerment Principles

A dedicated organisation

The implementation of Orange's commitments to human rights, an integral part of the Group's corporate social responsibility approach, is based on a dedicated organisation:

- **The Governance and Corporate Social and Environmental Responsibility Committee (CGRSE)**, reporting to the Group's board of directors, validates the main orientations of the corporate social responsibility policy from the stakeholder dialogue, guarantees the proper application of the code of ethics (with support from the ethics committee and a network of ethics officers covering the different zones within the Group's footprint), and supervises the deployment of compliance programmes. It ensures that key human rights issues are included at the highest decision-making levels in the company.
- **the CSR division**, led by a member of the executive committee, supports the implementation of the Group's CSR policy in its various operational entities by providing the required technical and methodological support. It also regularly reports on progress made to the Executive Committee and the Board of Directors. A network of CSR managers, covering all Group entities and job lines, contributes to the operational deployment of the strategy.



- ■ to support the international deployment of its social model, the Group has implemented social dialogue bodies covering its whole perimeter at different levels (see p. 14);
- a strategic health and safety committee, chaired by a member of the executive committee, monitors the deployment of the Group's health and safety policy (see p. 15-16);
- within the Purchasing division, a dedicated service guarantees the proper application of the Group's policy on responsible purchasing and helps to promote respect for human rights to suppliers and sub-contractors (see p. 20). Its developments are steered by a committee, co-led by the Group CSR Director and the Group Sourcing & Supply Chain (GSSC) Director, which meets biannually.

Regular awareness campaigns for employees

The Group's pro-active approach to human rights goes hand in hand with raising employee awareness.

In 2015, Orange tested an e-learning programme created as part of its participation in the Companies for Human Rights (EDH) association that was then deployed in 2016. 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, and to acquire good habits. At the end of 2016 it was deployed in over 90% of the countries within the Group's footprint. An e-learning dedicated to preventing corruption was also deployed in French, English and Polish, and versions in Slovak and Spanish will be available soon.

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

Active contribution to national and international initiatives

Aware of the need to cooperate with peers to foster better consideration of human rights issues in the sector, in 2011 Orange contributed to the launch of the Telecom Industry Dialogue (TID): this international initiative brings together telecommunications operators and manufacturers to create a shared dialogue with stakeholders on the human rights issues. This collaboration focuses more specifically on two major issues for the telecommunications sector: freedom of expression and respect of privacy (see dedicated section p. 23-26).

As part of its participation in the Industry Dialogue, the Group has spoken at major events including the Unesco conference on Internet issues (March 2015), the 3rd United Nations Forum on Business and Human Rights (Geneva, November 2015), the round table organised by the GNI (Global Network Initiative) and the CDT (Center for Democracy and Technology) on the regulation of extremist content online (London, October 2015) and the RightsCon conference (San Francisco, March 2016).

A partnership has also been started with the Global Network Initiative (GNI), a multi-party initiative involving Internet operators, NGOs, researchers and socially responsible investors, to hold discussions and exchange best practices on issues related to freedom of expression and privacy concerns within the sector. In 2016, the TID and the GNI published a joint statement on their concerns about the increasing number of orders from governments worldwide to shutdown networks and block services. In March 2017, Orange and 5 other TID operator members and 1 telecom supplier member officially joined the GNI, thus combining their forces with those of major Internet operators to provide enhanced protection for freedom of expression and privacy.

In France, Orange is also a member of the Entreprises pour les Droits de l'Homme (Companies for Human Rights) association, which offers a space for discussions and sharing best practices to ensure human rights are given greater consideration in companies.

A rigorous risk assessment methodology

With the support of a consulting firm specialised in risk analysis, Verisk Maplecroft, Orange has developed a human rights risk assessment method in its various countries. Conducted by an independent expert, these impact studies can be used to establish the priorities in the Group's approach and to identify weak points in each country. To improve the way in which risks related to Group and supplier activities are taken into account, the methodology was refined in 2015, introducing specific indicators related to the number of customers, staff headcounts and the Group's geographic scope. The assessment method was updated again in 2016, and Orange has committed to updating its human rights risk assessment annually.

Salient issues focused on three areas of responsibility

The United Nations Guiding Principles reporting framework defines salient human rights issues as the human rights the most at risk of being seriously violated by the impact of the company's activities or by its business relationships. Orange does not yet have a formal and global approach to identify salient human rights issues, but it has already implemented several key aspects contributing to this identification.

To identify its main human rights impacts, Orange considers the weight and nature of its activities in its different geographic locations, and the human rights risk assessment methodology described above. This approach focuses primarily on three categories of stakeholders, whose rights are the most at risk of being affected by the Group's activities: its employees, its suppliers and subcontractors, and the users of Orange products and services.

The stakeholder dialogue methodology developed by Orange over several years as part of its corporate social responsibility approach also contributes to a better understanding of the issues related to human rights. The dialogues conducted to date in different countries have also brought to light specific expectations about workplace diversity, supplier relations, protecting privacy and promoting safe and responsible uses of new technologies.

Taking part in international discussion groups like TID and GNI also helps to more precisely identify salient human rights issues.

To date, these various elements have led the Group to structure its human rights approach around 3 main areas of responsibility, described in the following sections:

- respect for the fundamental rights of employees;
- promoting respect for human rights to suppliers and subcontractors;
- addressing the issues of freedom of expression and the protection of private data.

Protecting the basic rights of employees

Respecting human rights primarily involves promoting a responsible employer model which protects the basic rights of all Group employees in all the countries in which it operates.

Beyond legal obligations, Orange has made social quality one of the cornerstones of its business strategy, demonstrated in its digital and human employer promise.

A reinforced social model

In 2016, Orange launched its 2020 social contract, built on a promise shared throughout the Group: to be a digital and human employer. This promise, a cornerstone of the Essentials 2020 strategy, proposes a new basis for relations between Orange and its employees. With this promise, Orange reaffirms that social quality is an essential driver of economic performance and, for the first time, goes further by proposing a common approach for the whole Group, enabling each person to feel fully involved in the company's collective project.

This new employer promise is based on three priorities: planning and adapting skills, the ability to transform ourselves through increased collective agility, and the creation of conditions enabling every employee to get involved.

Continuous social dialogue

To support a continuous exchange with its employees, the Group has implemented social dialogue bodies covering its whole perimeter at different levels:

- **the Worldwide Works Council** made up of 31 members, representing 21 countries with more than 400 employees enable all Group employees to be represented and to share a common core of information including the global strategy and transnational projects;
- **the European Works Council** made up of 28 employee representatives from 19 European countries discusses economic, financial and social issues affecting more than one country;
- at the national level, **staff representation bodies** have been introduced in all Group countries. Employee representatives include representatives from unions, representatives appointed by elected employee forums and representatives democratically elected directly by employees according to rules defined locally.

In France, 11 collective agreements were negotiated and signed in 2016, including the agreement to support the digital transformation and the agreement on the assessment and adaptation of workloads.

In addition to these internal dialogue bodies, Orange holds regular discussions with the UNI-Global Union international union federation and its sector branch UNI-Telecom, which led to the signing of major agreements such as the international agreement on basic human rights (2006) and the international agreement on occupational health and safety (2014).

The organisation of social barometers is also important moment every year in the Group's social dialogue policy (see below).

Permanent attention to the quality of the social climate

In 2009 and 2010, in France Orange was confronted with a social crisis notably related to psychosocial risks, which led it to embark on an initiative to listen more to its employees to help it understand the reasons for the unrest and remobilize all its teams in a new company project. Among other things, this approach led to a survey of stress and working conditions, and the launch of restructuring meetings, a participative scheme put into practice in nearly 2,700 meetings "in the field". Negotiations with social partners led to the signature of several social agreements, the foundation of efforts to restructure the Group's social model, enshrined in a new social contract in France and the Orange People Charter, versions of which have been adapted in 23 countries worldwide.

To support this new dynamic and constantly adapt the orientations of its social policy, Orange has introduced a system of listening to employee opinions on the quality of their working environment and in-depth monitoring of these opinions based in particular on a social barometer (biannual in France and annual internationally).

Inclusion of a Composite Social Performance Index (ICPS) in the remuneration of the main senior executives ensures that these issues are considered at the highest levels of management.

The results of the 2016 barometers, published in January 2017, confirm the improvement in the quality of the social climate which started in the previous years and demonstrate the success of the Orange promise to be a digital and human employer. The overall score for the barometer for France in the second half of 2016 reached its highest level with an increase of around 2 points compared to the previous barometer. Employees' sense of belonging was the highest yet, with 93% proud to work at Orange vs 92% in June 2016. Outside France, the trend is the same with an overall score up by 1.3 points.

Greater consideration of workplace health & safety and well-being issues

Following the social crisis in France in 2009 and 2010, Orange has committed to a set of measures designed to strengthen the prevention of psychosocial risks and professional malaise.

A new Group policy on health, safety and quality of life at work was defined in 2012, with specific objectives linked to monitoring indicators. A health & safety and absenteeism dashboard was introduced in 2012 and covers over 95% of the Group's scope.



●●● A dedicated organisation deploys this policy in each Group entity:

- a strategic health & safety committee, chaired by a member of the executive committee;
- a health, safety and quality of life at work division;
- in France, a network of 220 OH&S experts, whose job was recognised in 2015 as an occupation of the future for the company.

This proactive policy was underlined by the international agreement on health and safety signed on 21 November 2014 with UNI Global Union and the Orange-UNI international union Alliance, a first in the telecommunications sector. This agreement reinforces the international deployment of an Occupational Health and Safety Management System (OHSMS). Based on the OHSAS 18001 standard, it provides all Group entities with basic guidelines encouraging the consideration of health, safety and quality of life at work and contributes to the development of a shared prevention culture within the Group. Audits are used to measure the practices in operational units. At end 2016, the overall rate of compliance with the Group's health & safety guidelines was 72%. In 2016, the prevention efforts led as part of the deployment of the Group's health & safety policy resulted in significant progress, with an almost 14% drop in illness-related absenteeism and nearly 18% for absenteeism following a workplace accident.

In 2016, Orange continued to deploy its health & safety agreement, notably by organising 6 training sessions for members of health & safety committees in Africa and the Middle East.

In France, in May 2016, in line with the agreement on assessing and preventing stress, the 3rd edition of the triennial survey into stress in the company was conducted with the help of an independent firm. The findings were widely shared with the employees via feedback meetings organised in 87 establishments covering the Group's main activities.

A new agreement was signed in June 2016 in France to address workload issues in relation to changing headcounts and skills.

Specific prevention measures were also defined for employees working on radio antennas: creation of a guide regarding the security perimeters around antennas for technical teams, development of a training kit, training of technical teams at subsidiaries in Africa and the Middle East... In France, information days on electro-sensitivity (hypersensitivity to radio waves) were organised by the Group's occupational health doctors.

Promoting diversity and equal opportunities

Strongly committed to fighting all forms of discrimination, for several years now, Orange has deployed a workplace diversity and equality policy.

The Group ethics charter underlines its commitment to respect differences due to origin, race, gender, culture, age, family situation, religion, or support for a political or trade union activity. The charter explicitly states in its principles of action that the teams must reflect the diversity of cultures and skills, and that no form of discrimination is tolerated within the Group, particularly during the recruitment process or in the ongoing professional life.

Beyond requirements to fight against discrimination, Orange sees team diversity as a real asset in terms of innovation and appeal.

Large-scale stakeholder dialogue

In 2016, the diversity division and the CSR division organised the first stakeholder dialogue on diversity and equal opportunities. This dialogue conducted in 6 countries representative of the Group's activities (France, India, Jordan, Romania, Senegal, and Russia) gave rise to innovative proposals that will enrich the Group's diversity strategy. In total, over 120 face-to-face interviews were conducted with persons outside the Group and over 700 employees were consulted via collective workshops and online forums.

This large-scale listening approach enabled us to identify four essential areas:

- equality for women and men in the workplace, which is a source of transformation with the potential to unite;
- the diversity of employee profiles is a key success factor to become the benchmark "digital and human" employer;
- the generational diversity of teams must support the digital transition in all regions;
- detecting weak signals is required to account for the impact of sensitive social issues within the company (sexual orientation, opinion, etc.).

The results have already been reported at a conference uniting all stakeholders surveyed and accessible to Group employees, to share the main lessons learned. Winning the 2016 Diversity Trophy, this dialogue approach will be extended to other countries in 2017.

In addition to this dialogue, for the fourth year running Orange France took part in the diversity barometer to measure employees' perception of the equal opportunities climate. This edition revealed age as the main discriminatory factor employees most fear being confronted with one day, followed by gender and their initial diploma.

A Group priority: gender equality in the workplace

In every country, the Group's subsidiaries deploy initiatives in support of diversity adapted to specific local challenges, with a shared priority: workplace gender equality.

On this topic, Orange has set itself some ambitious targets, with a policy covering 4 additional aspects:

- lequal pay for equal levels of experience and qualifications;
- ensuring women have access to senior positions, with the aim of achieving 35% of women in its management networks by 2020;
- feminisation of technical functions;
- lwork / life balance, in particular making sure that parenthood is not a source of discrimination for women or for men. In 2008, Orange was one of the first companies in France to sign the Company Parenthood Charter.

At end 2016, Orange was made up of **29.4% of women in management** (senior managers), **27,3% in its management networks** (executive committee and leaders) and **41.7% in the Board of Directors**.

The Group's Diversity policy is now certified at the Group level and in all European countries under the Gender Equality European and International Standard (GEEIS), certification awarded following an audit of the measures implemented to assess the company's general policy, training for managers and the social practices.

Several Group subsidiaries have strengthened their work-life balance efforts by changing their management and work organisation methods. Thus, Orange Polska, Orange Spain, Orange Slovensko, Orange Romania, Orange Luxembourg and Orange Egypt have committed to developing flexible working hours and fostering remote working, following the example of Orange France, which signed the Company Parenthood Charter in 2008, concluded an remote working agreement in 2009 and a work-life balance agreement in 2010 introducing several practical measures including the possibility of adjusting work hours to handle personal situations, assistance in child minding and caring for dependents, the creation of a parenthood information portal and individual arrangements for employees wishing to work part-time.

Areas of commitment adapted to local challenges

Beyond workplace gender equality, the Group entities also deployment additional actions tailored to their local challenges.

In France, for more than a decade the Group has deployed actions aimed at fostering the professional integration of people with disabilities. An employment and integration agreement for people with disabilities was signed unanimously by the representative union organisations in January 2014. Concluded for the 2014-2016 period, its target was a global employment rate for people with disabilities of 6%, the regulatory target rate. The actions conducted enabled us to reach a rate of 6.8% at end 2016.

Outside France, since 2010 the Group has been involved in the International Labour Organization's global business and disability network.

Orange is also committed to fighting prejudice associated with sexual orientation. The inclusion of lesbian, gay, bi and trans (LGBT) employees in the company was identified as a priority by the diversity barometer in which the Group participates. Orange was one of the first companies in 2013 to sign the LGBT commitment charter created by Autre Cercle, a French association of LGBT professionals aiming to promote a fulfilling, inclusive work environment respectful of all people in their diversity whatever their sexual orientation or gender identity. The Group also supports the Group's LGBT employee association, Mobilisnoo, in particular through in-house awareness campaigns and external talks. Specifically, the Group participates in the International Day against Homophobia. This commitment to the integration of LGBT employees was recognised end 2014 by the "Diversity Management" prize awarded by HR consultancy Diversity Conseil.

Young people from low-income households are another priority target of the Group's equal opportunities programmes. In France, every year Orange supports many initiatives intended to encourage the professional integration of young people from underprivileged neighbourhoods including "Capital Filles", "Nos Quartiers ont des Talents" and the "Energie Jeunes" association which aims to prevent young people from dropping out of school in priority education areas. In France, over 850 employee volunteers devote their time to helping young people from modest backgrounds access the world of business. Other subsidiaries lead similar actions, including Orange Business Services, which has created a mentoring programme allowing young people from modest backgrounds to improve their English through regular phone calls with English-speaking volunteers in the Group.

Key dates in Orange's commitment to human rights:

2004	Creation of the European Works Council
2005	Signature of the Unetel-RST sector agreement for workplace equality. Orange France is the first technology company to obtain the professional equality label
2006	Signature of a worldwide agreement on basic social rights with UNI Global Union
2007	Creation of the Group Diversity Division
2008	Signature of the Company Parenthood Charter and the Plan Espoir Banlieues.
2010	Creation of the Worldwide Works Council. Implementation of the new social contract in France. Launch of the social barometer France and introduction of the composite social performance indicator
2011	Gender Equality European and International Standard label achieved for the first time
2012	Deployment of the Orange People Charter in 23 countries
2014	Signature of a worldwide agreement on workplace health and safety with UNI Global Union. Signature and deployment of the Charter for work life balance
2015	Orange signs the UN Women's Empowerment Principles. Renewal of Gender Equality European and International Standard (GEEIS) Certification. «Top Employer Global 2016» international certification awarded
2016	Publication of the 2020 social contract, "the Orange promise: to be a digital and human employer"

Promoting human rights to suppliers and subcontractors

For a telecommunications operator like Orange which relies on its equipment suppliers to develop products and services, the full consideration of human rights issues (and corporate social responsibility in broader terms) involves the implementation of long-term cooperation within the supply chain.

A responsible purchasing policy including respect for human rights

For several years, Orange has put in place a responsible purchasing policy aiming to incorporate the issues of corporate social responsibility in its relationship with suppliers and subcontractors. The promotion of respect for human rights is an integral part.

This policy applies to all purchases and logistics services, whether provided centrally at a Group level, by subsidiaries or by BuyIn, a joint company created with Deutsche Telekom in 2011 to pool purchases made by the two groups in certain areas (devices, mobile communication networks and a large proportion of fixed network equipment and services platforms).

The Group's responsible purchasing policy includes two additional aspects:

- **being a responsible purchaser**, by including CSR principles in governance and internal processes for purchasing and logistics, and supporting the development of local SMEs, integration companies in the protected workers sector;
- **promoting CSR standards to suppliers and subcontractors**, by encouraging them to disseminate them in their own purchasing divisions.

To encourage its suppliers to introduce a corporate social responsibility approach, Orange has established has **supplier code of conduct** (which can be seen on orange.com). This code of conduct was revised and reinforced in 2017. It is still available on the Orange website, but is also incorporated in the appendix of contracts. It 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 for the basic ILO conventions on forced labour, child labour, freedom of association and combating discrimination);
- working conditions (working hours, remuneration, disciplinary practices);
- health and safety at work;
- preventing environmental impacts.

Strengthened contractual clauses

All the Group's 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 was strengthened with the inclusion, in the appendix of contracts, of the code of conduct which introduces three human rights obligations:

- the prohibition of child labour;
- the prohibition of forced or compulsory labour;
- the fight against all forms of discrimination.

A risk assessment and supplier monitoring system

Supplier selection is subject to a structured process including an in-depth initial assessment during the supplier approval process and regular checks throughout the period of the contract. The assessment and monitoring process is either conducted by the Group using an in-house tool or by a company specialised in responsible purchasing (EcoVadis).

This assessment considers:

- strict compliance with the relevant laws and regulations;
- adherence to the rules of confidentiality, loyalty, the fight against corruption and subcontracting;
- compliance with clearly formalized commitments and action principles;
- environmental, social and societal criteria tailored to types of purchases.

check compliance with the contractual CSR commitments "in the field", Orange has introduced an assessment and monitoring system based on on-site audits led within the scope of the JAC (Joint Audit Cooperation), an initiative co-founded by Orange, Deutsche Telekom and Telecom Italia to check, assess and develop the implementation of CSR principles in the production centres of the biggest global suppliers in the ICT sector.

The JAC now encompasses 13 telecommunications operators: AT&T, Belgacom, Deutsche Telekom, KPN, Orange, Rogers, Swisscom, Telecom Italia, Telefonica, Telenor, TeliaSonera, Verizon and Vodafone. They 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 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.

In 2016, 69 JAC audits were carried out, for a total of 278 supplier audits since 2010 in Asia, Africa, Eastern Europe, South America and North America. The Group recently redirected its audits towards the lowest levels of the sub-contracting chain, which often present the most cases of non-compliance. In 2016, 67% of audits involved level 2 and level 3 suppliers (up 20% on 2015). The number of CSR issues solved increased by 62% between 2015 and 2016: out of 1777 non-conformities noted since 2010, 78% have now been addressed. The most common non-conformities are related to working hours, hygiene, security and the environment.

In addition to these audits, the JAC led for the first time in 2016, with the help of an independent NGO, a mobile phone survey of workers in 7 supplier factories. 4,800 responses were collected. The results, which are encouraging, demonstrate that the workers surveyed believe they work in good conditions (80% say they would recommend their employer), but progress remains to be made in terms of trust put in management and compliance with working hours.

Key dates relating to the Group's responsible purchasing policy:

2004	Incorporation of an "ethical and environmental" clause in all Group purchasing contracts
2008	The "ethics and environment" clause becomes the "Ethical practices - corporate responsibility" clause and now includes the five basic ILO conventions on forced labour, child labour and combating discrimination. Publication of the Group's responsible purchasing policy
2010	Publication of the code of conduct applicable to Group suppliers. Signature of the "responsible supplier relations" charter in France
2010	Publication of the code of conduct applicable to Group suppliers. Signature of the "responsible supplier relations" charter in France
2012	Signature of the public undertakings charter in support of the emergence and development of innovative SMEs in France
2013	Development of the common guiding principles of the JAC. Orange is awarded the "responsible supplier relations" label
2014	Publication of the Group's new responsible purchasing policy

Protecting privacy and freedom of expression

The growth of digital technologies generates increased exchanges over the Internet, which is accompanied by new challenges, especially in terms of freedom of expression and privacy.

Orange, whose ambition is to be recognised by its customers, its users and its partners as a trusted operator, has made strong commitments to help develop a safe digital world respectful of human rights.

Freedom of expression: an issue calling for joint mobilisation

In an international context marked by the war on terror, digital exchanges are being increasingly surveyed in many countries, endangering freedom of expression. Finding the right balance between complying with government demands while protecting users' privacy and freedom of expression is a complex challenge, which all telecommunications operators now face.

Which is why, in addition to its own commitment, Orange is also involved in international initiatives aiming to encourage all players in the sector to take action together in these areas. As a founding member of the Telecom Industry Dialogue (TID), launched in 2011, Orange has contributed to defining the 10 guiding principles on freedom of expression and privacy in the information and communication technologies sector.

These principles constitute a reference for the development and implementation of policies and processes guaranteeing freedom of expression and the right to privacy. The participation in the TID also led to a dialogue with stakeholders to raise awareness of the challenges operators face to protect users' rights. Orange has contributed to providing renowned international organisations, including the United Nations Human Rights Council, with input on telecommunications operators' role in protecting private data and freedom of expression.

Orange has also contributed to uniting the TID and the Global Network Initiative (GNI), with a multi-party initiative started in 2008 involving Internet operators, NGOs, researchers and socially responsible investors, to hold discussions and exchange best practices on issues related to freedom of expression and privacy concerns within the sector. An observer member of the GNI since 2016, Orange officially joined this initiative in March 2017, as a member of its board of directors, along with 5 other operators and 1 telecom supplier, also members of the TID. By supporting this sectoral initiative, Orange is contributing to encouraging the emergence of a common international dialogue on the issues of freedom of expression and privacy. The Group has committed to applying the GNI's principles on freedom of expression and privacy, and will be audited on their implementation from 2018.

Our principles in action

Every year, since 2013, Orange provides a report on the actions implemented to fulfil the 10 guiding principles of the TID. [The 2016 report](#) is available in electronic format on the orange.com website.

In 2016, the Group:

- took part in the many TID discussion sessions and helped to draft the various shared declarations and public contributions published on the TID website, including two contributions given to David Kaye, UN special rapporteur, in 2016 on the responsibilities of private stakeholders in the ICT sector and the challenges of protecting freedom of expression within the sector;
- deployed the e-learning module on human rights developed with the Companies for Human Rights association (see p. 11);
- analysed, with the help of Verisk Maplecroft, the discrepancy between local laws and international laws regarding demands made by governments;
- played an active role in the process to bring together the TID and the Global Network Initiative.
- played an active role in the process to bring together the TID and the Global Network Initiative.

Orange also participated in the specific assessment carried out by the organisation Ranking Digital Rights (rankingdigitalrights.org) on the protection of privacy and freedom of expression by telecommunications and content operators. The second edition of this assessment put Orange in 4th place out of the 10 telecommunications operators assessed. The ranking recognises the Group's high level of public commitment to respecting human rights, but identifies areas for improvement in terms of the transparency of service interruptions and restrictions and customer data management.

Promoting the transparency of government requests

Like all telecommunications operators, Orange must comply with government orders as defined by national security regulations and the law. This is a universal obligation which is laid out in each country's laws and regulations, as well as in licenses for telecommunications operations worldwide.

To ensure the greatest possible degree of transparency in monitoring these requests, Orange has committed to regularly publishing information about the number of governmental requests concerning its customers' data, where allowed under the terms of local legislation. [The 2016 report on governmental demands](#) related to freedom of expression and privacy protection is available on the orange.com website.

Clear private data protection commitments

With the exploding number of digital technologies, growing volumes of data are transmitted every day via operator networks, and users have increasing and legitimate concerns about the integrity and confidentiality of the personal information they are sharing.

Orange is convinced that the digital market can only develop in a secure context that is reassuring to all users, and wants to set itself apart as a trusted operator. This involves making clear commitments, set out in the Orange charter on personal data protection published in November 2013, strict internal procedures guaranteeing the security of data, and the implementation of tools allowing customers to better protect their personal data.

Internal processes guaranteeing the security and confidentiality of data

The Group's global security policy plays an essential role in securing exchanges and protecting the confidentiality of private data. As part of the Security Management System, in line with the ISO 27001 standards, every country has established a process to measure the risks and apply the necessary security measures. Their implementation is regularly controlled in security audits conducted by the Group Audit Division.

Employees are regularly made aware of the issues of personal data protection and encouraged to immediately signal any breaches in the system. Specific customer data confidentiality clauses are written in employment contracts, as well as in contracts with suppliers and partners. Service providers are assessed more and more rigorously on security and data confidentiality issues (governance labels, training and audit methods all required).

Orange has also implemented actions to monitor issues raised by authorities in the security and protection field, like the CNIL in France (French Data Protection Authority), and is already preparing to apply the future European data protection regulations (General Data Protection Regulation) expected in May 2018.

What is more, the Group has implemented governance focused on responsible and proper management of customer data. In 2016, the Orange executive committee launched the international Data Strategy & Governance programme, the purpose of which is to define best practices for legitimate and responsible use of customer data for innovation, to improve the customer experience, to fight against fraud and to improve operational performance. A Data Protection Officer was appointed by the executive committee to monitor and support the data protection policy at Group level. More than just a compliance approach, this approach aims to spread a real culture of data protection in all Group business lines and entities.

Tools allowing customers to better manage their personal data

In addition to these internal processes, Orange continues to develop simple tools enabling its customers to control and manage their personal data and how it is used.

In 2016, in France, the Group launched a new application called “the badge of trust” which enables customers using mobile applications to understand what data is used by these applications, and to control how it is used when the application allows it. The badge of trust is now available in 6 Orange mobile applications and 5 partner applications. Orange France has also developed training courses for customers on personal data protection, which are provided in its network of stores.

Promoting safe and responsible uses

Orange is also pays great attention to encouraging responsible use of new technologies. In France, the site bienvivreledigital.orange.fr provides lots of advice to help its customers protect their data and digital identity. The Group has developed programmes to help families achieve controlled use of digital technology, and filtering and parental control tools to restrict access to content not suitable for young audiences.

Orange is also involved in developing reporting and protection tools tailored to different users’ profiles and strengthening measures to effectively remove child pornography within international groups including the CEO Coalition.

Key dates in the Group’s commitment to freedom of expression and privacy:

2008	Publication of the “Confidentiality Code”, in-house charter on protecting private data, translated in 8 languages
2012	Creation of a personal data governance committee
2013	Launch of the Telecom Industry Dialogue. Publication of the Orange charter for the protection of personal data and privacy
2014	Publication of the first Orange transparency report on freedom of expression and privacy
2016	Orange joins the Global Network Initiative as an observer

Next steps

The areas for improvement identified by Orange for the years to come deal with the following matters:

- ensuring better integration of respect for human rights in the Group’s daily activities, by mobilising the company’s various functions. To achieve this, Orange will primarily continue to deploy its internal programme to raise awareness of human rights issues, by encouraging its various subsidiaries to develop local awareness campaigns;
- reinforcing internal human rights procedures and standards, in particular due diligence studies, by ensuring human rights criteria are included in existing internal procedures;
- continuing to assess human rights impacts in the countries in which the Group operates on an annual basis;
- continuing the Group’s commitment within the Joint Audit Cooperation to ensure that respect for human rights is better incorporated in the different levels of the supply chain, by strengthening controls of working conditions at level 2 and 3 sub-contractors;
- actively contributing to the development of sectoral standards on freedom of expression and the protection of privacy in the digital world, in particular within the Global Network Initiative;
- conducting an audit in 2018 to assess the implementation of the GNI principles on freedom of expression and privacy.

Appendices

Cross-reference table featuring the reporting framework in line* with the United Nations Guiding Principles

Reporting

Chapter in the United Nations Guiding Principles Reporting Framework	Pages of the report	Link to other Group publications
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A- Governance of Respect for Human Rights

A1 Policy Commitment

A1.1. How has the public commitment been developed?	p. 6-12	Respecting human rights 2016 Integrated report p. 84-86
A1.2. Whose human rights does the public commitment address?	p. 6-12	Report on Orange's implementation of the TID principles - Year 2016
A1.3. How is the public commitment disseminated?	p. 6-12	2016 Orange Transparency Report on governmental requests for customer data

A2 Embedding Respect for Human Rights

A2.1. How is day-to-day responsibility for human rights performance organised within the company, and why?	p. 9-10	2016 Reference document, p. 289
A2.2. What kinds of human rights issues are discussed by senior management and by the Board, and why?		2016 Reference document, p. 290-291
A2.3. How are employees and contract workers made aware of the ways in which respect for human rights should inform their decisions and actions?	p. 10	

Chapter in the United Nations Guiding Principles Reporting Framework	Pages of the report	Link to other Group publications
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A2.4. How does the company make clear in its business relationships the importance it places on respect for human rights?	p. 6,9, 14-15, 20-23	Group Code of Ethics Supplier Code of Conduct Responsible Communication Charter
A2.5. What lessons has the company learned during the reporting period about achieving respect for human rights, and what has changed as a result?	p. 7-8 p. 11-12 p. 20-22 p. 24-26	Report on Orange's implementation of the TID principles - Year 2016 2016 Orange Transparency Report on governmental requests for customer data

B – Defining a Focus of Reporting

B1. Statement of salient issues	p. 5, 12	
B2. Determination of salient issues	p. 12	
B3. Choice of focal geographies	p. 5, 12	
B4. Additional severe impacts	p. 15-16	

* www.ungpreporting.org



Chapter in the United Nations Guiding Principles Reporting Framework	Pages of the report	Link to other Group publications
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C – Management of Salient Human Rights issues

C1 Specific policies

C1.1. How does the company make clear the relevance and significance of such policies to those who need to implement them?	p. 6-12	
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C2 Stakeholder engagement

C2.1. How does the company identify which stakeholders to engage with in relation to each salient issue, and when and how to do so?	p. 12	Adjusting our CSR policies in line with stakeholder expectations 2016 Integrated report, p. 34-39
C2.2. During the reporting period, which stakeholders has the company engaged with regarding each salient issue, and why?	p. 12	

C3 Assessing impacts

C3.1 During the reporting period, were there any notable trends or patterns in impacts related to a salient issue and, if so, what were they?	p. 12, 25-26	2016 Orange Transparency Report on governmental requests for customer data
C3.2 During the reporting period, did any severe impacts occur that were related to a salient issue and, if so, what were they?	p. 15-16	

C4 Integrating Findings and Taking Action

C4.1. How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	p. 7-12	
C4.2. How are those parts of the company whose decisions and actions can affect the management of salient issues, involved in finding and implementing solutions?	p. 25-26	2016 Orange Transparency Report on governmental requests for customer data

Chapter in the United Nations Guiding Principles Reporting Framework	Pages of the report	Link to other Group publications
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C4.3. During the reporting period, what action has the company taken to prevent or mitigate potential impacts related to each salient issue?	p. 12, 15-17, 20-22, 23-26	2016 Orange Transparency Report on governmental requests for customer data, JAC, diversity dialogue
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C5 Tracking Performance

C5.1. QWhat specific examples from the reporting period illustrate if each salient issue is being managed effectively?	p. 15-17, 20-22, 23-26	
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C6 Remediation

C6.1. Through what means can the company receive complaints or concerns related to each salient issue?		
C6.2. How does the company know if people feel able and empowered to raise complaints or concerns?		
C6.3. How does the company process complaints and assess the effectiveness of outcomes?		
C6.4. During the reporting period, what were the trends and patterns in complaints or concerns and their outcomes regarding each salient issue, and what lessons has the company learned?		
C6.5. During the reporting period, did the company provide or enable remedy for any actual impacts related to a salient issue and, if so, what are typical or significant examples?		



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