

Orange statement on modern slavery and forced labour



ORANGE'S MODERN SLAVERY AND HUMAN TRAFFICKING

STATEMENT - 2020 –

This statement describes the measures taken during the fiscal year ending on December 31, 2019 to fight against all forms of slavery and human trafficking and applies to Orange SA and its subsidiaries, notably Globecast UK Limited, Orange Brand Services Limited and Orange Business Holdings UK Limited (collectively referred to as "Orange") and their relationships with suppliers.

Orange is a group comprising Orange SA, the parent company, a French société anonyme (limited liability company) and subsidiaries and affiliates located in France and in 27 countries mainly in Europe, Africa and the Middle East. Orange is one of the world's leading telecommunications operators with sales of €42,2 billion in 2019 and has 146 768 employees worldwide at 31 December 2019, including 87 242 employees in France. Orange served 266 million customers worldwide as at 31 December 2019, including 207,2 million mobile customers and 20,7 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 has around 75,000 suppliers and subcontractors, all over the world, mainly in Europe, Asia and Africa.

This statement forms part of Orange's new strategic plan, Engage 2025, and the purpose that it outlined in December 2019. This new strategy is based on the idea that economic performance is achieved by leading by example on social and environmental issues.

It aims to prepare the route to a sustainable and responsible transformation, in order to monitor the social and human cohesion of the Orange group's projects (hereinafter the "Group") worldwide. The Group's commitment is embodied in the Sustainable Development Goals (SDGs) set by the United Nations member states.

Orange has also created the following purpose: "As a trusted partner, Orange gives everyone the keys to a responsible digital world." Our mission is to ensure that digital services are well thought-out, made available and used in a more caring, inclusive and sustainable way in all areas of our business. Orange does everything in its power to ensure that people and organizations enjoy a more autonomous, secure digital life. Through the engagement and expertise of the Group's teams, Orange employs innovative technologies and services everywhere, and for everyone."

In addition, Orange strengthened in 2019 the governance linked to the orientations and implementation of Orange's Corporate Social Responsibility (CSR) as well as that related to the validation of information published by the group in societal matters.

This change in governance has made it possible to better define the different levels of the company that contributes to the development, validation, control of the identification of risks and the effective implementation of preventive, mitigating or remedial measures, particularly in the event of human rights violations.

The implementation of the Modern Slavery Act is part of this governance.

1 Policies implemented to combat modern slavery and trafficking in human beings

Orange's commitments

The fight against slavery and human trafficking is part of Orange's policy to respect and promote human rights. This policy is illustrated by various commitments :

- Orange was one of the first companies to sign the **United Nations Global Compact in 2000 and renewed its signature to the United Nations Global Compact in 2019**, 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 n°2017-399 of March 27, 2017 on the duty of vigilance of parent companies and contracting companies** (hereinafter the "Law on the duty of vigilance") which has a broader scope than the Modern Slavery Act. Like the MSA, this law is based on the United Nations and OECD 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. On one hand, its scope also includes any risks and violations resulting from the activities of the Orange Group, its subsidiaries or companies it controls. On the other hand, it also includes the activities of the sub-contractors and suppliers with which it has established business relationships, and thus its supply chain. These measures are described in the **Orange's 2020 vigilance plan** available online on the Orange website.³

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>

³ Orange's 2020 vigilance plan is available online: <https://gallery.orange.com/#o=custom&v=9396b6eb-b3bd-4fdb-8be7-ca877ed041a8>

In addition, Orange is strongly committed to promoting freedom of expression and respect for privacy in the telecommunications sector, in particular within the Global Network Initiative (GNI)⁴.

Furthermore, Orange publicly defends its values, in particular as concerns its responsibility towards its supply chain, in particular:

- on invitation from the German Federal Government on February 21, 2019, at a workshop on the responsibility of principals towards their suppliers and sub-contractors with regard to respect for human rights and fundamental freedoms, the health and safety of people and the environment, as part of implementing the Vigilance Plan.
- at the Innovation Forum in London on April 2 and 3, 2019, by explaining its responsibilities and policy against forced labor and modern slavery in its supply chain.
- At the OECD Peace Forum in November 2019, against child labor and forced labor of its suppliers and sub-contractors.

Finally, the fight against modern slavery and human trafficking is part of its commitments and actions to promote and respect human rights in its activities and its supply chain.

Orange's internal policies

Therefore, 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

Social level

In addition to the Global Agreement on Fundamental Social Rights mentioned above, dedicated policies have reinforced commitments to occupational health and safety, diversity and equal opportunities.

Orange has formalized its Diversity policy since December 2012 for the Group. It defines professional equality between women and men as the theme common to all Orange entities in the world and specifies that each country has the responsibility for choosing at least another dimension of diversity corresponding to its economic stakes and societal, for example the integration of disabled people.

On July 17, 2019, Orange signed a worldwide agreement with UNI Global Union on gender equality in the workplace, combating discrimination and violence, and the work-life balance. Usable and adaptable in countries where the Orange Group operates, this agreement is based on a participative approach by all the stakeholders, with structured social dialogue and monitoring of the Group, and the setting up of special local committees.

On the perimeter of France, a great many actions were taken to make combating discrimination a high priority, such as dedicated monitoring committee with trade union organizations, providing the whistleblowing service Allodiscrim (external to Orange) to employees and external recruitment candidates to report and deal with any situation of discrimination, raising employees' awareness of stereotypes via the "professional equality visa".

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,

⁴ this is a multi-stakeholder platform, including Internet operators, NGOs, universities and socially responsible investors. which meet regularly to exchange best practices relating to government requests in the telecommunications sector.

- European Works Council,
- Global Works Council.

Responsible purchasing policy

For several years, Orange has implemented **a responsible purchasing policy**⁵ 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.

Finally, Orange has tools described below that enable it to assess and audit its suppliers on their CSR policy and in particular on their respect for human rights, which includes the prohibition of modern slavery and human trafficking.

2. Identification of risks related to slavery and human trafficking in the supply chain and business activities

Impact studies

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

In this context, Orange has asked Verisk Maplecroft, a specialist external firm using a methodology based on the UN and OECD standards, to carry out a customized assessment of the risks incurred in terms of compliance with human rights in each country where Orange operates.

This method allows the company to better assess and subsequently target its actions, since the assessment includes, in particular, the monitoring of five indices: discrimination at work, freedom of expression, freedom of conscience, minority rights, and women's rights.

In 2019, these vulnerable points were, for example, particularly observed in the Democratic Republic of the Congo, the Central African Republic, Guinea, Egypt, Cameroon, Madagascar and Mali.

⁵ The responsible purchasing policy is available online:
<https://www.orange.com/fr/content/download/31869/949513/version/2/file/Politique%20Achats%20responsables%20VF.pdf>

The vigilance plan

Any potential or actual violations of human rights and fundamental freedoms that Orange may have caused are then taken into account as part of its **vigilance Plan, which it updates annually**, in accordance with the law on the duty of vigilance.

Each year, a risk map of the Orange Group is drawn up based on the Group's risk management method, which includes risks relating to the duty of vigilance in the areas covered by the law, namely: human rights and fundamental freedoms, the health, safety and security of people and the environment.

Four clusters (risk groups) have therefore been established. These clusters are updated every year and incorporated into the Company's overall risk map.

For each of these clusters Orange defines the various risks, their consequences (impact) and causes (probability) should they arise, and the main hedging mechanisms and action plans. For each of these clusters Orange defines the various risks, their consequences (impact) and causes (probability) should they arise, and the main hedging mechanisms and action plans.

Among these new clusters, there is one relating to potential breaches of human rights and fundamental freedoms and which identifies, in particular, the following risks:

- Modern slavery or trafficking in human beings within the framework of a known established contractual relationship
- Non-decent working conditions among suppliers and subcontractors: remuneration not permitting an adequate standard of living, right to rest, etc.
- Infringement of the right of the child to a harmonious education and development: prohibition of child labour, protection against content unsuitable for a young audience
- Infringement of the freedom of association and right to collective bargaining on working conditions
- Any act of discrimination: recruitment, work, salary, diversity, unfair procedures
- Breach of the freedom of expression (in civil society)
- violation of privacy

3. Measures taken to mitigate risks and prevent serious breaches to human rights

Actions towards suppliers

Orange thus requires that its partners, suppliers and their sub-contractors respect all national, European and international rules with respect to ethical and responsible behavior. This includes, without limitation, standards relating to human rights, respect for the environment, sustainable development, occupational health and safety conditions for the employees, corruption and child protection and the fight against modern slavery and trafficking in human beings.

Orange promotes these standards to all its suppliers when purchasing and **selects them through a structured seven-step process**. This process includes an assessment of suppliers at the time of their referencing, but also throughout the contractual relationship, using several tools.

First of all, this assessment is done on a documentary basis thanks to the use of a recognized expert partner who offers a self-assessment tool according to the ISO 26000 standard for supplier commitment to CSR. The result of the assessment allows prioritizing actions towards the most vulnerable suppliers from a CSR point of view.

Then, suppliers are evaluated through on-site audits carried out by an expert partner company, either as part of the JAC or solely on behalf of Orange in collaboration with its subsidiaries. Orange deploys a coordinated program of CSR on-site audits based on verification, assessment and development of a common methodology. Audits make it possible to assess the state of suppliers' compliance with social and environmental standards (SA 8000, ISO 14001) and to establish corrective action plans, where necessary.

In addition, in January 2019, Orange defined a new supplier assessment program focused on local suppliers, which is gradually being integrated by the subsidiaries. Its main objective is to increase the visibility of suppliers' CSR performance in order to better mitigate risks and support those who need to strengthen their efforts towards sustainability.

This new initiative involves the assessment of local suppliers belonging to the high-risk category, with a significant annual order value. In order to guarantee the independence and quality of the CSR analysis, supplier assessments were entrusted to a partner recognized in this field, whose methodology is based on international CSR standards and guidelines such as UNGC, ISO26000, ILO or GRI.

In 2019, nine entities participated in this program, including Orange France, Orange Spain, Orange Slovakia, Orange Moldova, Orange Jordan, Orange Egypt, Orange Cameroon, Orange Madagascar and Orange Bank. All these entities started assessments of local, high CSR risk suppliers. In that year, 84 assessments were carried out among existing suppliers of Orange, apart from the 39 assessments that are underway. Among the suppliers already assessed, 31 (i.e. 37%) were identified as requiring an improvement in CSR performance. For these suppliers, the subsidiaries of Orange systematically request corrective action plans, and monitor them until these are completed.

Then, Orange promotes its CSR standards through a contractual commitment by suppliers in the form of a supplier code of conduct. 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, the Code of Conduct specifies the social and societal commitments required by the Group relating to fundamental human rights: respect for the basic ILO conventions on trafficking in human beings, child labour, freedom of association, the fight against discrimination and working conditions (working hours, remuneration, and disciplinary practices).

In addition, in 2018, the CSR clause was overhauled and since then this clause, available in English and French versions, has been included in all of the Group's framework purchasing contracts as well as in contracts for exclusively local purchasing use. To this end, training has been developed and is described below ("Training for buyers").

In addition, a project is underway to propose a CSR clause slightly different from the one in the purchasing contracts to be integrated in all other Orange contracts (partnership contracts, distributors, operators, customers...).

Whether the CSR clause is inserted in purchasing contracts or in other contracts, it is expressly stated that each Party undertakes in particular to, and requires its co-contractors, subcontractors and any legal person under its control to (i) refrain from the use of modern slavery, child labour and trafficking in human beings and (ii) to combat all forms of discrimination.

Audit conducted by the JAC

Orange's commitment to the fight against modern slavery is also embodied in the promotion of these principles within its sphere of influence, with its suppliers and subcontractors, thanks to the actions of the **JAC**.

The Joint Audit Cooperation (**JAC**) is an organization that was created in January 2010 at the initiative of Orange, Deutsche Telekom and Telecom Italia and currently brings together 17 telecommunications operators worldwide.

The JAC's member operators pool their resources in order to promote CSR principles to suppliers in the sector, based on a shared reference framework which includes Guidelines and a shared

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

The purpose of the JAC Guidelines is to make it easier for suppliers to meet the shared CSR expectations, and to provide support for their implementation throughout the audit and monitoring process. The JAC's questionnaires include 146 items, divided into four areas (social (49), health and safety (49), ethics (29) and environment (19)).

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 2019, the JAC has conducted a total of 639 audits in 37 countries (116 in 2018 and 124 in 2019), improving the working conditions of around 1 326 416 employees. 97% of the factories audited took place in countries at risk. 97% of the factories audited took place in countries at risk.

JAC members detected 3,975 cases of non-compliance with CSR standards and closed 3 491 cases with corrective action plan covering:

- Safety at work (43%),
- The absence of a CSR policy (14%),
- Excessive working hours (13%),
- Lack of environmental measures (12%)

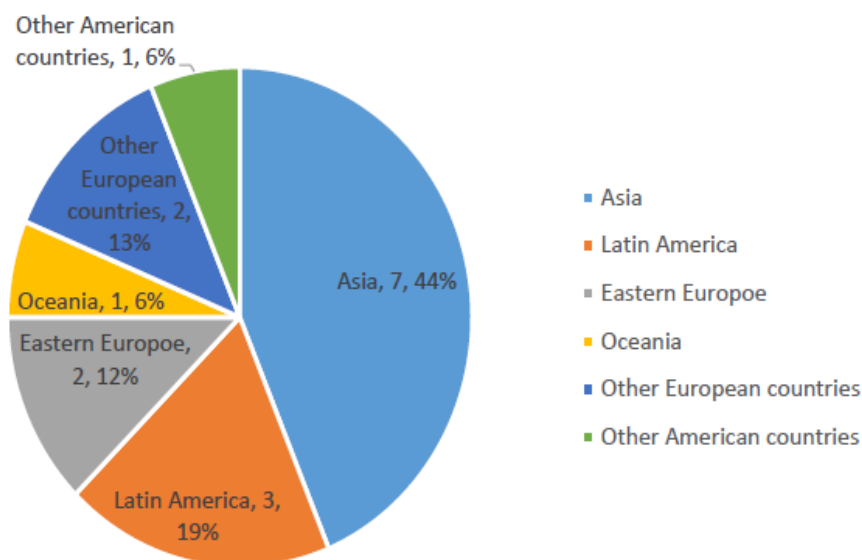
and also the resolution of other less recurring non-compliances:

- Discriminations (6%),
- Non-compliant wages (5%),
- Lack of measures for youth work (3%),
- Absence of an employment contract for employees (2%),
- Lack of freedom of association (1%), non-compliant disciplinary measures (1%)

In 2019, JAC conducted 124 audits, including 71 on-site audits directly by the JAC, 20 by suppliers under the JAC Academy, 13 according to the VAP & FLA standard (Validated Assessment Program, Fair Labor Association) and 20 studies with workers, specifically on their working conditions. Audits of Tier-4 suppliers were conducted.

The JAC's on-site audits resulted in 567 corrective action plans, of which 43% addressed occupational health and safety requirements, 31% other working conditions, 10% business ethics and 16% the environment – affecting about 304,700 employees. 2019 closed 825 action plans relating to the current year or previous years.

List of regions where on-site audits were conducted in 2019



- NB: Audits were conducted in 7 countries in Asia, 3 countries in Latin America, 2 countries in Eastern Europe, 1 country in Oceania, 2 countries in Europe and 1 country in the United States. This is the first time that the JAC has conducted audits in Oceania.

In 2020 the JAC plans to work with institutions such as the ITU (International Telecommunication Union), the BSR, the CDP (Carbon Disclosure Project), the RMI and the GSMA to adopt standards related to other CSR priorities, including:

- climat change,
- the circular economy,
- The traceability of minerals from supply sources which comply with human rights and environmental regulations.

Lastly, the JAC plans to welcome new telecommunications operators so that it can expand its geographical coverage (in Asia, South America and Africa), thus indicating the global nature of its commitment.

4. Whistleblowing and reporting system

A Group whistleblowing system has been set up and covers offences relating in particular to corruption, the environment, human rights and fundamental freedoms and health and safety. It is now open both for internal reports and reports from outside the Orange Group, via the e-mail address: deontologie.alerte@orange.com.

The whistleblowing system aims to encourage everyone, including employees, to report any personal knowledge of conduct or circumstances which contravene Orange's anti-corruption policy, its policies and procedures on accounting, internal control or auditing, or which constitute a serious breach of human rights and fundamental freedoms, personal health and safety or the environment.

In future years, the system plans to make improvements by adding new services, including a secure whistleblowing report collection and processing platform from 2020. A consultation is set to be launched at the beginning of 2020 to select a platform.

5. Awareness, training and sharing of best practices

Employees

Backed by its membership of EDH (Entreprises pour les droits de l'homme) association, Orange has been deploying an e-learning training since 2016, which is available on the intranet in both English and French, enables employees to identify human rights-related issues in their day-to-day activities as well as the most high-risk areas and activities, and to develop good instincts.

More specific face-to-face training is also provided to employees directly concerned by these issues. Since 2018, representatives of the CSR department have been visiting subsidiaries to raise awareness of these and other issues.

In 2020, Orange will roll out a CSR visa for all Group employees. The visa raises awareness of CSR principles and the themes of the Engage 2025 Strategy, specifically digital inclusion and the environment. These themes tie in with human rights, environmental and sustainable development risks.

In addition, Orange has demonstrated a proactive policy, which is also reflected in the implementation of **training for buyers on the CSR clause** in 27 countries by the Group Procurement Department. The training is based on a largely practical format which provides procurement managers and buyers with the necessary skills to easily negotiate CSR clauses with co-contracting parties.

The procurement network of the Orange Group and BuyIn (a joint company founded by Orange and Deutsche Telekom in 2011 to group their strategic purchases) also has **training in the supplier code of conduct**.

JAC Academy

The **JAC Academy** was launched in 2018 as part of a drive towards continuous improvement and the applying equivalent CSR standards to supply chains.

The Academy enables the JAC's methodology to be cascaded down to suppliers. Its purpose is to raise suppliers' awareness and to train them on the JAC's audit methodology as described above. Once trained, suppliers must carry out their own production site audits and feed the results back to the JAC. Suppliers establish indicators to measure the CSR performance of their production sites.

The indicators and audit reports which the JAC receives are analyzed to identify the main issues which arose, and best practices are shared at the quarterly thematic JAC seminars. This process encourages suppliers to work together on the continuous improvement of CSR policies and approaches.

In 2018, five major suppliers trialed this method thanks to this (JAC CSR) approach, five expert suppliers now have accreditation to carry out JAC audits, 45 audits (25 during 2018 and 20 during 2019) have been completed, and seminars have been held to discuss best practices for preventing occupational accidents.

578 cases of non-compliance **with CSR standards were detected and 331 were closed** with corrective action plan covering:

- safety problems at work (58%),
- a lack of environmental measures (13%),
- excessive working hours (13%),
- the absence of a CSR policy (8%),
- non-compliant salaries (4%)

and also the resolution of other less recurring non-compliances:

- Non-compliant disciplinary measures (2%),
- lack of measure for youth work,
- Lack of freedom of association (1%),

In 2020, the JAC Academy will continue to build its JAC CSR management capacity in factories, based on a training program for ten new experts from five suppliers, and 25 new internal JAC audits are scheduled to provide a detailed verification of JAC CSR conditions on the production line.

For a number of years, the JAC has held an **annual forum in China**, which is attended by industry stakeholders (suppliers and subcontractors), NGOs (IPE, ICO, and Ellen MacArthur Foundation), academic and international institutions (ILO, Global Compact, and CDP), representatives of government departments, audit firms and other telecoms operators.

The 2018 JAC annual Forum addressed two areas: Long-term compliance with CSR standards, and the sustainable implementation of these basic rules throughout the production line.

This statement is issued pursuant to section 54 (1) of the Modern Slavery Act and has been approved by the Board of Directors of Orange SA on February 12, 2020. It is written in English and French.



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