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Orange S.A

**Report by one of the Statutory Auditors, appointed as independent
third party, on the Statement of Non Financial Performance**

For the year ended December 31, 2019
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This report contains 9 pages

KPMG S.A.,
French company member of the KPMG network
made up of independent firms that are members of
KPMG International Cooperative, an entity under Swiss law.

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This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2019

To the shareholders,

In our capacity as Statutory Auditor of your company (hereinafter the “entity”) appointed as independent third party, and accredited by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049¹, we hereby report to you on the consolidated Statement of Non Financial Performance for the year ended December 31, 2019 (hereinafter the “Statement”), included in the Group Management Report pursuant to the requirements of articles L.225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

The Management Board's is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the “Guidelines”), the main elements of which are presented in the Statement and available upon request at the Company's headquarters.

¹ Accreditation scope available at www.cofrac.fr

Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the Statutory Auditor

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the “Information”).

Our responsibility is also to provide a report expressing, at the request of the entity and outside of the scope of accreditation, a reasonable assurance conclusion that information selected by the entity, presented in Appendix 1 and identified with the symbol √ in chapter “Statement of Non-Financial Performance” has been prepared, in all material respects, in accordance with the Guidelines.

However, it is not our responsibility to comment on the entity’s compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) applicable to such engagements and with ISAE 3000²:

- We obtained an understanding of all consolidated entities’ activities, and the description of the principal risks associated;

² ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information

- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks and includes, where applicable, an explanation for the absence of the information required under article L.225-102-1 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. For all risks, our work was carried out at the level of the consolidating entity.
- We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing

entities³ and covers between 65% and 98% of the consolidated data selected for these tests;

- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of twelve people between October 2019 and February 2020 and took a total of thirty weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around fifty interviews with the individuals responsible for preparing the Statement from Risk Management, Compliance, Human Resources, Health and Safety, Environment and Purchasing departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments⁴

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we draw your attention to the following matters:

³ Orange France, Orange Marine (France), Orange Polska (Poland), Orange Sénégal (Senegal), Orange Jordan, Orange Slovensko (Slovakia), Orange Romania, Orange Belgique (Belgium), Orange Spain, Orange Business Services (OBS), Orange Egypt, OBS Egypt.

⁴ As stipulated under article A. 225-3-III, the independent third party may opt to draw the reader's attention to matters concerning procedures used or to information relayed by the entity (without actually dispensing the information) to make the report more reliable in light of standard industry practices, and this would not result in an adverse or qualified opinion. This stipulation particularly concerns:

- material limitations to scope and comparability;
- limitations of processes implemented to meet regulatory compliance requirements (e.g. business model, main risks, policies, actions, outcomes and KPIs) and results obtained;
- reliability of outcomes and KPIs.

To be considered observations, comments must have a limited bearing on the key components of the Statement.

- Improvements still need to be made in the organization of the reporting of social and health and safety related information, specifically with regard to the reporting of data by the overseas entities;
- For the calculation of indicators relating to training, the Group has extended the scope of reporting, which now covers 65% of the Group's consolidated workforce (compared to 54% in 2018), thanks to actions taken to improve the reliability of the information;
- For waste indicators, despite the continuation of the process of identifying and collecting information on some local waste management providers that are still immature, the data completeness from OMEA and Belgium subsidiaries can still be improved. It should be noted that Orange France contributes to approximately 91% of the waste tonnage reported.

Reasonable assurance report on a selection of non-financial information

Nature and scope of our work

With regard to the information selected by the entity presented in Appendix 1 and identified with the symbol √ in chapter "Statement of Non-Financial Performance", we conducted the same procedures as those described in the paragraph "Nature and scope of our work" (for the most important non-financial information). However, these procedures were more in-depth, particularly regarding the number of tests.

Consequently, the selected sample represents between 65% and 74% of the information identified with the symbol √.

We believe that these procedures enable us to express reasonable assurance regarding the information selected by the entity and identified with the symbol √.

Conclusion

In our opinion, the information selected by the entity and identified with the symbol √ in chapter "Statement of Non-Financial Performance" has been prepared, in all material respects, in accordance with the Guidelines.

Paris-La Défense, on February 21st 2020

KPMG S.A.

Anne Garans
Partner
Sustainability Services

Marie Guillemot
Partner

Appendix 1

Qualitative information (actions and results) considered most important

Social policies in favour of talent retention

Quality of life at work and prevention of employees health and safety risks

Measures taken to promote diversity and equal opportunities

Measures taken to reduce greenhouse gas (GHG) emissions

Environmental footprint reduction policies

Internal systems to fight corruption and tax evasion

Measures taken in favor of human rights

Personal data management policies

Key performance indicators and other quantitative results considered most important

Social key performance indicators and outcomes	Level of assurance
Number of employees – Active employees at the end of the period, by contract type, gender, age and geographical region	Reasonable
% of women in the active workforce	Reasonable
% of women in supervisory staff	Reasonable
% of women in the leaders' network	Reasonable
Number of permanent external recruitments	Reasonable
Number of definitive departures of permanent contracts	Reasonable
Number of permanent employee resignations	Reasonable
Number of permanent employee dismissals	Reasonable

Number of employee days of absence due to illness	Limited
Number of employee days of absence due to occupational accidents	Limited
Number of occupational accidents with lost time	Limited
Number of fatal occupational accidents	Limited
Frequency rate of occupational accidents	Limited
Severity rate of occupational accidents	Limited
Number of employees whose cases were classed as occupational illness	Limited
Number of training hours per employee	Limited

Environment key performance indicators and outcomes	Level of assurance
Proportion of the ISO 14001 certified scope	Reasonable
Total scope 1 energy	Reasonable
Total electricity consumption	Reasonable
Total CO2 emissions (Scopes 1, 2 and 3) by customer usage	Reasonable
Mobile phones collection rate	Reasonable
Total internal evacuated waste	Limited
Rate of recovered internal waste	Limited