

Orange's Modern Slavery and Human trafficking Statement - 2019 –

This statement is made, for the 2018 financial year, pursuant to section 54 (1) of the Modern Slavery Act and applies to Orange SA and its subsidiaries, notably Globecast UK Limited, Orange Brand Services Limited and Orange Business Services UK Holdings.

Orange is one of the world's leading telecommunications operators with sales of €41 billion in 2018 and has 151,000 employees worldwide at 31 December 2018, including 92,000 employees in France. The Group operates in 27 countries, including 8 in Europe and 19 in Africa and the Middle East, serving 264 million customers worldwide as at 31 December 2018, including 204 million mobile customers and 20 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 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.

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 No.2017-399 dated 27 March 2017 on duty of care that covers both parent and subcontracting 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 surveillance 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 resulting from the activities of the Orange Group, its subsidiaries or

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 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 2019 due diligence plan is available online on the Orange website.³

Consequently, when it comes to human rights, Orange concentrates its efforts in particular on targeted areas and players:

- respect for the fundamental rights of its employees and collaborators
- promoting respect for human rights to suppliers and subcontractors

Policies relating to compliance with human rights

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.

Representative social dialogue councils were created enabling employees to discuss specific topics.

These discussions are held at different levels: national, European and worldwide, as follows:

- Staff representative bodies,
- European Works Council,
- Global Works Council.

Responsible purchasing policy

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.

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.

Impact studies

Orange performs human rights risk assessments in the countries where it operates.

³ Orange's 2019 due diligence plan is available online: <https://gallery.orange.com/media/51d52e5e-e98b-4c40-9ff4-a4eb5d9cc205/#v=Version1&l=fr&p=32>

⁴ The responsible purchasing policy is available online: <https://www.orange.com/fr/content/download/31869/949513/version/2/file/Politique%20Achats%20responsables%20VF.pdf>

These impact studies are performed by an independent expert and are used to establish detailed priorities and to determine vulnerabilities in the various countries which are: the Democratic Republic of the Congo, the Central African Republic, Guinea, Egypt, Cameroon, Niger and Mali. To improve the way in which risks related to Group and supplier activities are taken into account, especially in Asia, Orange has introduced specific indicators related to the number of customers, staff headcounts and the Group's geographic scope.

Adaptation of anti-modern slavery and forced labour policies

REGARDING THE RESPONSIBLE PURCHASING POLICY

The **supplier code of conduct** contributes to better integration of human rights in the supply chain. The code was rewritten in 2017 and, since 2018, is attached to all new contracts making it mandatory as it is a contractual commitment.

Among other things, it specifies the social and societal commitments required by the Group and covers the following aspects:

- 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.

Supplier code of conduct training is provided through the Orange Group and BuyIn purchasing network.

Purchasing contracts include a **CSR clause**, which was updated in 2018 in connection to the one in the supplier code of conduct. It helps strengthen the obligations and our commitments to prohibiting forced labour and modern slavery.

REGARDING THE DUTY OF CARE

The process of drafting the due diligence 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 thanks to an alert mechanism.

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

To map the risks for its 2019 due diligence plan, Orange applied the Group's risk management method to the areas targeted by the duty of care law dated 27 March 2017 (*see methodology defined in the 2018 Reference Document, in the Activity and Risk Control Framework section*). New categories of risks have emerged, in particular the following risks:

- slavery and forced labour
- indecent work conditions (suppliers and subcontractors)
- abuse of children's rights to education and development:

In the main measures of the plan of action, not including those mentioned above (signature of the United Nations Global Compact by Orange, agreement with the UNI Global Trade Union Alliance,

code of conduct, CSR clause, etc.), are other actions including specific “offset” systems (e.g. girls’ schools in countries where they are not educated, etc.).

The report on the implementation of the 2018 due diligence plan, especially through JAC audits, specifies the actions and the results achieved regarding the preventive measures implemented, notably those related to modern slavery and forced labour.

Assessment and audit

JAC (JOINT AUDIT COOPERATION)

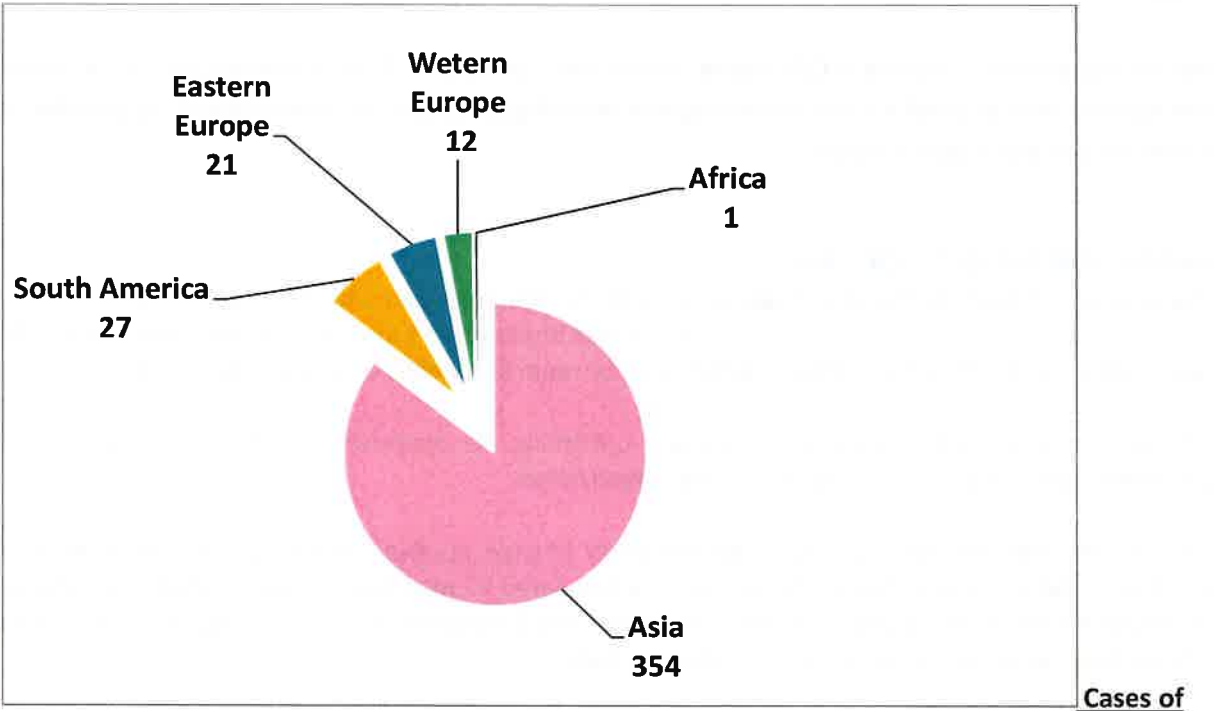
In order to enhance the evaluation process, in December 2009, Orange, with Deutsche Telekom and Telecom Italia, instigated the creation of a cooperation agreement between telecommunications operators.

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

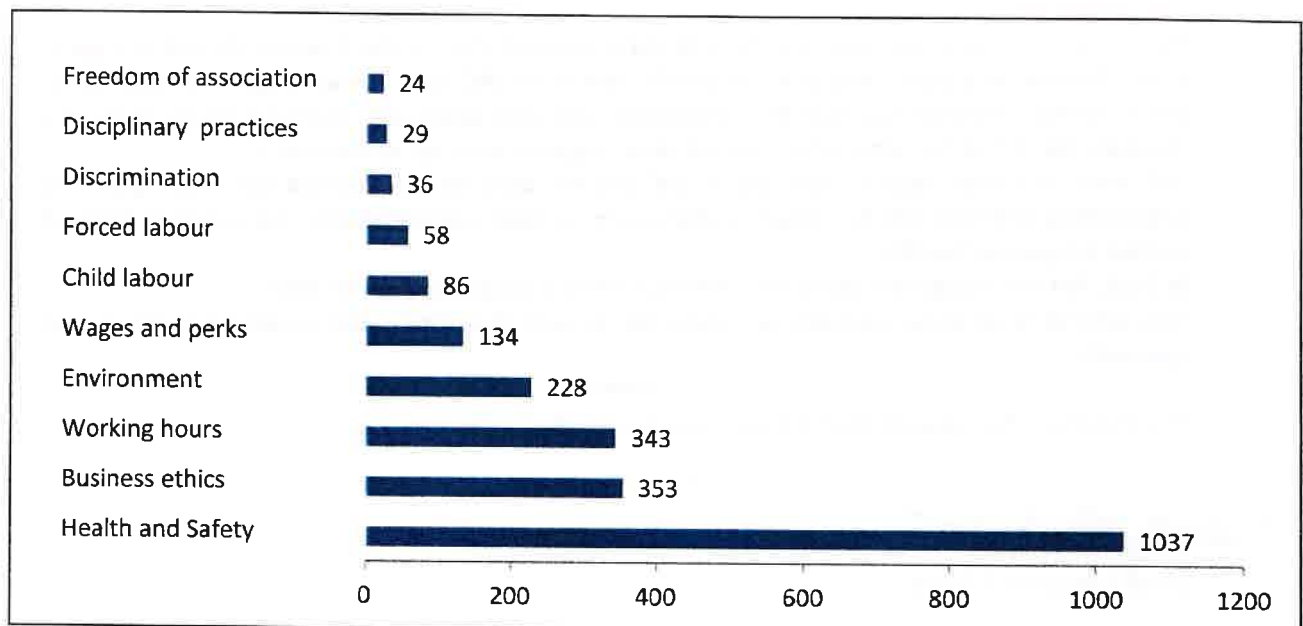
The JAC now includes 16 telecommunications operators in 14 countries: AT&T, DT, KPN, MTS, ORANGE, PROXIMUS, ROGERS, SWISSCOM, TELEFONICA, TELENOR, TELIA COMPANY, TELSTRA, TIM, VEON, VERIZON and VODAFONE.

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.

From 2010 through end December 2018, a total of 420 site audits were completed in 33 countries affecting 1,053,302 workers.



non-compliance by type (from 2010 to end of December 2018)



420 sites audited in 33 countries, 1,053,302 workers affected (2010 to end December 2018)

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.

Between 2010 and 2018, cases of non-compliance were detected and out of the 3,062 cases, 2,625 were resolved, for a resolution rate of 69%. It should be noted that 55% of suppliers' factories comply with the CSR policies.

For example, in the Middle East, cases of unpaid overtime were noted, and corrective actions were implemented to remedy this situation. Other situations have also been rectified, such as in Asia where workers without a copy of their employment contract had their contractual situation resolved.

MEA AUDIT

In 2018, twelve audits were launched in the following countries of the MEA area: Côte d'Ivoire, Egypt (2 audits), Guinea-Conakry, Jordan, Mali, Morocco, Tunisia, Niger, Senegal, Cameroon et Botswana. Orange intends to plan new audits in the area.

Awareness, training and sharing of best practices

EMPLOYEES

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.).

SUPPLY CHAIN

JAC ACADEMY

The *JAC Academy* was launched in 2018 to develop common CSR standards within the supply chains. It aims to improve supplier awareness and train them in the *JAC* audit methodology described above. Once trained, suppliers must audit their 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 trialled this method and twenty are planned for 2019.

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

This statement has been drafted in French and in English.


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